



Procurement Goals for Minority/Women Business Enterprises	A. P. No. 5-4
	Effective Date Rev. April 1, 1985

1. AUTHORITY

Article VI, Section 6 of the Charter of the City of Houston and Ordinance No. 84-1309, Section 4 (B), and Council Motion No. 84-2142.

2. PURPOSE

To stimulate the growth of local Minority and Women Business Enterprises (M/WBE) by encouraging the full participation of these business enterprises in all phases of procurement activity and by affording them a full and fair opportunity to compete for all City of Houston contracts.

3. OBJECTIVES

- a. To increase the capacity of local M/WBE firms to provide goods and services;
- b. To provide opportunities for local M/WBE enterprises to broaden and enhance their range of capacities;
- c. To increase opportunities for local M/WBE enterprises to serve as Contractors for the supply of goods and services to the City, in addition to acting as sub-contractors to others; and
- d. To achieve a 7% M/WBE procurement participation goal by December 1985.

4. DEFINITIONS

a. Minority Business Enterprise (MBE)

A business which has been certified as an MBE by the City's Affirmative Action Division under the MBE program; or

A sole Proprietorship in which the owner is a Minority Person who owns, controls and manages the business; or

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A corporation, partnership, joint venture, and any other professional or other entity in which fifty-one (51) percent of the stock or of the assets of such a corporation, partnership, joint venture and/or professional or other entity is owned, controlled and managed by one or more minority persons.

b. Women Business Enterprise (WBE)

A sole proprietorship in which the owner is a Woman who owns, controls and manages the business; or

A corporation, partnership, joint venture, other professional or other entity in which at least fifty-one (51) percent of the stock or assets of such a corporation, partnership, joint venture, professional or other entity is owned, controlled, and managed by one or more women.

c. Goal Oriented Contract shall mean any contract, agreement or other undertaking anticipated for the supply of goods or non-personal or non-professional services to be in excess of \$100,000.00 for which (i) competitive bids are required by law to be taken, (ii) which is not within the scope of the M/WBE program of the United States Department of Transportation and (iii) which the initiating City Department, in consultation with the Director of the Affirmative Action Division determines has significant subcontracting potential in fields in which there are adequate numbers of known W/MBEs to compete for and perform the Subcontract service(s).

d. Regulated Contract shall mean any contract, agreement or other undertaking for which (i) competitive bids are not required by law to be taken; (ii) which is not covered by the M/WBE programs of the United States EPA or Department of Transportation; and (iii) which the recommending City Department has determined, in consultation with the Director of the Affirmative Action Division, (a) either has significant subcontracting potential in fields in which there are sufficient known M/WBEs to perform the particular subcontract service(s), or (b) is of a type for which there are sufficient known M/WBEs or a combination of the two which have represented their ability to perform the prime contract service to afford effective competition for the prime contract.

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- e. Procurement Goal shall mean the procurement of goods and non-personal and non-professional services.

5. SCOPE

This directive is applicable to all City of Houston Departments and Divisions when procuring the supply of goods and non-personal or non-professional services. This directive excludes the procurement of professional services and Construction Contracts which will be covered in another Administrative Procedure.

6. RESPONSIBILITIES

- a. City Council is responsible for establishing annual City-wide M/WBE goals.
- b. The Purchasing Department and the Affirmative Action Division are responsible for identifying and assigning appropriate M/WBE participation levels for goal oriented and regulated contracts.
- c. The Affirmative Action Division is responsible for certifying M/WBEs as well as monitoring, updating, and distributing a listing of such businesses.
- d. The Affirmative Action Division is also responsible for compiling a bi-monthly report of the progress toward attainment of City-Wide M/WBE goals by Department for submission to City Council.
- e. City Departments/Divisions are responsible for adherence to the procedures outlined herein which are established to attain a 7% annual M/WBE procurement participation rate.
- f. Departments/Divisions are also responsible for compiling and reporting M/WBE participation rates.

7. PROCEDURE

I. Regulated Contracts

- a. Expedited Purchase Orders (EPOs) for \$1,000 and under are non-emergency and those in excess of \$1,000 are considered emergency. EPOs may be designated as

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regulated contracts which are identified as a focus for M/WBE participation and goal attainment in the procurement area for Departments.

- b. Routine Purchase Orders (informal bids) for \$5,000 or less may also be designated as regulated contracts which are identified as a focus for M/WBE participation and goal attainment in the Purchasing Department.
- c. Departmental Central Processing Units (CPUs) are acting as agents of the Purchasing Department when contacting vendors on EPO transactions.
- d. The following procedures apply to informal bids and EPOs:
 - (1) When there are fewer than three (3) certified M/WBEs listed in the Directory for the specific good or service needed, CPUs or Purchasing Department staff shall contact the M/WBEs listed in the Directory plus one or more non-minority/woman owned vendors to make a total of at least three (3) vendor contacts.
 - (2) When there are three (3) or more certified M/WBEs listed in the Directory for the specific good or service needed, CPUs or Purchasing Department staff shall contact three (3) M/WBEs listed in the Directory. They may also contact one or more non-minority/woman owned vendors; or
 - (3) When the contract or service area is one in which there are an adequate number of certified M/WBEs to afford effective price competition, then at the discretion of the department head, only the M/WBEs need to be contacted with a minimum number of contacts to be three.
 - (4) In all instances, the award shall be made to the lowest responsible bidder contacted.

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II. Goal Oriented Contracts

- a. The Purchasing Department and Affirmative Action Directors shall determine the City Contracts where M/WBE provisions should be applied and the Purchasing Department Director shall:
 - (1) assign an appropriate M/WBE participation level for contracts considering the local availability of certified M/WBES in the contract fields; and
 - (2) include in the bidding documents and the contract documents for Goal Oriented Contracts where M/WBE participation levels have been established a provision detailing the purpose and objective of the City's M/WBE Ordinance as well as reference the M/WBE Ordinance and Motion establishing the annual goals.
- b. The conditions under which the M/WBE provisions of the City of Houston Ordinance No. 84-1309 do not apply to goal oriented contracts are outlined in Section 4, Program Elements, C (i) - (iv) of the Ordinance. The Purchasing Department Director shall report any of these exceptions to the Affirmative Action Director.

III. Reporting Responsibilities

- a. Ordering Departments shall compile monthly EPO activity reports and submit these reports to Affirmative Action Division no later than the 10th day of each month.
- b. The Purchasing Department shall prepare automated, comprehensive M/WBE EPO, informal, and formal bid award activity reports monthly and forward to the Affirmative Action Division by the 15th of the month.
- c. The Affirmative Action Division shall prepare a bi-monthly report by Department for submission to City Council and Mayor.

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