



# CITY OF HOUSTON

OFFICE  
of  
BUSINESS OPPORTUNITY

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Dear Stakeholder:

This letter comes to you as a supporter of our city's small business community and a stakeholder with the City of Houston's Office of Business Opportunity. The Office of Business Opportunity 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. As we move forward with our vision: *To eliminate systematic barriers to prosperity and economic opportunity in the Greater Houston region*, I invite you to come along with us as we embark upon new and uncharted territory.

Over the past year the office has been provided newly updated data and information around our local Minority, Women, and Small Business Enterprises, especially related to our spending with firms and our disparity among presumptive groups that are a part of our program. The first quarter of the new year was filled with outreach meetings to understand various groups and communities' positions on the findings of our 2023 Disparity Study.

On May 6th, the Houston City Council, through an amended Ordinance, adopted the latest Disparity Study and several changes to Chapter 15 of the City Ordinance. I would like to outline those changes below and provide insight into the Office of Business Opportunity's next steps.

Ordinance updates include:

- The expansion of the Small Business Enterprise Certification to apply to participation in all City spending categories inclusive of construction (4% cap removed), professional services, goods, and other services.
- The addition of the Veteran and Disabled Veteran Owned Small Business to OBO's Certified Directory to be included as a preference on contract opportunities.
- The addition of the Personal Net Worth, following the guidelines of the U.S. Small Business Administration, for the M/W/SBE program.
- Flexibility for qualifying disabled business owners to obtain certification.
- New city-wide MWSBE annual goals in City contracting per category, excluding contracts funded by U.S. Department of Transportation at: 34% MWBE for construction (23% MBE and 11% WBE), 26% combined MWBE goal for professional services, 15% combined MWBE goal for goods and a 19% combined MWBE goal for non-professional services.



**Council Members:** Amy Peck \*\* Tarsha Jackson \*\* Abbie Kamin \*\* Carolyn Evans-Shabazz \*\* Fred Flickinger \*\* Tiffany D. Thomas \*\* Mary Nan Huffman \*\* Mario Castillo \*\*  
Joaquin Martinez \*\* Edward Pollard \*\* Martha Castex-Tatum \*\* Julian Ramirez \*\* Willie Davis \*\* Twila Carter \*\* Letitia Plummer \*\* Sallie Alcorn \*\* **Controller:** Chris Hollins

- Allows departments to set contract specific goals that may include the utilization of available SBEs to meet established contract specific goals cumulatively. In one year, the Director of OBO shall report to the City Council on the progress of the SBE program.
- Directs the OBO Director to establish a timeline of public education regarding participation in the City's MWBE and the expansion of the City's SBE programs.
- The creation of supportive program services designed to address the comprehensive needs of small business entities, including but not limited to a mentor protégé program, a small business hub, enhanced graduation program, and a small contractor rotation program.
- Within three months of the effective date of the Ordinance the Director of OBO shall provide the Administration with a written report containing additional recommendations for the MWSBE program and a timeline to improve equity in the City's contracting practices.

To ensure a smooth transition and to gear up for the implementation of these changes, all policies and procedures will be in place by January 2026. At this time, all participation remains "as is" on goal-oriented contracts.

We invite you to get involved and work with us on stakeholder engagement and feedback as we prepare our final recommendation to the Administration and City Council. Our goal going forward is to utilize data provided by the Disparity Study, both City spending and market, to determine a fair and equitable means to narrowly tailor the M/W/BE program in a manner that meets constitutional scrutiny. We will host small group discussions where meaningful dialogue and community/industry specific input can be realized. The MWBE Implementation small group meetings will begin July 7, 2025, and conclude on July 25, 2025. If your organization would like to host a discussion, email [director.obo@houstontx.gov](mailto:director.obo@houstontx.gov). If you would like to participate as a business owner and receive notification of MWBE Implementation meetings, please email us at [obosc@houstontx.gov](mailto:obosc@houstontx.gov) with the **Subject: Subscribe to eblast**.

I am looking forward to working with you to make Houston the most equitable place of business in the United States. I welcome your innovative ideas and best practices that will make this the best city to do business with. Let's make real change and move the needle toward business opportunities in Houston!

Warmest regards,



Cylenthia Hoyrd  
Director