OFFICE OF BUSINESS OPPORTUNITY

Department Description and Mission

Office of Business Opportunity's vision is to eliminate systemic barriers to prosperity and economic opportunity in the Greater Houston region. The Office of Business Opportunity (OBO) is committed to cultivating an inclusive and competitive economic environment in the City of Houston by promoting the success of small businesses and developing Houston's workforce, with a special emphasis on historically underutilized businesses and disenfranchised individuals. The department creates a culture of efficiency, transparency, and cooperation amongst all stakeholders while executing its mission with an eye towards conscientious fair play. The ultimate goal of these efforts is to reduce internal and external barriers in contracting and access to other opportunities.

OBO strives to execute its mission by:

- Attracting an array of applicants for local and federal certification in various industries.
- Administering reputable Certification and Hire Houston First Programs while providing unparalleled service delivery.
- Ensuring that prime contractors consistently meet and exceed Minority, Women, Small, and Disadvantaged Business Enterprises (MWSDBE) goals on contracts as well as comply with other contractual regulatory requirements.
- Providing measurable and impactful small business development services and capacity building programs.
- Facilitating workforce development initiatives to address the needs of the unemployed and hard to employ individuals in Houston.

The primary services offered by OBO comprise of:

Administration Services

This program sets and implements the strategic direction, policy, and long-term goals of the department, manages all budget and personnel matters, analytics, Title VI compliance, and directly engages with the Administration, City Council, and the public in the execution of OBO's mission.

Certification and Designations Division

This program certifies businesses for participation on City and federally funded projects. Certification types include Minority, Women, Small Business Enterprises (MWSBE), Persons with Disabilities Business Enterprises (PDBE), Disadvantaged Business Enterprises (DBE), and Airport Concession Disadvantaged Business Enterprises (ACDBE), collectively, "certified firms." As a result of their certification, these businesses may be eligible to participate for MWSBE, DBE, or ACDBE goal credit on goal-oriented and regulated City contracts. Additionally, the Division facilitates the certification of Historically Underutilized Businesses (HUB) on behalf of the State of Texas. The Division also designates businesses as a part of the Hire Houston First Program so that they may be eligible for a local preference in the awarding of City contracts.

Contract Compliance Division

This program enforces local, state, and federal labor standards and prompt payment requirements on contracts in addition to monitoring contracts with MWSBE and DBE goals to ensure compliance with the City's written Good Faith Efforts policy. It ensures maximum contractor compliance with governing requirements, resulting in their employees being paid properly and fulfillment of the committed percentages for engagement of certified small businesses on City contracts. Members of this team are present at pre-construction conferences and meetings for construction and goal-oriented contracts to explain the compliance guidelines to contractors and to answer compliance related questions. The team collaborates with City departments in the final evaluation of all City contracts.

Department Services Unit

OBO's Department Services Unit evaluates MWSDBE goal waivers, proposed contract MWSDBE goals, and pre-award MWSDBE Participation Plans. This Unit assists departments with setting contract-specific goals based on market availability of certified firms and divisible work on each project. The Department Services team also facilitates the Department Services Training Institute, which provides departments with information about common compliance issues and best practices. Along with OBO's Contract Compliance Division, the Unit provides periodic training to the contracting community. This team plays a major role in making the City's procurement process as competitive and diverse as possible.

External Affairs Division: OBO Solutions Center, Business and Workforce Development

This program:

- Raises awareness of OBO's services and City contracting opportunities through regular presentations to the public at targeted events, bimonthly newsletters, and weekly email notifications. This Division provides one-on-one business development assistance to certified firms. The OBO Solutions Center, with the assistance of community partners, provides free assistance including business development counseling, financial advice, legal counseling, business resource guides, and business training workshops to businesses in all stages of development that would like to obtain information on how to start, own, operate and/or grow their own businesses.

- Assists in the success of small businesses and entrepreneurs by providing impactful business development and capacity building programs, as well as business support services that include general business guidance and connections to business development organizations and community partner organizations.

- Administers OBO's workforce development initiative which includes coordinating resource fairs, connecting individuals to wrap-around services, and facilitating legal clinics. The initiative also includes the development of a workforce inclusion plan focused on augmenting the local workforce through targeted employment-ready training programs for underemployed and hard to employ individuals and connecting those individuals to tangible opportunities.

Title VI Compliance

OBO is responsible for overseeing citywide compliance with Title VI of the Civil Rights Act of 1964, ensuring that on a departmental level, there is equitable access to the City's programs, activities, and services so that every citizen has the greatest opportunity to achieve and obtain the foundations necessary for self-sufficiency and success. All City departments are responsible for ensuring that no person is subjected to discrimination, excluded from participation in or denied the benefits of its services on the basis of race, color, national origin, sex, age, creed, disability, or English language proficiency.

Department Short Term Goals

- Operationalize the results of the 2023 Disparity Study.

- Execute a comprehensive workforce development program geared toward assisting MWSDBE certified firms with hiring and upskilling needs.

- Enhance and expand existing capacity building initiatives to meet the identified needs of the business community.

- Develop additional strategic partnerships with local organizations to increase program visibility and patronage of our services by the business community.

- Decrease the certification application time frame by focusing on minimizing staff attrition.

- Continue existing efforts to reengineer the process, policies, and procedures for Contract Compliance monitoring to enhance operational efficiencies, and to ensure that expectations are clear for all stakeholders, with an eye towards quality and customer service.
- Leverage technology to create additional efficiencies.
- Conduct refresher trainings for City departments' staff and the community on program requirements.
- Explore new revenue sources, including whether fees should be charged to businesses for select OBO services.

Department Long Term Goals

- Stay abreast of industry best practices to maximize the efficacy and impact of OBO's services and programs.
- Leverage technology options to create efficiencies via automation and build out of dynamic reporting capabilities, thereby improving work performance.
- Align staffing levels with volume of service demands.

Business Area Budget Summary

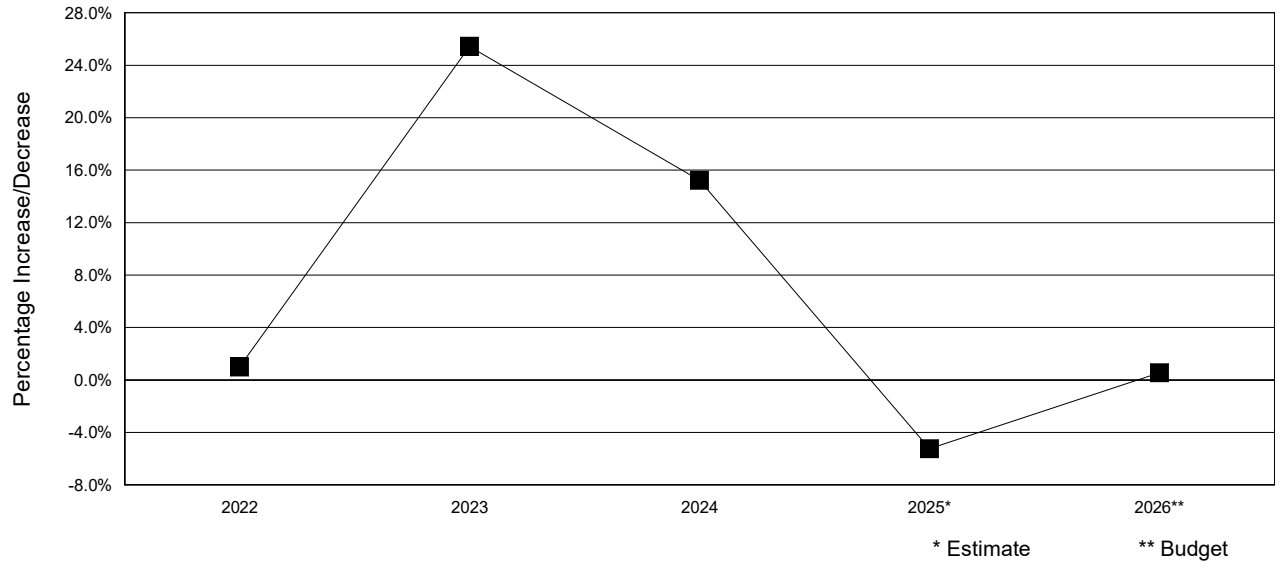
Fund Name : General Fund
Business Area : Office of Business Opportunity
Fund No. /Bus. Area No. : 1000 / 5100

		FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Expenditures	Personnel Services	3,789,203	3,455,305	3,455,305	**4,080,856**
	Supplies	16,512	27,248	27,248	**36,439**
	Other Services and Charges	1,264,114	1,330,676	1,330,676	**722,401**
	Non-Capital Equipment	12,285	2,200	2,200	**2,200**
	Total M & O Expenditures	5,082,114	4,815,429	4,815,429	**4,841,896**
	Debt Service & Other Uses	0	0	0	**0**
	Total Expenditure	5,082,114	4,815,429	4,815,429	**4,841,896**
Revenues		1,082,550	1,063,878	1,113,039	**1,322,144**
Staffing	Full-Time Equivalents - Civilian	34.5	40.0	40.0	**36.9**
	Full-Time Equivalents - Classified	0.0	0.0	0.0	**0.0**
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	**0.0**
	Total	34.5	40.0	40.0	**36.9**
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	**0.0**

Significant Budget Changes and Highlights

- o The FY2026 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- o The FY2026 Budget includes a reduction of $345,356 for department savings initiatives.
- o The FY2026 Budget reflects elimination of Voluntary Municipal Employee Retirement Payout Option (VMERPO) accepted non-critical positions.

General Fund
Office of Business Opportunity
Year over Year Expenditure Change



Business Area Budget Summary

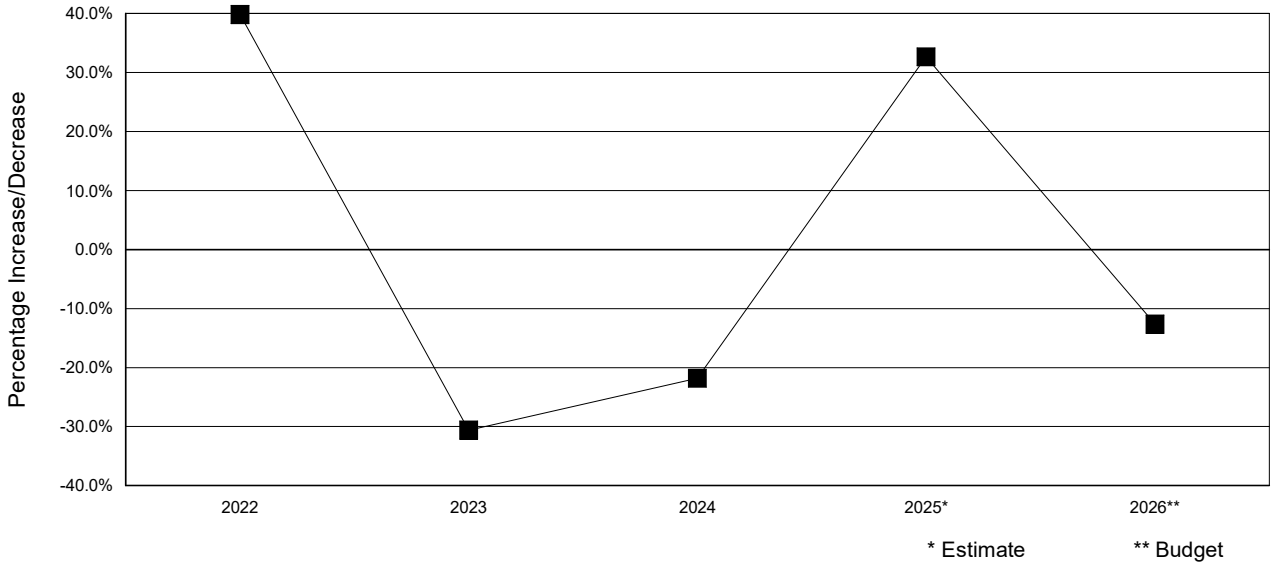
Fund Name : Contractor Responsibility Fund
Business Area : Office of Business Opportunity
Fund No. /Bus. Area No. : 2424 / 5100

		FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Expenditures	Personnel Services	158,153	171,342	171,342	**189,822**
	Supplies	0	500	500	**500**
	Other Services and Charges	252,616	273,684	273,684	**119,256**
	Total M & O Expenditures	410,769	445,526	445,526	**309,578**
	Debt Service & Other Uses	400,000	630,000	630,000	**630,000**
	Total Expenditure	810,769	1,075,526	1,075,526	**939,578**
Revenues		1,433,022	1,246,475	1,272,475	**1,321,195**
Staffing	Full-Time Equivalents - Civilian	1.9	2.0	2.0	**2.0**
	Full-Time Equivalents - Classified	0.0	0.0	0.0	**0.0**
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	**0.0**
	Total	1.9	2.0	2.0	**2.0**
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	**0.0**

Significant Budget Changes and Highlights

- o The FY2026 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- o The FY2026 Budget includes funding to maintain an electronic management system to effectively track all Pay or Play (POP) activities.
- o The FY2026 Budget continues to support the Contractor Responsibility Fund initiatives such as the Client Access Program and the Crisis Call Diversion Program.

Contractor Responsibility Fund
Office of Business Opportunity
Year over Year Expenditure Change



Business Area Revenues Summary

Business Area : Office of Business Opportunity
Business Area No. : 5100

Category	FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Charges for Services	87	311	365	**0**
Direct Interfund Services	991,800	1,043,567	1,062,674	**1,247,144**
Interest	64,164	39,000	65,000	**65,000**
Miscellaneous/Other	1,459,521	1,227,475	1,257,475	**1,331,195**
Grand Total	**2,515,572**	**2,310,353**	**2,385,514**	**2,643,339**

Business Area Program Summary

Business Area: **Office of Business Opportunity**
Bus. Area No : **5100**

Budget By Program ($ in thousands):

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	0	2,124	0	2,067	0	1,426
Business Support and Development	0	524	0	416	0	376
Certification and Designations	0	1,001	0	1,046	0	1,359
Contract Compliance	2,416	1,340	2,279	1,332	2,518	1,668
Department Services	99	213	106	183	125	229
Workforce Development	0	131	0	104	0	94
Debt Service and Interfund Transfers	0	560	0	744	0	631
Total	**2,515**	**5,893**	**2,385**	**5,892**	**2,643**	**5,783**

FTEs by Program:

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administration Services	6.0	0.0	9.0	0.0	5.5	0.0
Business Support and Development	4.7	0.0	4.9	0.0	3.4	0.0
Certification and Designations	10.5	0.0	12.1	0.0	13.1	0.0
Contract Compliance	12.0	0.0	12.8	0.0	13.9	0.0
Department Services	2.0	0.0	2.0	0.0	2.2	0.0
Workforce Development	1.2	0.0	1.2	0.0	0.8	0.0
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	**36.4**	**0.0**	**42.0**	**0.0**	**38.9**	**0.0**

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Administration Services

Description:

This program sets and implements the strategic direction, policy, and long-term goals of the department, manages all budget and personnel matters, analytics, and Title VI compliance, and directly engages with the Mayoral Administration, City Council, and the general public in the execution of OBO's mission.

Goal:

Ensure OBO services are delivered efficiently, effectively, and in the most cost effective manner, resulting in impactful services to Houston's historically underutilized businesses and disenfranchised individuals.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	2,124	0	2,067	0	1,426

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	6.0	0.0	9.0	0.0	5.5	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
MWSBE contract participation - Goods	N/A	N/A	N/A	15%
MWSBE contract participation - goods and services	11%	11%	11%	N/A
MWSBE contract participation - professional services	24%	24%	24%	26%
MWSBE Other Services	N/A	N/A	N/A	19%
MWSDBE contract participation - construction	34%	34%	34%	34%
Percentage of citywide compliance with Title VI requirements	100%	100%	100%	100%
Expenditures Adopted Budget vs Actual Utilization	90%	98%	88%	98%
Revenues Adopted Budget vs Actual Utilization	131%	100%	103%	100%

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Business Support and Development

Description:

The OBO Solutions Center serves as an information clearinghouse for Houstonians wishing to start, operate, or grow a business, regardless of certification.

Goal:

Ensure the success of small businesses and aspiring entrepreneurs by providing impactful business support services that include general business guidance and connection to business development resources, and community partners.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	524	0	416	0	376

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	4.7	0.0	4.9	0.0	3.4	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Conduct a Customer Satisfaction Survey for the cohort-based business development and capacity building programs. The goal is to have 100% satisfaction.	N/A	100%	100%	100%
Number of small businesses and aspiring entrepreneurs assisted by the OBO Solutions Center	3,075	3,000	2,200	2,500

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Certification and Designations

Description:

-Measure the total number of firms that apply for the City's designation for participation in the City's Hire Houston First local preference program.
-Measure number of new applicant firms approved as MWSBE/DBE/ACDBE firms to be added to the COH's certified directory increasing a robust pipeline of small businesses.
-Measure the number of MWSBE/DBE/ACDBE certification updates processed for continued participation in the certification program ensuring the preservation of a pipeline of small businesses.

Goal:

-Increase participation in the Hire Houston First Program to support the inclusion of local businesses in City procurement.
-Increase the number of certified firms in the MWSBE/DBE/ACDBE programs to provide goods and services to the City of Houston and support development of the small business pipeline.
-Maintain eligible and compliant MWSBE/DBE/ACDBE firms through renewal review processing for continued listing in the certification directory that support meaningful participation towards established contract goals.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	1,001	0	1,046	0	1,359

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	10.5	0.0	12.1	0.0	13.1	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Number of firms approved in the Hire Houston First designations Program	N/A	N/A	N/A	300
Number of firms participating in the Hire Houston First designations Program	486	300	300	N/A
Number of new certified firms	N/A	N/A	N/A	1,000
Number of days to process certification for MWSDBE	149	120	120	N/A
Number of firms renewed	N/A	N/A	N/A	1,400

Business Area Program Detail

Business Area : Office of Business Opportunity
Bus Area No. : 5100

Contract Compliance

Description:

This program monitors and audits Prime contractor performance relating to Labor Standards and MWSDBE compliance.

Goal:

Reduce 'unsatisfactory' ratings for Labor Standard compliance for construction contracts. Increase 'satisfactory' or 'outstanding' ratings for MWSDBE compliance.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Contractor Responsibility Fund	1,433	251	1,272	331	1,321	309
General Fund	983	1,089	1,007	1,001	1,197	1,359
Total	**2,416**	**1,340**	**2,279**	**1,332**	**2,518**	**1,668**

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Contractor Responsibility Fund	1.9	0.0	2.0	0.0	2.0	0.0
General Fund	10.1	0.0	10.8	0.0	11.9	0.0
Total	**12.0**	**0.0**	**12.8**	**0.0**	**13.9**	**0.0**

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Percentage of closed construction contracts meeting Labor Standards requirements	40%	100%	100%	75%
Percentage of closed construction contracts meeting or exceeding the awarded contract goal and/or providing the requisite “Good Faith Efforts”	85%	100%	85%	85%
Percentage of new and existing contracts in which vendors choose the "PLAY" option to provide health benefits to employees in a manner that satisfies the City's requirements for the PAY or PLAY Program	77%	100%	100%	80%

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Department Services

Description:

This program facilitates compliance with the MWSDBE program by City departments and the contracting community in the award of MWSDBE goal-oriented contracts by offering training, guidance, and technical assistance to city department procurement teams and prime contractors

Goal:

Ensure meaningful participation by MWSDBEs in City contracting by decreasing the number of requests for OBO's review of Pre-Bid Good Faith Effort and Pre-Award Good Faith Effort requests from prime contractors that will result in reduced participation goals.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	99	213	106	183	125	229

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	2.0	0.0	2.0	0.0	2.2	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Number of Pre-Bid Good Faith Effort and Pre-Award Good Faith Effort reviews	65	45	45	N/A
Reduction in the number of rejected participation plans submitted by the departments due to department and/or prime contractor error	N/A	N/A	N/A	45

Business Area Program Detail

Business Area : Office of Business Opportunity
Bus Area No. : 5100

Workforce Development

Description:

OBO's Workforce Development Initiatives are held bi-annually to support employment efforts by Prime Contractors and Certified Firms.

Goal:

Provide opportunities for employment and direct connections to resources in the community for chronically unemployed and hard to employ individuals in the Houston Area.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	131	0	104	0	94

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	1.2	0.0	1.2	0.0	0.8	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Number of attendees at the workforce development events	608	1,000	1,000	1,000
Percentage of attendees receiving job offers and supportive services at workforce development events	N/A	N/A	N/A	30%
Percentage of attendees receiving supportive services at workforce development events	N/A	20%	20%	N/A

Business Area Program Detail

Business Area : Office of Business Opportunity
Bus Area No. : 5100

Debt Service and Interfund Transfers

Description:

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:

Effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Contractor Responsibility Fund	0	560	0	744	0	631