

CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Hire Houston First
Progress Report
July 1, 2014 – December 31, 2014



Mayor
Annis D. Parker

Director
Carlecia D. Wright





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Hire Houston First Program Overview

Mayor Annise Parker developed Hire Houston First (HHF) in an effort to promote economic opportunity for Houston area businesses and to support local job creation. The City of Houston spends billions of dollars to maintain and improve the City’s infrastructure, and provide services for the public. Hire Houston First grants the City the ability to give preference to local companies and local workers, as long as their pricing is competitive.

It is the policy of the City of Houston as defined in the Hire Houston First Ordinance, Chapter 15, Article XI, to use the City’s spending powers in a manner that promotes fiscal responsibility and maximizes the effectiveness of local tax dollars by ensuring that City spending provides expanded business opportunities for home grown businesses.

To be certified for participation in HHF, businesses must meet at least one of two requirements:

- Be headquartered in the incorporated limits of the City or the 10 local counties; **OR**
- Have 20% or more of the entity's workforce regularly based and have a substantial part of its operations based in the incorporated limits of the City or the 10 local counties: Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, Waller, Austin and San Jacinto.

Chapter 15, Article XI, permits the City to award to City and local businesses under the following criteria:

Personal Property (Goods)	Services**
If the contract value is \$100,000 or greater, then the contract is awarded to a City Business that is within 3% of lowest bid.	If the contract value is \$100,000 or greater, then the contract is awarded to a Local Business that is within 3% of lowest bid.
If the contract value is under \$100,000*, then the contract is awarded to a City Business that is within 5% of the lowest bid.	If the contract value is under \$100,000*, then the contract is awarded to a Local Business that is within 5% of the lowest bid.

*For Purchases under \$50,000.00: "the city shall, subject to the requirements of section 15-181, select vendors and services providers with a principal place of business in the local area, provided that any such vendor's bid is no more than five percent greater than the lowest bid, in the event the lowest bid is from one other than a city business or a local business. "

**In procuring architectural, engineering or land surveying services under the Professional Services Procurement Act, Tex. Gov't Code 2254.004, the applicable City department shall, when appropriate, consider knowledge of local conditions as part of the qualifications determination.



City and Local Business Criteria

A. **City Business** means a business with a principal place of business within city limits.

B. **Local Area** means Houston-Sugar Land-Baytown metropolitan statistical area, as defined by the Office of Management and Budget within the Executive Office of the President of the United States and includes the ten counties in and surrounding City limits: Harris, Fort Bend, Montgomery, Brazoria, Galveston, Chambers, Waller, Liberty, Austin and San Jacinto.



C. **Local Business** means a business with a principal place of business in the local area.

D. **Principal place of business** means the business must be headquartered or have an established place or places of business in the incorporated limits of the city or the local area as applicable, from which 20% or more of the entity's workforce are regularly based, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed as a principal place of business.

E. **Headquartered** means the location where an entity's leadership directs, controls, and coordinates the entity's activities.

Hire Houston First Application Process

Businesses interested in becoming eligible to participate in the Hire Houston First program must complete the Hire Houston First Application and Affidavit. Only businesses that meet the requirements of the Ordinance are eligible to be designated as a Hire Houston First company. The application takes about 20 minutes to complete and processing is completed at no charge.

To learn more, contact the Houston Business Solutions Center (HBSC) at 832-393-0954 for details and information. You may also visit their website at <http://www.houstontx.gov/hbsc/>





Total Amount Awarded*

The Hire Houston First (HHF) program was initiated on October 1, 2011. Year to date, in fiscal year 2015, the City awarded \$105,051,408 to registered Hire Houston First firms from a total value of \$448,264,801 HHF eligible contracts and purchase orders awarded between July 2014 and December 2014. Therefore, participation of HHF firms for City contracts was at 23.7% , while participation in Purchase Orders was at 15.4%, giving a combined participation of 23.4%.

Fiscal Year 2015 (YTD)	HHF Contracts and POs	Total	%
All Contracts	\$103,036,824	\$ 435,214,634	23.7%
Purchase Orders	\$2,014,584	\$ 13,050,167	15.4%
Total	\$105,051,408	\$ 448,264,801	23.4%

* According to Texas Government Code, Chapter 2254.004, architectural, engineering, and land surveying professional services contracts must be chosen on "demonstrated competence and qualifications to perform the services; and for a fair and reasonable price".

Utilization of HHF Firms

Number of HHF companies utilized	174
Number of total designated companies	1,587
Utilization	11.0%

There were 1,587 designated HHF companies as of December 31, 2014. From this amount a total of 174 HHF companies received either a contract or purchase order during Fiscal Year 2015 (YTD).

A total of 64 contracts was awarded to 51 contractors who had never won a contract before receiving their HHF designation.

Total job supported

Local Business Employees	1,859
City Business/Local Business Employees	4,856
Total	6,715

The 174 HHF companies that won city contracts during FY2015 (YTD) employ 6,715 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2014

HHF Contracts and POs	Total
Number of Prime Contracts	61
Number of Purchase Orders	428
Total	489

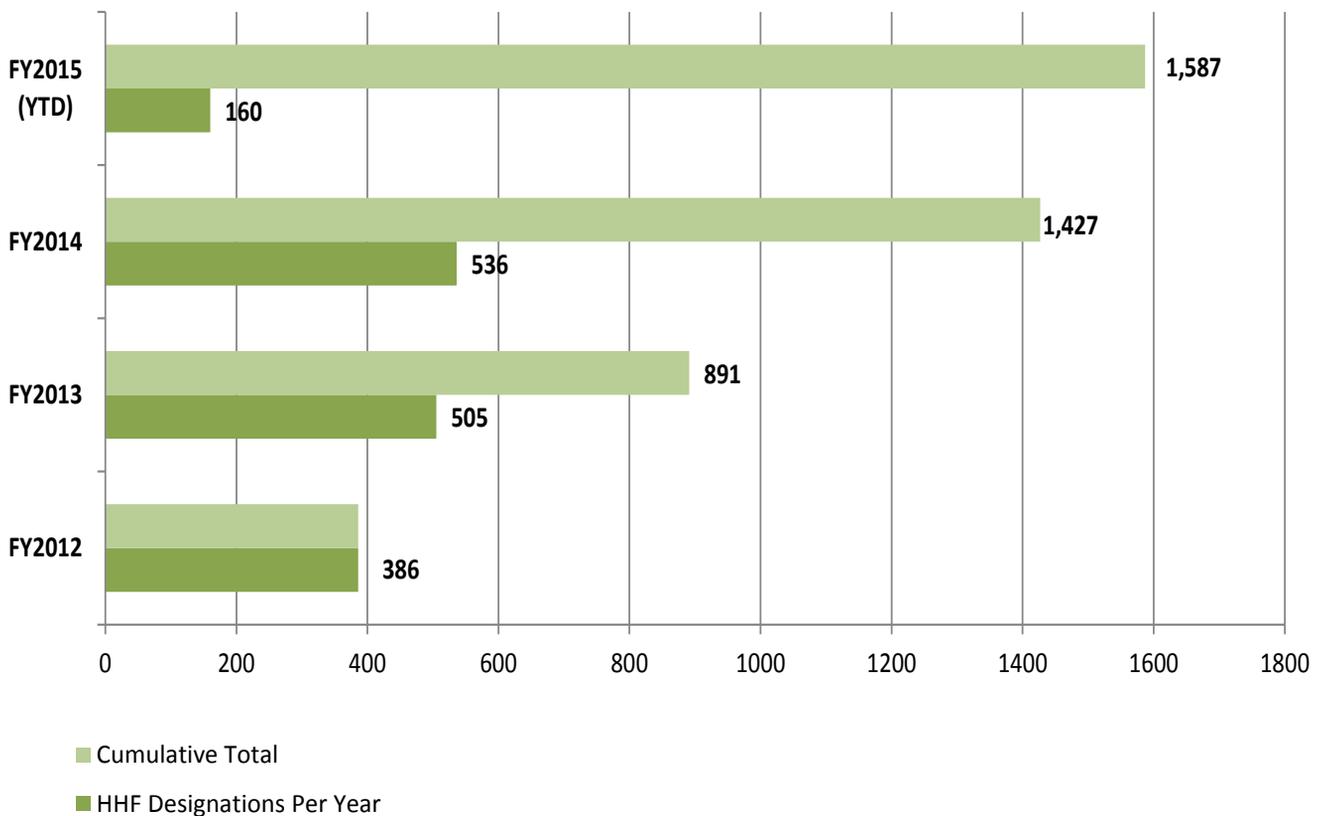
In FY2015 (YTD), there were a total of 61 contracts awarded and 428 Purchase Orders issued to HHF companies.





HHF Approved Applications

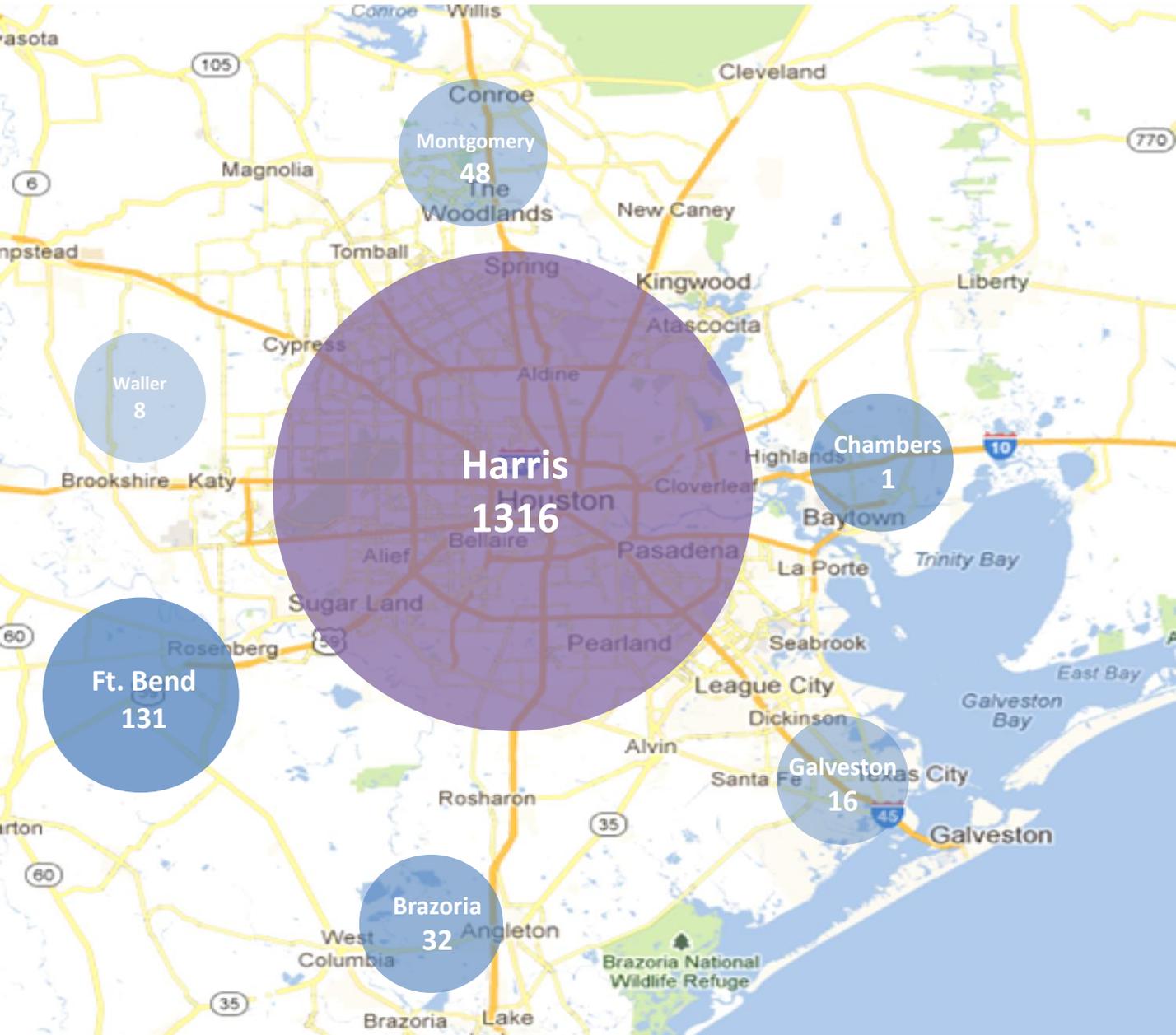
Year to date in fiscal year 2015, OBO's Houston Business Solutions Center had approved 1,587 companies as City Business or Local Business firms.





Total Number of Approved Applications by County*

Figure 1



* There are a total of 1,587 active HHF firms as of December 2014. From that amount, 1,552 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 35 approved HHF companies are headquartered outside the 10 counties. Per HHF ordinance, HHF companies are also approved if they have an established place(s) of businesses in the incorporated limits of the city or the local area from which 20% or more of their employees are located, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted.



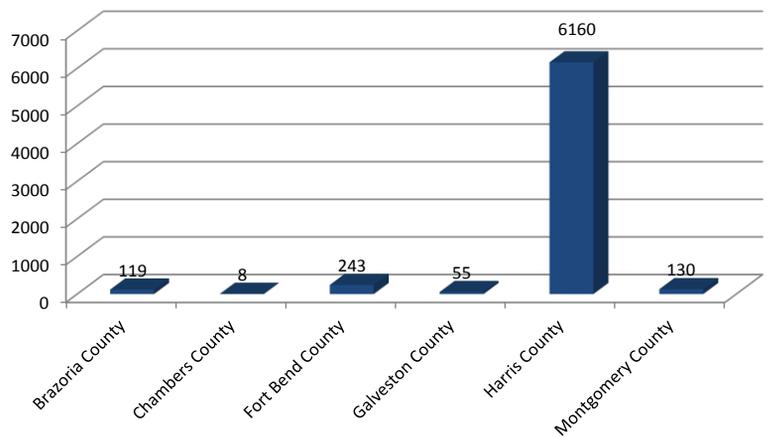


Local Jobs Supported

Approximately \$105 million in City of Houston contracts awarded to HHF designated companies helped sustain 6,715 jobs during the fiscal year of 2015 year to date. More than 90% of the jobs were for companies in Harris County.

County	Number of employees
Brazoria County	119
Chambers County	8
Fort Bend County	243
Galveston County	55
Harris County	6160
Montgomery County	130
Total	6715

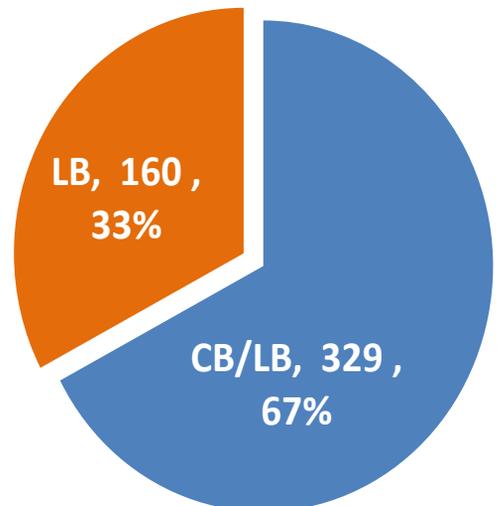
Number of employees by County



City Business/Local Business Contracts and POs

Designation Type	FY2015 (YTD)	%
CB/LB	329	67%
LB	160	33%
Grand Total	489	100%

There were a total of 329 contracts awarded to HHF primes and non-contract POs utilizing HHF vendors with CB/LB designation. There were a total of 160 contracts and non-contract POs awarded to HHF primes and vendors with a LB designation.

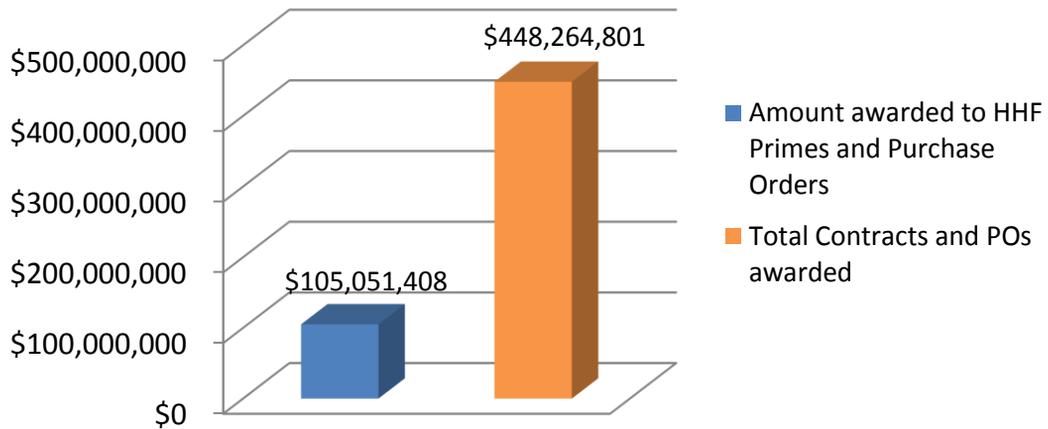




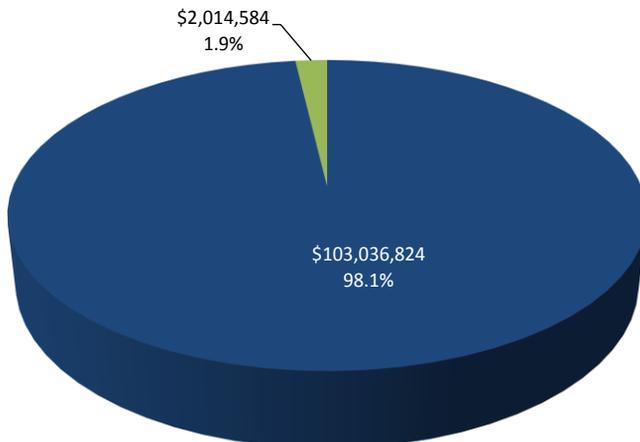
Dollars Awarded to HHF Companies

Year to date in FY2015, a total of \$448,264,801 worth of eligible contracts and purchase orders was awarded. From this amount 23.4% or \$105,051,408 was awarded to HHF firms.

All Contracts and Purchase Orders



HHF Contracts and Purchase Orders Detail



As demonstrated by the pie chart, contracts awarded to Hire Houston First Primes totaled \$103,036,824, accounting for 98.1% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$2,014,584, accounting for 1.9% of the entire total of \$105,051,408.

■ Contracts Awarded to HHF Primes ■ Non-Contract Purchase Orders to HHF Vendors





Contracts Awarded by Department

Overall, City of Houston departments awarded contracts and purchase orders worth \$105,051,408 to HHF firms in FY2015 (YTD).

Dept	FY2015 (YTD) Total	Preference Contracts
ARA	\$2,072,000	
DON	\$515,925	
FIN	\$3,294	
FMD	\$623,008	
GSD	\$16,159,255	
HAS	\$1,940,587	
HCDD	\$14,671	
HFD	\$50,709	
HHS	\$136,836	
HPD	\$78,555	
HPL	\$26,458	
HR	\$533,171	
LGL	\$17,758	
MCD	\$14,858	
MYR	\$66,000	
PD	\$1,243	
HPARD	\$85,512	
PWE	\$80,501,489	\$6,899,315
SPD	\$2,157,096	
SWMD	\$52,984	
Grand Total	\$105,051,408	\$6,899,315

The Public Works & Engineering Department awarded one contract** to a vendor specifically due to their Hire Houston First designation in FY2015(YTD). This bid was not the lowest, but was within 3% - 5% of the lowest bid. The first bidder was not issued a contract because the vendor did not have a HHF designation. The contract was issued to HHF vendor CANN Construction as detailed below.

**Details of the contract specifically awarded to HHF designated vendor is as follows:

Dept	Vendor	Contract Title	Amount Awarded
PWE	CAAN Construction Services, Inc.	Willow Waterhole Drainage and Paving. WBS M-001013-0001-4, S-000500-0143-4 and R-000500-0143-4	\$ 6,899,315

Note: 1. The program does not apply to any contract in which the federal government participates in the form of a grant or loan, or the city acts as a conduit for federal money. (Code of Ordinances, Sec. 15-181.)
2. In accordance with Local Government Code § 271.9051, this program does not apply to the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. Section 153.





Highest Dollar Amount Awarded to HHF Primes in FY2015 (YTD)

HHF Company	No. of Contracts	Amount Awarded in FY2015 (YTD)
Industrial TX Corporation	3	\$ 15,367,998
Pepper-Lawson Waterworks, LLC	2	\$ 14,927,140
BL Technology, Inc.	1	\$ 13,988,617
Times Construction, Inc.	3	\$ 7,731,072
CAAN Construction Services, Inc.	1	\$ 6,899,315
Saber Power Services, LLC	1	\$ 6,708,146
Main Lane Industries, Ltd.	1	\$ 5,282,226
Reytec Construction Resources, Inc.	2	\$ 5,078,348
THR Enterprises, Inc.	1	\$ 4,294,191
City Supply Company	1	\$ 3,076,993
PM Construction	1	\$ 2,607,206
Cumulus Fields Inc.	1	\$ 2,030,000
LEM Construction Company, Inc.	1	\$ 1,942,251
Grava, LLC	1	\$ 1,800,000
P^2MG, LLC	1	\$ 1,606,700
Alsay Incorporated	1	\$ 1,376,000
Chastang Enterprises, Inc.	1	\$ 1,113,016
Houston Arts Alliance	1	\$ 1,056,000
Baseline Paving & Constr. Inc.	10	\$ 770,842
Always In Season Decorating Services, Inc.	1	\$ 610,152
Doggett Heavy Machinery Services, LLC	1	\$ 572,146
AIA General Contractors, Inc.	2	\$ 516,570
MasterWord Services, Inc.	1	\$ 512,500
Pro Alliance	1	\$ 470,894
CleanServe, Inc.	2	\$ 450,000
Hahn Equipment Company. Inc.	1	\$ 400,000
Attentus Medical Sales, Inc.	1	\$ 347,926
Inland Environments, Ltd.	1	\$ 240,000
Environmental Sorbents, LLC	1	\$ 225,260
John A. Walker Roofing Co., Inc.	2	\$ 221,624
A-1 Personnel of Houston, Inc.	2	\$ 150,000
Globe Electric Supply Company., Inc.	1	\$ 101,820
Lane Staffing, Inc.	1	\$ 75,000
Executeam Staffing, L.P.	1	\$ 75,000
Mshana Group LLC	1	\$ 75,000
Topp Knotch Personnel Inc.	1	\$ 75,000
At Work Staffing, Inc.	1	\$ 75,000
JERDON ENTERPRISE, L.P.	1	\$ 70,000
Othon, Inc.	1	\$ 40,000
Sowells Construction Management & Inspection, L.P.	1	\$ 40,000
SKA CONSULTING, L.P.	1	\$ 36,872
Bartlett Cocke, L.P.	1	\$ -





Highest Number of HHF Prime Contracts Awarded in FY2015 (YTD)

HHF Company	Total
Baseline Paving & Constr. Inc.	10
Times Construction, Inc.	3
Industrial TX Corporation	3
CleanServe, Inc.	2
John A. Walker Roofing Co., Inc.	2
Pepper-Lawson Waterworks, LLC	2
A-1 Personnel of Houston, Inc.	2
Reytec Construction Resources, Inc.	2
AIA General Contractors, Inc.	2
BL Technology, Inc.	1
CAAN Construction Services, Inc.	1
Saber Power Services, LLC	1
Main Lane Industries, Ltd.	1
THR Enterprises, Inc.	1
City Supply Company	1
PM Construction	1
Cumulus Fields Inc.	1
LEM Construction Company, Inc.	1
Grava, LLC	1
P^2MG, LLC	1
Alsay Incorporated	1
Chastang Enterprises, Inc.	1
Houston Arts Alliance	1
Always In Season Decorating Services, Inc.	1
Doggett Heavy Machinery Services, LLC	1
MasterWord Services, Inc.	1
Pro Alliance	1
Hahn Equipment Company. Inc.	1
Attentus Medical Sales, Inc.	1
Inland Environments, Ltd.	1
Environmental Sorbents, LLC	1
Globe Electric Supply Company., Inc.	1
Topp Knotch Personnel Inc.	1
Executeam Staffing, L.P.	1
At Work Staffing, Inc.	1
Lane Staffing, Inc.	1
Mshana Group LLC	1
JERDON ENTERPRISE, L.P.	1
Sowells Construction Management & Inspection, LLC	1
Othon, Inc.	1
SKA CONSULTING, L.P.	1
Bartlett Cocke, L.P.	1





Top 50 HHF Vendors with Purchase Orders in FY2015 (YTD)

Vendor	Total Purchases
Cpr Services And Supplies Inc	\$286,898
Bevco Company	\$105,025
Environmental Sorbents Llc	\$104,740
Globe Electric Company Inc	\$97,551
The Black Sheep Agency	\$91,000
Macaulay Controls	\$69,079
Industrial Tx Corp	\$65,223
City Supply Company	\$64,736
Rdi Mechanical Inc	\$55,553
Csf Consulting Lp	\$54,360
Brown Sterling Builders, Inc.	\$50,054
Elp Enterprises Inc	\$46,193
Jdc Fluid Equipment	\$45,840
Karami Plumbing And Construction Su	\$45,124
Globe Office Products	\$44,426
Central Police Supply Inc	\$42,779
Medwaste Solutions Inc	\$35,865
Enterprise Commercial Paving Inc	\$33,976
Pepper-Lawson Waterworks Llc	\$31,093
Pro Alliance	\$30,130
Kfci Inc	\$27,730
Lorenzo Davis	\$26,537
Baylor Asset Management, Llc	\$24,073
Mek Interiors & Floors Inc	\$22,743
Baylor Asset Management Llc	\$22,500
Pumps Of Houston Inc	\$19,887
Southwest Mowers Service Center Inc	\$17,588
Bayside Printing Company	\$17,000
Preferred Technologies Inc	\$16,050
Lloyd Smitha And Associates Llc	\$15,000
The Editing Company	\$14,950
Cast Appraisal Service	\$13,875
Nextgen Parking Llc	\$13,620
3Mb Interior Plus Llc	\$13,470
Una Mae Dennison	\$13,038
Doggett Heavy Machinery Service LI	\$12,490
The Letco Group Llc	\$12,339
Srb Landscaping And Sprinkler	\$12,220
Houston Freightliner Inc	\$12,136
Williams Strategic Consulting Llc	\$12,000
Q Environmental Inc	\$11,768
Atlantic Petroleum & Mineral	\$11,517
Houston Precise Dental Care Pllc	\$11,300
Hahn Equip Company Inc	\$10,800
Aquascapes Irrigation	\$10,786
Metro Fire Apparatus Specialists	\$10,435
Bankole, Okoye & Associates Pc	\$9,280
Masterword Services Inc	\$9,225
J Tyler Services	\$9,200
Element Solutions International	\$8,776





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