



FY 2014 MWSBE Program Updates

EDUCATE. CONNECT. GROW.

Presented to:
Budget and Fiscal Affairs Committee
September 9, 2014

Annise D. Parker
Mayor

Carlecia D. Wright
Director

611 Walker, 7th Floor
Houston, TX 77002
www.houstontx.gov/obo

T. 832.393.0600 F. 832.393.0647

FY 2014 Citywide Awards Summary

Contract Type	A	B	C = A+B	D = B/C
	Non MWSBE Amount	MWSBE Amount	Total Amount Awarded	MWSBE %
Construction Total	\$488,681,733	\$151,231,623	\$639,913,355	23.6%
Professional Services Total	\$117,519,709	\$75,778,916	\$193,298,626	39.2%
Purchasing Total	\$198,492,467	\$47,847,759	\$246,340,226	19.4%
Total	\$804,693,909	\$274,858,298	\$1,079,552,207	25.5%
Exempt Contracts	\$159,266,220	\$4,342,309	\$163,608,530	2.7%
Waiver Contracts	\$71,236,237	\$3,579,557	\$74,815,794	4.8%
Non-Goal Oriented	\$15,175,304	\$9,074,958	\$24,250,263	37.4%
Grand Total	\$1,050,371,671	\$291,855,123	\$1,342,226,793	21.7%

- In Fiscal Year 2014, the City awarded a total of \$1.3B for construction, professional services, and purchasing agreements. Of this total, certified firms were awarded more than \$291.8M.
- While the City awarded a total of \$1.3B, from that \$163.6M were exempt contracts, \$74.8M were contracts with waivers, and \$24.2M were non goal-oriented contracts. Even still, an additional amount of \$16.9M was awarded to certified firms on contracts that do not require certified firms.



Contracts with DBE Goals

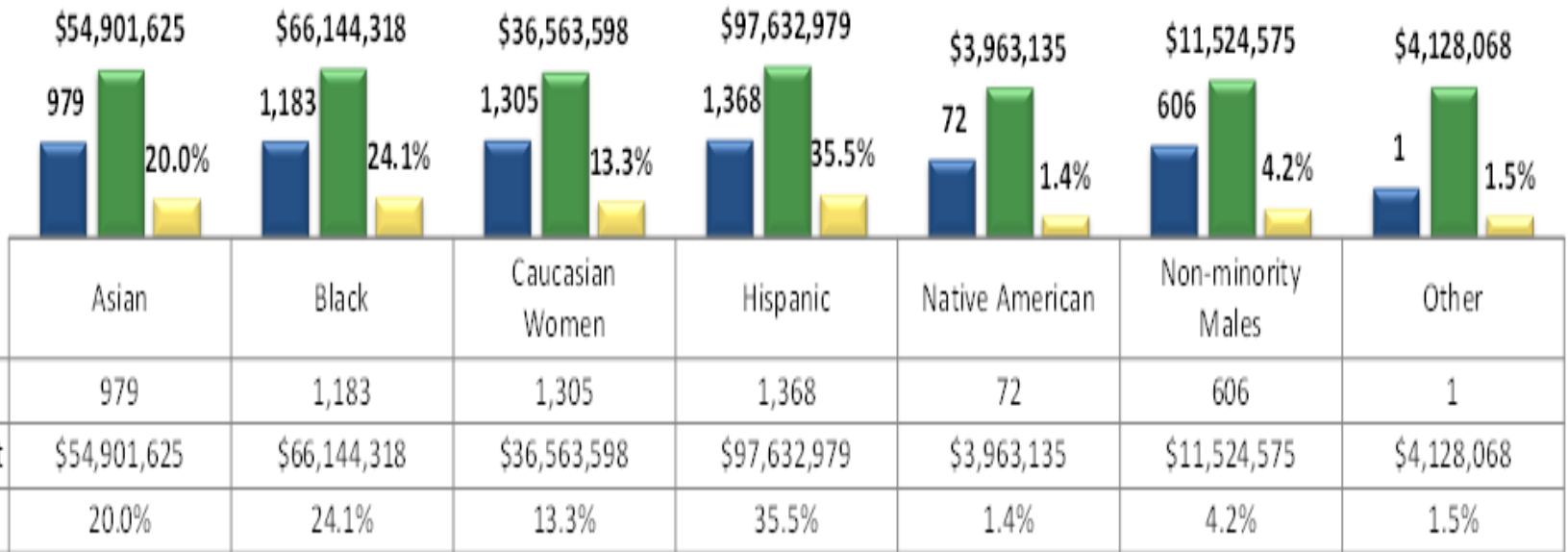


- In FY2014, DBE Certified Firms were utilized on 11 contracts by HAS, GSD and PWE departments.
- The total amount awarded on these contracts was \$100,648,903.
- DBE Certified firms were awarded \$19,085,711 of that amount.
- A 10%-30% goal has been established on these contracts therefore the participation of DBEs is anticipated to increase by the end of each contract.

	A	B	C = A+B
Contract Type	Non DBE Amount	DBE Amount	Total Amount Awarded
Construction Total	\$40,315,543	\$16,192,302	\$56,507,844
Professional Services Total	\$41,247,650	\$2,893,409	\$44,141,059
Purchasing Total	\$0	\$0	\$0
Total	\$81,563,193	\$19,085,711	\$100,648,903



Citywide Awards by Ethnicity



Certified Firms by Industry

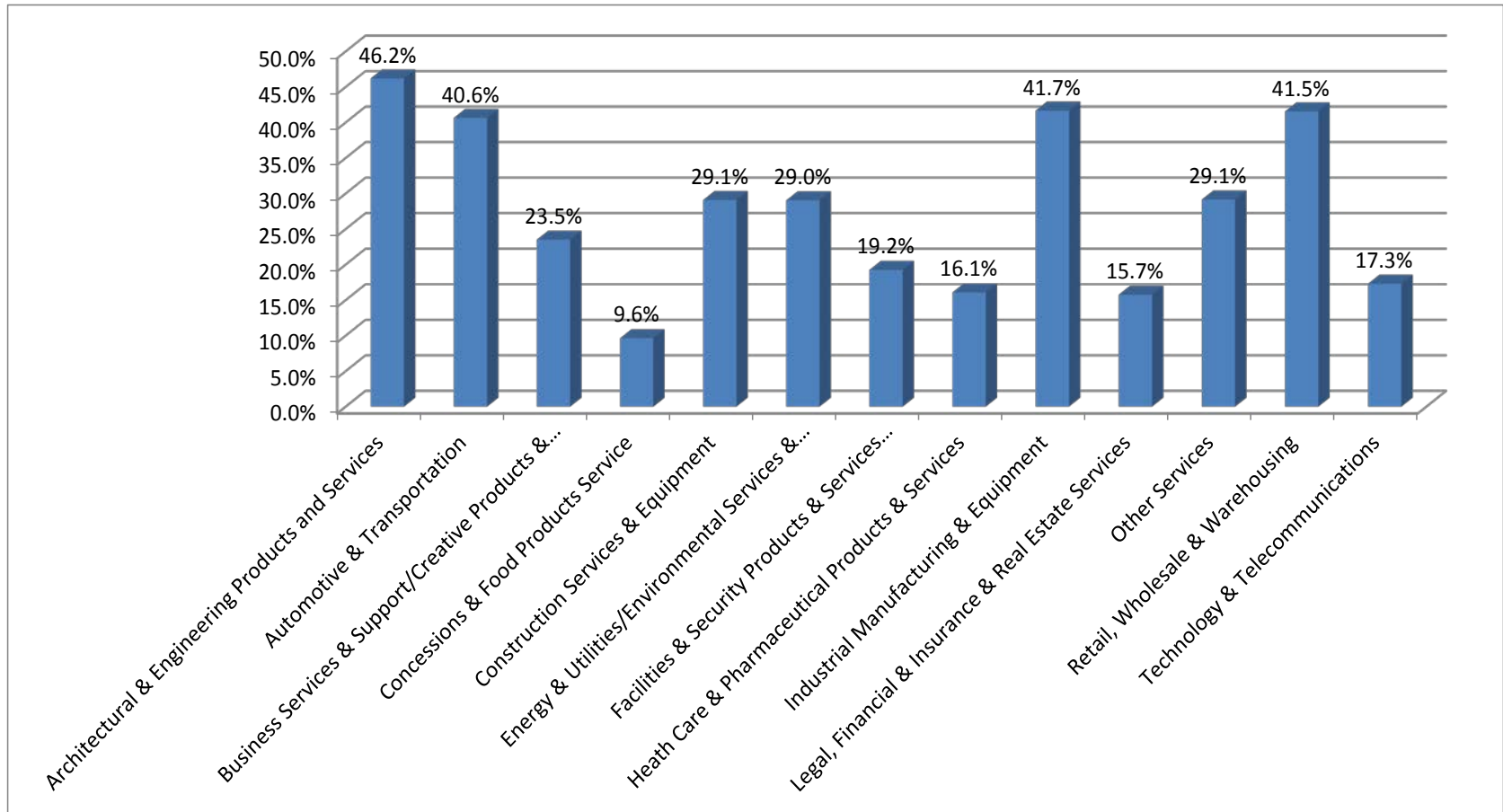


Industry Type	A	B	C=B/A	D
	Number of Certified Firms	Number of Certified Firms used	Percentage of Utilization	Amount
Architectural & Engineering Products and Services	210	97	46.2%	\$45,279,848
Automotive & Transportation	96	39	40.6%	\$11,524,395
Business Services & Support/Creative Products & Services	349	82	23.5%	\$11,082,881
Concessions & Food Products Service	52	5	9.6%	\$16,291
Construction Services & Equipment	664	193	29.1%	\$113,593,353
Energy & Utilities/Environmental Services & Equipment	93	27	29.0%	\$4,156,163
Facilities & Security Products & Services (Janitorial/Security/HVAC)	234	45	19.2%	\$28,846,271
Health Care & Pharmaceutical Products & Services	56	9	16.1%	\$306,527
Industrial Manufacturing & Equipment	48	20	41.7%	\$6,320,224
Legal, Financial & Insurance & Real Estate Services	127	20	15.7%	\$1,857,598
Other Services	175	51	29.1%	\$15,537,955
Retail, Wholesale & Warehousing	130	54	41.5%	\$21,064,733
Technology & Telecommunications	133	23	17.3%	\$6,941,068
Undetermined	-	32	-	\$8,330,989
Grand Total	2,367	697	29.4%	\$274,858,298

NEW: This chart illustrates the number of contracts and average amount awarded by Industry.



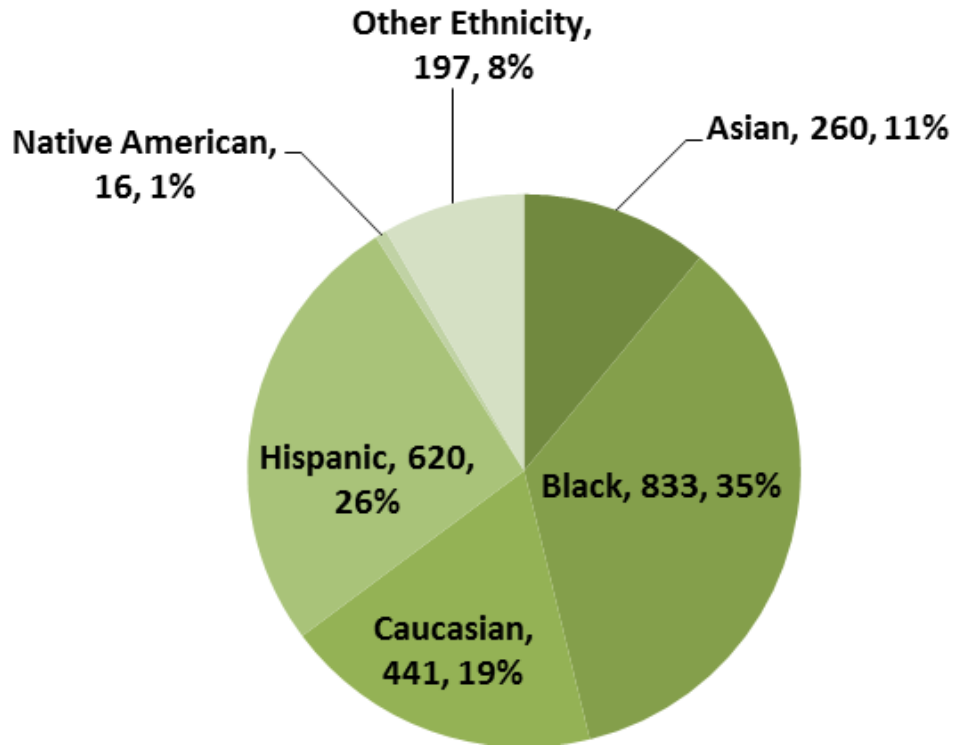
Certified Firms by Industry Cont....



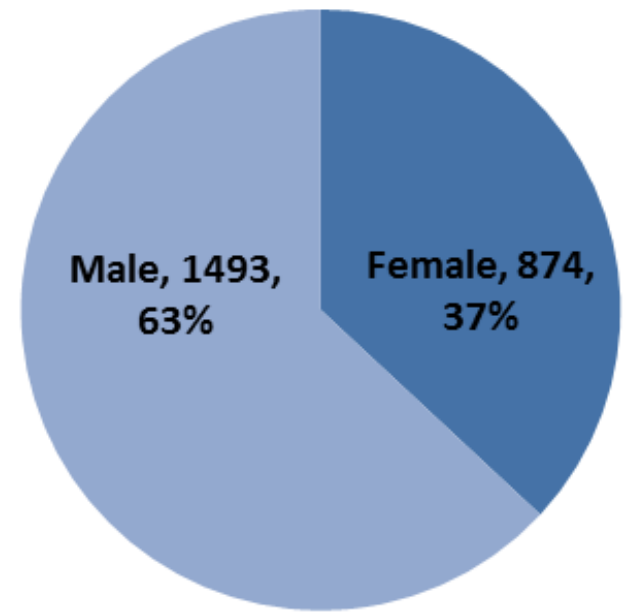
Certified Firms by Gender & Ethnicity



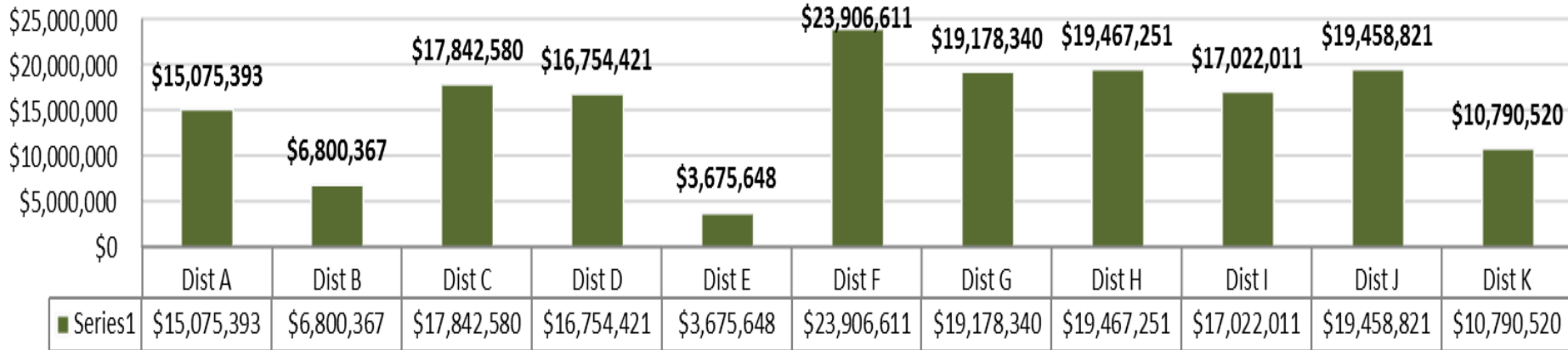
Ethnicity



Gender



Awards by Council District



Council District	Number of Certified Firms	Number of Certified Firms with Contracts	Percentage of Utilization
Dist A	152	50	32.9%
Dist B	120	39	32.5%
Dist C	183	58	31.7%
Dist D	109	39	35.8%
Dist E	40	8	20.0%
Dist F	109	37	33.9%
Dist G	156	41	26.3%
Dist H	89	43	48.3%
Dist I	115	36	31.3%
Dist J	120	42	35.0%
Dist K	99	29	29.3%
Non Council District	1075	275	25.6%
Grand Total	2367	697	29.4%

These charts represent the amount awarded by Council District for certified firms only. The data includes construction, professional services, and purchasing contracts & purchase orders and Pcards. Exempt and non-goal-oriented contracts are excluded.



Historical Participation



Total MWSBE Dollars Awarded

FY2011	\$243,642,331
FY2012	\$340,125,600
FY2013	\$246,652,191
FY2014	\$291,855,123
Total	\$1,122,275,245



Over the past 4 years, more than a billion dollars have been awarded to Certified Firms!

Contract Type	Fiscal Year 2011			Fiscal Year 2012			Fiscal Year 2013			Fiscal Year 2014		
	July 2010 - June 2011			July 2011 - June 2012			July 2012 - June 2013			July 2013 - June 2014		
Contract Area	Total	S/MWDBE	%	Total	MWSBE	%	Total	MWSBE	%	Total	MWSBE	%
Construction - Total	\$398,087,809	\$136,912,351	34.4%	\$706,557,805	\$229,219,133	32.4%	\$482,177,952	\$135,917,424	28.2%	\$639,913,355	\$151,231,623	23.6%
Professional Services	\$212,730,094	\$50,948,231	23.9%	\$253,374,215	\$85,653,706	33.8%	\$134,172,308	\$53,569,984	39.9%	\$193,298,626	\$75,778,916	39.2%
Purchasing Total	\$455,272,622	\$49,712,425	10.9%	\$252,450,191	\$24,778,550	9.8%	\$294,664,910	\$44,297,252	15.0%	\$246,340,226	\$47,847,759	19.4%
Total without Exempt Purchases	\$1,066,090,525	\$237,573,006	22.3%	\$1,212,382,210	\$339,651,389	28.0%	\$911,015,169	\$233,784,659	25.7%	\$1,079,552,207	\$274,858,298	25.5%
Exempt/Waiver Contracts*	\$190,199,299	\$6,069,325	3.2%	\$108,800,299	\$474,211	0.4%	\$120,860,778	\$5,198,900	4.3%	\$163,608,530	\$4,342,309	2.7%
Waiver Contracts										\$74,815,794	\$3,579,557	4.8%
Non-Goal Oriented Contracts							\$29,411,677	\$7,668,632	26.1%	\$24,250,263	\$9,074,958	37.4%
Total with Exempt Purchases	\$1,256,289,824	\$243,642,331	19.4%	\$1,321,182,509	\$340,125,600	25.7%	\$1,061,287,625	\$246,652,191	23.2%	\$1,342,226,793	\$291,855,123	21.7%

* In FY2014 exempt contracts were separated from contracts with waivers.



CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

EDUCATE. CONNECT. GROW.

Exempt Contracts & Waivers

Exempt Contracts



Exempt Contracts		
Justification	Count	Total
Interlocal Agreement	44	\$ 74,940,078
Cooperative Purchasing Agreement	31	\$ 60,371,808
Grant Fund	13	\$ 5,088,720
HGAC	13	\$ 8,050,401
Emergency	10	\$ 8,500,894
DIR	4	\$ 3,497,546
Sole source	4	\$ 838,553
Advertising	2	\$ 312,028
Revenue	2	\$ 2
Direct Shipment	1	\$ 1,564,122
Federal Funds	1	\$ 98,073
TXMAS	1	\$ 346,304
Grand Total	126	\$ 163,608,530

- **Interlocal Agreements/Cooperative Purchasing Agreements/DIR-** Agreements the City enters into with other governmental entities in the interest of cooperatively sharing resources.
- **Emergency Contracts** - Contracts awarded to meet an immediate need.
- **Specialized Contracts-** Services or goods requested are of a specialized, technical or unique nature.
- **Economic Burden/Risk/Delay-** Unwarranted economic burden or risk on the City or undue delay acquisition of the goods or services.

Waivers



Contracts with Waivers			
Justification	Count		Total
Non-Divisible	28	\$	31,286,370
Sole Source	24	\$	8,914,530
No available MWSBEs	16	\$	26,879,655
Drop shipment	12	\$	7,735,239
Grand Total	80	\$	74,815,794

- **Non-Divisible** – Contracts cannot be divided to create subcontracting opportunities.
- **No MWSBEs available** – No MWSBEs available in the marketplace to perform the work or requires a specialized license to do the work.
- **Sole Source** - Contracts awarded to meet a need that can only be supplied from a firm that provides specialized and/or unique products or services.
- **Direct shipment** - Contracts where the goods are directly shipped to the City.





CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

EDUCATE. CONNECT. GROW.

Good Faith Efforts



Pre-Bid Good Faith Efforts



- **MWSBE goals are not mandated.**
 - Contractors are required to make Good Faith Efforts (GFE) to meet contract goals as set forth in City's GFE Policy.
- **New Requirement as of July 2013**
 - Bidders on construction contracts were required to submit MWBE Participation Plans with bids in order to be responsive
 - If unable to meet advertised MWBE goal, contractor must submit evidence of their efforts to meet goal
 - OBO determines whether efforts were "good faith efforts" based on the City's written GFE Policy
- **FY2014 in review**

PRE-BID GOOD FAITH EFFORT REQUESTS			
Row Labels	Number of Requests	Bid Amount	%
<input type="checkbox"/> FY2014	29	\$146,771,075	100%
Approved	20	\$104,853,282	69%
Denied	9	\$41,917,794	31%
Grand Total	29	\$146,771,075	



Pre-Bid Good Faith Efforts



➤ **Contractor Engagement**

- Contractor Training in July 2013 before implementation
- Requirements reviewed at pre-bid meetings
- Website: relevant policy, forms and training presentations are easily accessible
- Ongoing meetings with Houston Contractors Association and contractors whose GFE were denied
- August 2014 Seminar
 - Content based on feedback and questions received from contracting community
 - Website: Videotape of seminar; PowerPoint of presentation
- Ongoing conversations and re-evaluation of processes and policies.



Contract Compliance



➤ **Post-Award GFE Monitoring**

- Compliance monitoring with MWBE goal requirements done by OBO Contract Compliance team during contract
- Final GFE determination made at the end of contract

➤ **Monitoring Labor Standards**

- Prevailing Wage and Equal Employment Opportunity compliance
- Monitored 348 Construction contracts
- Conducted 1042 site visits to Construction projects
- Reviewed 27,817 Certified Payrolls on Construction contracts
- Collected approximately \$36,000 in prevailing wage underpayment penalties





CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

EDUCATE. CONNECT. GROW.

Program Updates

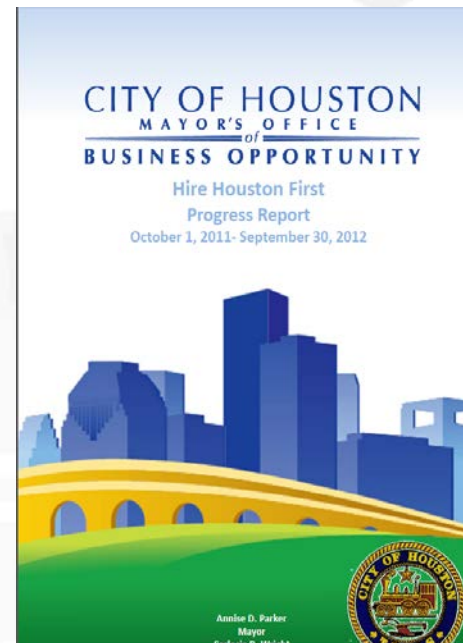
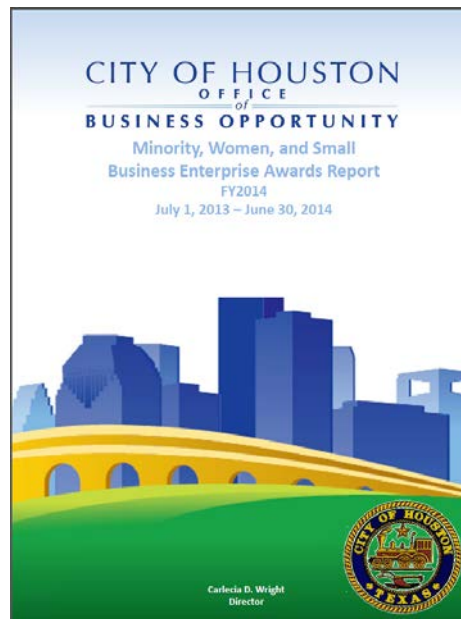


Program Updates



➤ Publications

- Hire Houston First Report – September 2014
- MWSBE Awards Report (Quarter I) – October 2014



Program Updates



➤ **Tweet My Jobs Houston**

- Launched in April 2013
- Over 145,000 positions posted within 25 miles of Houston
- Active registered job seekers: 35,222
- Number of employers: 726
- Savings of over \$750,000 in job posting and recruitment fees



Hire Me Now Job Fair

**September 25, 2014
9 AM to 2 PM
BBVA Compass Bank Stadium**

- Registration is free. To register visit:
www.houstonhirmenow.com
- Downtown parking provided for free at the Astros Parking Lot C (first come first served)
- Community Partners include: *SER Jobs for Progress, Houston Area Urban League and Workforce Solutions*
- Over 1,000 job seekers anticipated
- 40+ employers registered so far



CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Lift Off Houston- Business Plan Competition

- 2nd year
- OBO partnership with Houston Public Library
- Capital One continues to be Financial Sponsor
- Currently 156 pitch day participants
- *Save the date:* Pitch Day for Business Plan Competition is *Saturday, November 15th*



Champions of Diversity



October 28, 2014
5:30 to 8:00 PM
Hobby Center

- Celebrating MWBE Program's 30th Anniversary
- Awards ceremony honors:
 - Prime Contractors and MWBEs
 - City Department and Community Partner
 - Former Mayor Bob Lanier



CITY OF HOUSTON
**CHAMPIONS OF
DIVERSITY**
AWARDS



CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Thank You.



EDUCATE. CONNECT. GROW.