

*Commissioners:*

J. Winston Krause,  
*Chairman*

Carmen Arrieta-Candelaria

Peggy A. Heeg

Doug Lowe

Robert Rivera



# TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

Alfonso D. Royal III, *Charitable Bingo Operations Director*

## Supplemental Letter for FY 2015 Annual HUB Report for Agency Number 362

The Texas Lottery Commission is committed to including Historically Underutilized Businesses (HUBs) in its procurements by providing substantial opportunities for both direct contracting and subcontracting. The agency promotes HUB inclusion by actively recruiting HUB vendors and encouraging contractors to extend subcontracting opportunities to HUBs. The Texas Lottery's "good faith efforts" to ensure continued HUB participation during FY 2015 included the following:

- Estimating total value of contract awards and establishing agency HUB goals for FY 2015;
- Reviewing contract solicitations with an expected value of \$100,000 or more to determine the probability of HUB subcontracting, prior to releasing solicitation documents;
- Conducting pre-bid and pre-proposal conferences to educate bidders/proposers about the agency's HUB policy and HUB Subcontracting Plan (HSP) requirements;
- Assisting bidders/proposers with the HSP process by offering one-on-one workshops and review of draft HSPs;
- Participating in the HUB Discussion Workgroup with other state agency HUB Coordinators to share information and provide proactive feedback to the Comptroller of Public Accounts (CPA);
- Overseeing two Mentor Protégé relationships in accordance with 34 TAC 20.28;
- Participating in economic opportunity forums and HUB-related outreach events throughout the state to provide bid opportunities and information about the agency's procurements;
- Attending a veteran-focused outreach event in Killeen, Texas to reach out to potential new HUBs;
- Hosting a successful annual agency HUB forum, to provide an opportunity for HUBs to meet and network with key agency staff and contractors;
- Assisting eligible vendors with HUB certification through the CPA; and
- Providing updates to Texas Lottery Commissioners and Executive Management regarding the agency's HUB/minority participation.

The Texas Lottery would like to highlight additional expenditures made, but not captured by the Statewide HUB Report. During this reporting period, the agency was unable to include approximately **\$1,721** in subcontracting payments and **\$1,550** in direct payments made to minority- and women-owned businesses that were not currently HUB certified. The agency also paid certified HUBs approximately **\$7,818** for goods and services using several object codes which are not included in the statewide report. Finally, one of the Texas Lottery's major HUB contractors graduated from the program just prior to FY 2015, which resulted in a reduction of approximately **\$21.6 million** in HUB credit during this reporting period. HUB subcontracting dollars associated with this contract are now being captured in this report.

The Texas Lottery Commission supports the State of Texas HUB Program and will continue to work to increase HUB participation. Should you have any questions regarding the agency's good faith efforts, please contact our HUB Coordinator, Ms. Joyce Bertolacini, at (512) 344-5293.

  
f c 7 Gary Grief, Executive Director