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## DEPARTMENT OVERVIEW

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## I. OFFICE OF BUSINESS OPPORTUNITY OVERVIEW

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The Office of Business Opportunity (OBO), formerly known as the Affirmative Action and Contract Compliance Division, was renamed and reinvigorated in 2011 in order to realize Mayor Annise Parker's vision of cultivating a competitive business environment by promoting the growth of local companies, with special emphasis on historically underserved business enterprises.

To achieve this vision, OBO connects these businesses with educational and technical resources and creates policies that strengthen their successful participation in the government procurement process. In addition to its Administration, the OBO consists of three operational divisions and one departmental unit: Certification, Contract Compliance, External Affairs and Small Business Development, and the Department Services Unit.

OBO also provides business resources through its Solutions Center, which is part of the External Affairs Division. The Department also administers the City's Pay or Play Program.

### A. OBO MISSION STATEMENT

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The Office of Business Opportunity is committed to creating a competitive and diverse business environment in the City of Houston by promoting the growth and success of local small businesses, with special emphasis on historically underutilized groups by ensuring their meaningful participation in the government procurement process.

### B. EXECUTIVE AND ADMINISTRATIVE TEAMS

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OBO's Executive and Administration Teams provide leadership, management, strategic planning, and technical and administrative support to the department. The Executive Team also ensures compliance with policies set forth in the City's Code of Ordinances, Executive Orders, and Administrative Procedures.

### C. CERTIFICATION DIVISION

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#### 1. CERTIFICATION

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The Certification team administers the City's Certification Program as mandated by Chapter 15, Articles V and VI and the Federal Disadvantaged Business Enterprise (DBE) Certification Program, mandated by Section 49 of the Code of Federal Regulations, Parts 23 and 26.

##### A) TYPES OF CERTIFICATION

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**Small Business Enterprise (SBE)** certification is race and gender neutral, and applies only to eligible firms in the construction industry.

**Minority Business Enterprise (MBE)** certification applies to firms owned and operated by minorities.

**Women Business Enterprise (WBE)** certification applies to firms owned and operated by females.

**Persons with Disabilities Business Enterprise (PDBE)** certification applies to eligible firms owned and operated by disabled veterans or individuals with an existing medically determined physical or mental impairment of a chronic or permanent character.

**Disadvantaged Business Enterprise (DBE)** certification is a federal certification and applies to firms owned and operated by economically disadvantaged individuals.

**Airport Concessions Disadvantaged Business Enterprise (ACDBE)** certification is a federal certification and applies to firms owned and operated by economically disadvantaged individuals. Concessionaires provide goods and services to the traveling public at airports (i.e., retail, food and beverage, advertisement and marketing, vending and wifi services).

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## 2. HIRE HOUSTON FIRST PROGRAM

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OBO administers City Business and Local Business designations for the Hire Houston First Program.

Mayor Annise Parker developed Hire Houston First in an effort to promote economic opportunity for Houston businesses and to support 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 City spending provides business opportunity to city and local businesses as a measure to support the local economy.

## D. CONTRACT COMPLIANCE DIVISION

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The Contract Compliance Division is mandated by the City Code of Ordinances - Chapter 15, Articles II and V. The primary responsibilities of the Division include implementing, monitoring and enforcing the Prevailing Wage Rates, and MWSDBE and Equal Employment Opportunity (EEO) compliance on all City of Houston projects under the laws and regulations mandated by City, State and Federal Ordinances.

This Division develops the labor compliance language for all construction bids and contracts, and enforces the EEO and Prevailing Wage sections of these contracts through the audits of payrolls, other contractor documents and through on-site visits, which include interviews with construction workers. In addition, Contract Compliance Officers investigate affidavits from workers alleging wage under payments.

The Contract Compliance Division makes presentations at all pre-construction conferences and meetings to explain the compliance guidelines to contractors and answer questions regarding Prevailing Wage compliance and MWSDBE compliance. The Division collaborates with several City departments in the final evaluation of all City contracts.

## E. EXTERNAL AFFAIRS AND SMALL BUSINESS DEVELOPMENT DIVISION

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The objective of the External Affairs Division is to raise awareness of the City's MWSDBE Program and increase the number of eligible applicants seeking certification. The External Affairs team is responsible for developing a marketing strategy that includes the branding of the Office of Business Opportunity;

producing a quarterly newsletter featuring success stories, upcoming contracting opportunities and program updates. The External Affairs team also works with existing partners including community groups, trades associations, elected officials, chambers of commerce and membership organizations to develop initiatives and partnerships that fulfill the mission, objectives and goals of OBO.

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## 1. BUSINESS DEVELOPMENT

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### A) BUSINESS DEVELOPMENT MANAGER

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OBO collaborates with community partners to provide certified firms with services such as: business education resources, mentor protégé programs, and specialized business development services. The Business Development Manager is charged with improving the operational and financial readiness of our certified firms to help them succeed in securing goal-oriented and non-goal oriented contract opportunities.

### B) OBO SOLUTIONS CENTER

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The OBO Solutions Center functions as an information and resource clearinghouse for established and aspiring entrepreneurs wishing to start or operate a business in the Houston metropolitan area. Services include free information on relevant city, county, state, and federal regulations affecting the operation of Houston area businesses; information on permits and licenses; technical assistance; financing; the provision of business management counseling courtesy of SCORE; loan financing and loan packaging assistance courtesy of Lift Fund; and the creation of business workshops and programs on a number of business-related topics.

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## F. DEPARTMENT SERVICES UNIT

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The Department Services Unit promotes the growth and success of local, small and historically underutilized businesses by ensuring meaningful participation in the City's procurement process through the evaluation of MWBE participation plans, MWBE Goal Waiver and Reduced Goal requests, and Good Faith Efforts requests submitted with bids on applicable construction, professional services and purchasing contracts. Department Services provides assistance to City departments with goal setting and approves appropriate goals on goal-oriented and regulated City and federally funded contracts.

### G. PAY OR PLAY PROGRAM

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The OBO also administers the Pay or Play (POP) Program.

The POP Program was implemented on July 1, 2007 in an effort to promote a work environment that supports a quality workforce for employees working on City contracts. The POP Program is governed by Executive Order 1-7. It creates a level playing field and enhances fairness in the bid process between competing contractors that choose to offer health benefits to their workforce and those who do not. The program also recognizes and accounts for the fact that there is cost associated with health care of the uninsured citizens of the Houston and Harris County area.

It is the policy of the City of Houston to require certain contractors to either contribute a designated amount to be used to offset the costs of providing healthcare to uninsured people in the Houston/Harris County area (PAY), or to require certain contractors to provide to certain employees a minimum level of healthcare benefits (PLAY).

## II. HOUSTON AIRPORT SYSTEM - OFFICE OF BUSINESS OPPORTUNITY (HAS-OBO)

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The Houston Airport System Office of Business Opportunity (HAS-OBO) exists to promote the utilization of Disadvantaged Business Enterprises (DBEs) on Department of Transportation (DOT) and Federal Aviation Administration (FAA) financially-assisted contracts, as well as the inclusion of Airport Concessionaire Disadvantaged Business Enterprises (ACDBEs) on concessions at each airport. Additionally, they ensure utilization of MWSBEs on City of Houston HAS funded contracts.

The HAS-OBO exists to increase and improve access to Houston Airport System contracts and procurement opportunities. There are many business opportunities within HAS including construction, facility maintenance, professional services, airport concessions, advertising and car rentals. These opportunities are awarded to companies through a Request for Qualifications (RFQ), Request for Proposal (RFP), or competitive bid process.

## III. OBO REPORTING AND MWSBE AND DBE UTILIZATION

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In furtherance of Mayor Annise Parker's commitment to ensuring the success of minority, women-owned, and small business enterprises (MWSBE), the Office of Business Opportunity is charged with creating a competitive and diverse business environment in the City of Houston by promoting the growth and success of these historically underutilized businesses through meaningful participation in the government procurement process. This progress is measured, in part, by monitoring the extent of these groups' participation on City contracts.

In compliance with Chapter 15, Article V of the City Code of Ordinances, this report details the progress City departments have made in attaining the utilization goals established for the City's MWSBE Program. In addition, for the purpose of reporting all certified firms awarded contracts managed by the City, this report also includes the amount awarded to certified Disadvantaged Business Enterprises (DBE) who participated in United States Department of Transportation funded contracts.

### A. CONTRACT TYPES AND GOALS

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There are three types of contract and non-contract projects: construction, professional services and purchasing. These projects can either be goal-oriented, which require MWSBE utilization, or non-goal-oriented, which do not require MWSBE utilization. The following are goal-oriented contract types and their annual citywide goals set by City Council.

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#### 1. CONSTRUCTION

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**Construction** contracts are related to construction projects only. The citywide goal for Construction projects is 34%.

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#### 2. PROFESSIONAL SERVICES

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**Professional Services** contracts require a professional license (e.g. Architect, Engineer, Attorney, Accountant, etc.) The citywide goal for Professional Services contracts is 24%.

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### 3. PURCHASING

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**Purchasing** contracts provide for the supply of goods and non-personal or non-professional services. The citywide goal for Purchasing contracts is 11%.

The following are sub-categories under Purchasing contracts. These are non-goal-oriented contract types and do not have citywide goals set by City Council. *Note:* the utilization of certified vendors on purchase orders and P-Cards augments the citywide goal achievement percentage.

**Purchase Orders** are direct orders for various purchases made from vendors.

**P-Card** purchases are direct purchases from vendors using City of Houston Purchasing cards.

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### 4. EXEMPT CONTRACTS

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**Exempt contracts** are not goal-oriented and do not have assigned goals. The following reflects types of exempt contracts:

**Emergency Contracts** - Contracts awarded due to an emergency to meet an immediate need.

**Sole Source Contracts** - Contracts awarded to meet a need that can only be supplied from a firm that provides specialized and or unique products or services.

**Waivers:** Contracts that are approved for a zero percent goal by the Office of Business Opportunity Director as defined by Chapter 15, Article v, Section 15-83. These contracts do not have S/MWDBEs available in the market to perform the work or the contract cannot be divided to include the use of S/MWDBE subcontractors.

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## IV. OBO INITIATIVES

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### A. TWEETMY JOBS HOUSTON!

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TweetMyJobs Houston! is a mobile platform powered by TweetMyJobs that revolutionizes recruitment by incorporating mobile and social media. TweetMyJobs Houston! is the connective thread that distributes local jobs and matches qualified job seekers with employers.

### B. LIFT OFF HOUSTON! BUSINESS PLAN COMPETITION

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**Liftoff Houston!** is the City of Houston's first business plan competition. This entrepreneurial initiative aims to encourage Houston residents to achieve their goals of business ownership while contributing to the local growth and sustainability of the Houston economy.

To be eligible for **Liftoff Houston!**, a business must be in the start-up phase. Start-up phase is defined as a business in operation for less than one year with revenue of less than \$10,000. Business owners must live in the Houston city limits with their business also located in the Houston city limits. Capital One Bank is the key sponsor, providing cash prizes totaling \$30,000.

## C. BUILD UP HOUSTON

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The Office of Business Opportunity, in partnership with the University of Houston-Downtown, launched the Build Up Houston Program on November 18, 2014. Build Up Houston is a comprehensive, seven month program designed to increase the capacity and success of small businesses in the construction service industry with doing business in the City of Houston. The Program utilizes curriculum provided by Interise, a non-profit organization, focused on helping established small business owners take their companies to the next level for continual growth and success.

Build Up Houston is designed to combine the best of classroom learning with real-world case studies. It's an interactive format that provides the tools, know-how, and confidence for business owners to take the next step. Participants of Build Up Houston learn:

- Business Development Strategies
- Strategic Planning
- Estimating and Bidding
- Finance and Financial Management
- Bonding and Insurance
- Marketing and Sales
- Human Resources
- Accessing Capital
- Government Contracts
- Project Management

## V. FREQUENTLY USED ACRONYMS

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**OBO** – Office of Business Opportunity

**OBOSC** – OBO Solutions Center

**HHF** – Hire Houston First Program

**POP** – Pay or Play Program

**MWSBE** – Minority, Women, and Small Business Enterprise

**PDBE** – Persons with Disabilities Business Enterprise

**HAS OBO** - Houston Airport System Office of Business Opportunity

**GFE** - Good Faith Efforts

**ACDBE** – Airport Concessions Disadvantaged Business Enterprise

**DBE** - Disadvantaged Business Enterprise

- **CFR** – Code of Federal Regulations

**HUB** – Historically Underutilized Business

- **TAC** – Texas Administrative Code

## Certification Types and Goal Applications

**MBE** – MBE goals may be applied to any locally funded contract type.

**WBE** – WBE goals may be applied to any locally funded contract.

**SBE** – SBE goals are typically applied only to construction related projects.

**DBE** – DBE goals apply only to U.S. Department of Transportation contracts that receive Federal financial assistance.

**PDBE** – PDBE utilization may be used to augment citywide goals set by City Council.

**ACDBE**- Certified ACDBE firms are eligible to participate on concessions at airports that receive federal funds.

## VI. OFFICE LOCATIONS

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### A. OFFICE OF BUSINESS OPPORTUNITY

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Physical Address      Bob Lanier Public Works Building  
611 Walker, 7<sup>th</sup> Floor  
Houston, TX 77002

Phone                    832.393.0600  
Fax                        832.393.0646

Hours                    8:00 a.m. to 5:00 p.m.  
Monday – Friday

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### B. OBO SOLUTIONS CENTER

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Physical Address      Bob Lanier Public Works Building  
611 Walker, Lobby Level  
Houston, TX 77002

Phone                    832.393.0954  
Fax                        832.393.0952

Hours                    8:00 a.m. to 5:00 p.m.  
Monday - Friday

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C. HOUSTON AIRPORT SYSTEM - OFFICE OF BUSINESS OPPORTUNITY

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Physical Address      18600 Lee Rd.  
                                 Humble, TX 77388

Phone                    281.233.7823  
Fax                        281.230.8020

Hours                    8:00 a.m. to 5:00 p.m.  
                                 Monday - Friday

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