



# CITY OF HOUSTON

Office of Business Opportunity

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Mayor

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April 14, 2021

House County Affairs Committee  
Representative Garnet Coleman, Chair  
Austin, Texas 78768

## **RE: Support for Houston Bill 4101 authored by Representative Jarvis Johnson**

Dear Chairman Coleman and Members of the County Affairs Committee:

My name is Marsha Murray, Director of the City of Houston's Office of Business Opportunity ("OBO"). In my role as Director, I lead the City's efforts in executing OBO's mission to "...[cultivate] a competitive and diverse economic environment in the City of Houston by promoting the success of small businesses..., with special emphasis on historically underutilized businesses..." We accomplish our goals of educating, connecting, and growing small businesses in a variety of the ways, including administering:

- Our local Minority, Women, Small and Disadvantaged Business Enterprise ("MWSDBE") Program
- Capacity building programming
- Business development programming
- Small business legal assistance, in partnership with local law firms
- One-on-one business counseling
- Recent City of Houston's Small Business Economic Relief Grant Program

Undoubtedly, the success of small businesses is integral to the health of local economies. According to the latest report from the United States Census Bureau, Texas small businesses employed 4.8 million people, or 45.1% of the private workforce. OBO administers the aforementioned programs for free to support the development and growth of small businesses. Our MWSDBE Program focuses on the inclusion of these small businesses on eligible City of Houston contracts, primarily in a subcontracting capacity. Our current pool of over 4,300 City of Houston MWSDBE-certified businesses are small businesses as defined by the U.S. Small Business Administration. Additionally, OBO's capacity building programs, including our Build Up Houston and Accelerate Latinx programs, support the growth of high-potential small businesses by preparing them for accelerated growth and expansion utilizing an internationally recognized curriculum in a cohort training program.

While we have realized success by setting MWSDBE participation goals on eligible City of Houston contracts – requiring prime contractors (companies contracting directly with the City of Houston, rather than as a

subcontractor) to utilize certified MWSDBEs as subcontractors to a certain extent, those opportunities are primarily limited to the participation of MWSDBE firms in a subcontracting capacity. Currently, approximately 10% of City of Houston MWSDBEs firms serve as prime contractors. To significantly enhance the growth of small businesses and augment their positive impact on local economies through increased sales tax revenue and the creation of jobs, governmental entities need to expand support for small businesses beyond subcontracting opportunities and other supportive programming in which attaining prime level status is not guaranteed.

In summary, I enthusiastically support Representative Jarvis' proposed amendments to Section 271 of the Texas Local Government Code under House Bill 4101, as this proposed bill would allow local governmental entities to establish a program that provides a clear pathway to prime contracting opportunities for small businesses. This approach would allow small firms to compete on a more level playing field with firms of comparable size and serve to advance their development as prime contractors, a step in expanding their footprint in the broader marketplace. Further, this race- and gender-neutral program would provide local governmental entities with a tool that reduces dependence on "race-conscious" or "affirmative action" contracting programs in support of small business growth.

Thank you for consideration of this proposed bill which has the potential of transforming the lives of small business owners, their employees, and communities. Please feel free to contact me by telephone at 832-393-0615 or email at [marsha.murray@houstontx.gov](mailto:marsha.murray@houstontx.gov) as I am happy to provide additional information to assist your analysis.

Sincerely,

Marsha E. Murray