



City of Houston's MWBE Program

EDUCATE. CONNECT. GROW.

Presented by:
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March 22, 2021



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Mission



The Office of Business Opportunity is committed to cultivating a competitive and diverse 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.

Key Objectives: *Educate, Connect & Grow Businesses*



MWBE Program: Remediation Measures

- MWBE programs exist to remediate the effects of marketplace discrimination which result in barriers to contracting opportunities, business formation, access to capital and commercial credit, etc.
- To combat the effects of these barriers, measures are implemented to boost the availability and capacity of MWBEs in the market.
- Race and gender-conscious contracting nationwide programs often allow MWBE Primes to receive credit toward goals.
- Federal Disadvantaged Business Enterprise (DBE) Program allows DBE Primes to receive 100% credit towards goal compliance for work they self-perform.

City's MWBE Program



- City's MWBE Program is a subcontracting program.
 - Goals are met primarily by certified MWBE firms serving as subcontractors.
 - On rare occasions, contract goals are met with MWBEs who are part of joint venture partnerships.
- Analysis of City contracting activities show that MWBE Primes are significantly underutilized:
 - FY18: 8.6 % of City's spend with all primes
 - FY19: 3.9% of City's spend with all primes
 - FY20: 5.4% City's spend with all primes

New Proposed Policy: MWBE Prime Level Credit

- **New Policy:** Allow COH certified MWBE Primes to count the value of the work they self-perform to meet up to 25% of the total M/WBE contract goals.
 - Creates potential opportunities for more MWBEs to serve as primes.
 - May result in MWBEs graduating from perpetual subcontracting to prime level status.
- Reserves a significant percentage of the contract goal for certified MWBE subcontractors.

Application of Proposed New Policy

- **Construction Project** with 12% MBE goal and 4% WBE goal
 - MBE Prime may count its participation up to 4% of the MBE goal.

or

 - WBE Prime may count its participation up to 4% of the WBE goal.
 - A prime certified as both MBE and WBE, must select one certification.
- **Non- Construction Project** with combined MWBE goal of 24%
 - MWBE Prime may use it's MBE or WBE certification to meet 6% of the goal.



Thank You

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