

CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Hire Houston First Progress Report
FY2016 Annual
July 1, 2015 – June 30, 2016

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Hire Houston First Program Overview

Hire Houston First (HHF) was developed in an effort to promote economic opportunity for Houston area businesses and to support local job creation. The City of Houston spends billions of dollars to maintain and improve the City’s infrastructure, and provide services for the public. Hire Houston First grants the City the ability to give preference to local companies and local workers, as long as their pricing is competitive.

It is the policy of the City of Houston as defined in the Hire Houston First Ordinance, Chapter 15, Article XI, to use the City’s spending powers in a manner that promotes fiscal responsibility and maximizes the effectiveness of local tax dollars by ensuring that City spending provides expanded business opportunities for home grown businesses.

To be certified for participation in HHF, businesses must meet at least one of two requirements:

- Be headquartered in the incorporated limits of the City or the 10 local counties; **OR**
- Have 20% or more of the entity's workforce regularly based and have a substantial part of its operations based in the incorporated limits of the City or the 10 local counties: Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, Waller, Austin and San Jacinto.

Chapter 15, Article XI, permits the City to award to City and local businesses under the following criteria:

Personal Property (Goods)	Services
If the contract value is \$100,000 or greater, then the contract is awarded to a City Business that is within 3% of lowest bid.	If the contract value is \$100,000 or greater, then the contract is awarded to a Local Business that is within 3% of lowest bid.
If the contract value is under \$100,000*, then the contract is awarded to a City Business that is within 5% of the lowest bid.	If the contract value is under \$100,000*, then the contract is awarded to a Local Business that is within 5% of the lowest bid.

*For Purchases under \$50,000.00: "the city shall, subject to the requirements of section 15-181, select vendors and services providers with a principal place of business in the local area, provided that any such vendor's bid is no more than five percent greater than the lowest bid, in the event the lowest bid is from one other than a city business or a local business. "

Note: 1. According to Texas Government Code, Chapter 2254.004, architectural, engineering, and land surveying professional services contracts must be chosen on “demonstrated competence and qualifications to perform the services; and for a fair and reasonable price”.

2. The program does not apply to any contract in which the federal government participates in the form of a grant or loan, or the city acts as a conduit for federal money. (Code of Ordinances, Sec. 15-181.)

3. In accordance with Local Government Code § 271.9051, this program does not apply to the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. Section 153.



City and Local Business Criteria

A. **City Business (CB)** means a business with a principal place of business within city limits.

B. **Local Area** means Houston-Sugar Land-Baytown metropolitan statistical area, as defined by the Office of Management and Budget within the Executive Office of the President of the United States and includes the ten counties in and surrounding City limits: Harris, Fort Bend, Montgomery, Brazoria, Galveston, Chambers, Waller, Liberty, Austin and San Jacinto.



C. **Local Business (LB)** means a business with a principal place of business in the local area.

D. **Principal Place of Business** means the business must be headquartered or have an established place or places of business in the incorporated limits of the city or the local area as applicable, from which 20% or more of the entity's workforce are regularly based, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed as a principal place of business.

E. **Headquartered** means the location where an entity's leadership directs, controls, and coordinates the entity's activities.

Hire Houston First Application Process

Businesses interested in becoming eligible to participate in the Hire Houston First program must complete the Hire Houston First Application and Affidavit. Only businesses that meet the requirements of the Ordinance are eligible to be designated as a Hire Houston First company. Processing is completed at no charge.

To learn more, contact the Office of Business Opportunity (OBO) at 832-393-0600 for details and information. You may also visit the website at <http://www.houstontx.gov/obo>





Total Amount Awarded

The Hire Houston First (HHF) program was initiated on October 1, 2011. In fiscal year 2016, the City awarded \$594,061,020 to registered Hire Houston First firms from a total value of \$1,043,193,698 for HHF eligible contracts and purchase orders awarded between July 1, 2015 and June 30, 2016. Therefore, participation of HHF firms for City contracts was 58.4% , while participation for Purchase Orders was 16.2%, giving an overall HHF participation of percentage of 56.9%.

Fiscal Year 2016	HHF Contracts and POs	Total	%
All Contracts	\$588,590,615	\$ 1,008,693,037	58.4%
Purchase Orders	\$5,393,140	\$ 33,392,974	16.2%
Total	\$594,061,020	\$ 1,043,193,698	56.9%

Utilization of HHF Firms

Number of HHF companies utilized	368
Number of total designated companies	2,310
Utilization	15.9%

There were 2,310 designated HHF companies as of June 30, 2016. From this amount a total of 368 HHF companies received either a contract or purchase order during FY2016.

A total of 103 contracts have been awarded to 81 contractors who had never won a contract before receiving their HHF designation.

Total Jobs Supported

Local Business Employees	4,452
City Business/Local Business Employees	11,058
Total	15,510

The 368 HHF companies that won city contracts and POs during FY2016 employed 15,510 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2015

Number of Prime Contracts	180
Number of Purchase Orders	977
Total	1,157

In FY2016, there were a total of 180 contracts awarded and 977 Purchase Orders issued to HHF companies.

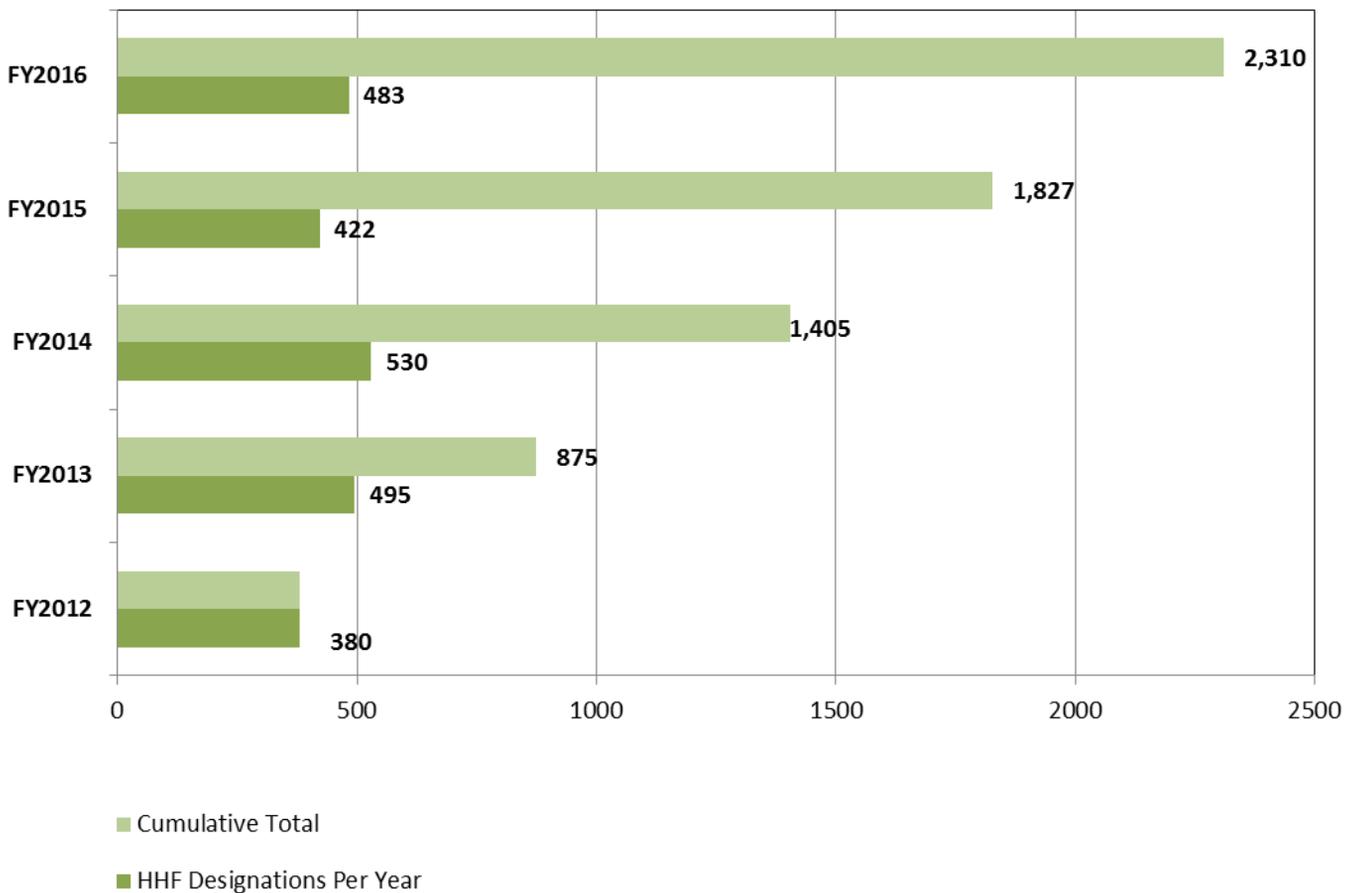




HHF Approved Applications

By FY2016, the Office of Business Opportunity had approved 2,310 companies as City Business or Local Business Hire Houston First firms.

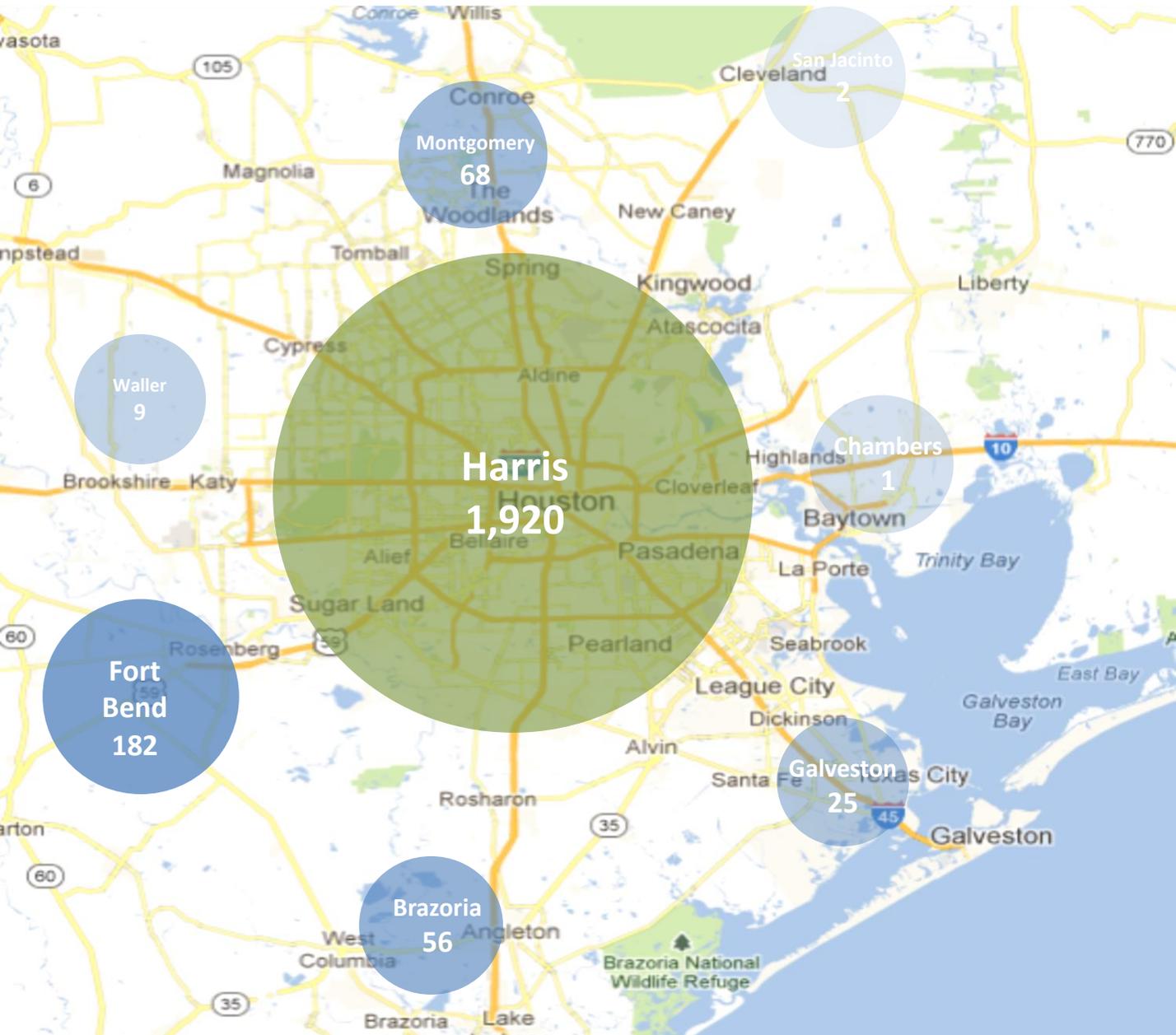
Designations per Year and Cumulative Total





Approved Applications by Headquarters County*

Figure 1



* There are a total of 2,310 active HHF firms as of June 30, 2016. From that amount, 2,263 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 47 approved HHF companies are headquartered outside the 10 counties. Per HHF ordinance, HHF companies are also approved if they have an established place(s) of businesses in the incorporated limits of the city or the local area from which 20% or more of their employees are located, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted.

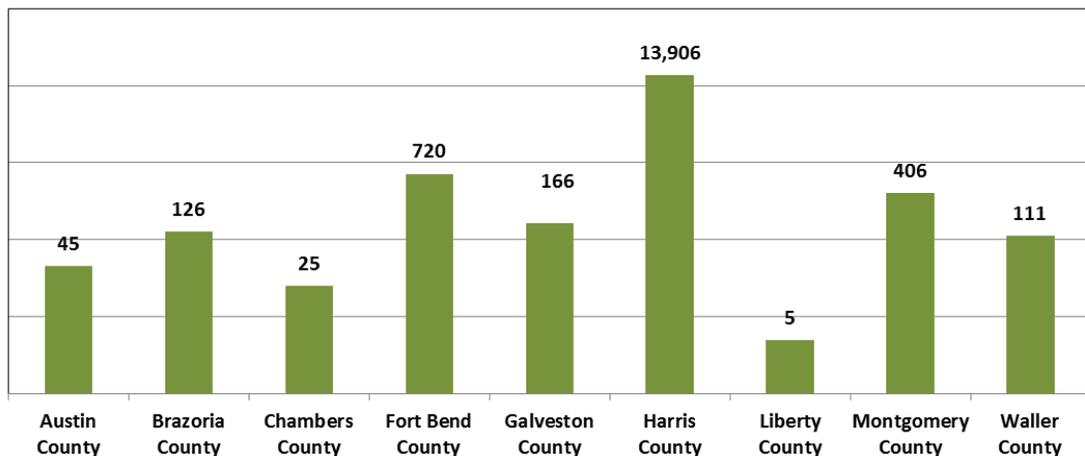


Local Jobs Supported

County	Number of employees
Austin County	45
Brazoria County	126
Chambers County	25
Fort Bend County	720
Galveston County	166
Harris County	13,906
Liberty County	5
Montgomery County	406
Waller County	111
Total	15,510

Approximately \$594 million in City of Houston contracts awarded to HHF designated companies helped sustain 15,510 local jobs during FY2016. Approximately 90% of the jobs were for companies in Harris County.

Number of Jobs Supported by County



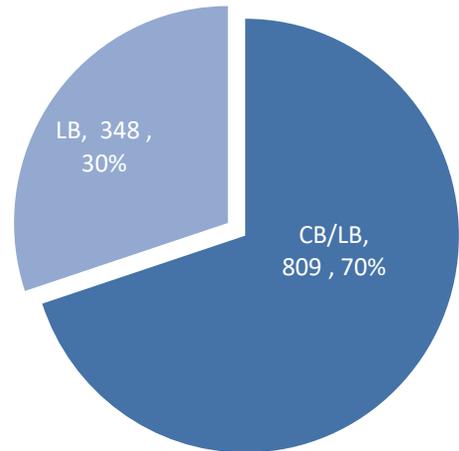
Note: The count of local employees is based off information submitted for the Hire Houston First applications.





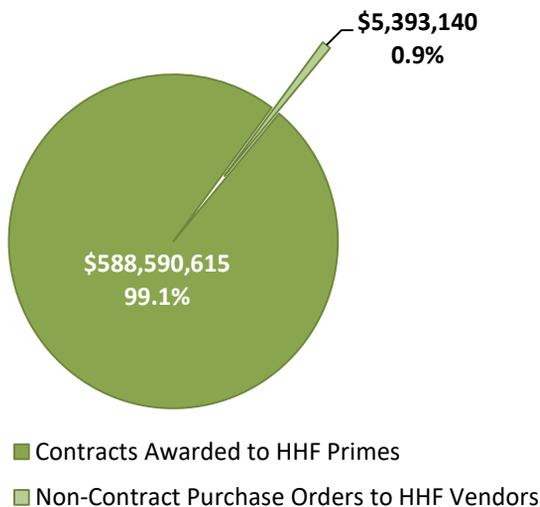
City Business/Local Businesses

Designation Type	FY2016	%
CB/LB	809	70%
LB	348	30%
Grand Total	1,157	100%



In FY2016, there were a total of 809 HHF companies that were awarded contracts and non-contract POs with CB/LB designation. There were a total of 348 HHF companies that were awarded contracts and non-contract POs with a LB designation.

HHF Contracts and Purchase Orders Detail



As demonstrated by the pie chart, a total of \$588,590,615 contracts were awarded to Hire Houston First Primes in FY2016 which accounted for 99.1% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$5,470,405, accounting for 0.9% of the entire total of \$594,061,020.

HHF Utilization	Amount
Contracts Awarded to HHF Primes	\$588,590,615
Non-Contract Purchase Orders to HHF Vendors	\$5,470,405
Total	\$594,061,020



Contract specifically awarded to HHF designated vendor

Dept	Vendor	Contract Title	Amount Awarded
PWE	Southern Ionics, Inc.	Chemical, Aqua Ammonia for the Department of Public Works & Engineering. S12-S25123	\$ 1,937,806

The Public Works & Engineering Department awarded a contract to a vendor specifically due to their Hire Houston First designation in FY2016. This bid for \$1.9M by Southern Ionics was not the lowest, but was within 3% - 5% of the lowest bid. The first bidder, was not issued the contract because the vendor did not have a HHF designation.

Contracts Awarded by Department

Overall, City of Houston departments awarded contracts and purchase orders worth \$621,362,732 to HHF firms in FY2016.

Department	FY2016 Total	HHF Preference Contracts
Administration & Regulatory Affairs	\$602,488	
City Council	\$17,592	
Finance	\$10,009,650	
Fleet Management Department	\$15,128,674	
General Services Department	\$73,521,342	
Houston Aviation System	\$8,279,141	
Housing & Community Development	\$4,750,425	
Houston Emergency Center	\$46,940	
Houston Fire Department	\$124,913	
Health and Human Services	\$732,040	
Houston Information Technology System	\$843,169	
Houston Parks Department	\$224,717	
Houston Police Department	\$227,659	
Houston Public Library	\$93,616	
Human Resources	\$3,083,696	
Legal Department	\$62,776	
Municipal Courts	\$24,120	
Mayors Office	\$71,874	
Office of Business Opportunity	\$2,800	
Planning Department	\$32,623	
Public Works & Engineering	\$451,339,165	\$1,937,806
Strategic Purchasing Division	\$18,653,710	
Solid Waste Management Department	\$6,187,890	
Total	\$594,061,020	\$1,937,806





Top 50 Highest Contracts Awarded to HHF Primes in FY2016 – By Dollar Amount

HHF Company	No. of Contracts	Amount Awarded in FY2016
Industrial TX Corporation	7	\$ 60,973,564
SER Construction Partners LLC	5	\$ 59,789,225
TDIndustries, Inc.	2	\$ 34,347,009
Severn Trent Services, Inc.	1	\$ 30,329,077
JFT Construction, Inc.	2	\$ 29,249,020
Times Construction, Inc.	4	\$ 27,520,000
Reytec Construction Resources, Inc.	2	\$ 18,233,348
LEM Construction Company, Inc.	1	\$ 17,839,730
Harper Brothers Construction LLC	2	\$ 17,489,990
Manhattan Construction Company	1	\$ 17,440,000
Total Contracting Limited	1	\$ 17,397,946
BRH-Garver Construction, L.P.	1	\$ 14,594,956
Cap Fleet Upfitters LLC	1	\$ 14,500,000
CYMI Industrial, Inc.	1	\$ 10,826,912
Centerpoint Energy Services Inc	1	\$ 10,000,000
Coastal Pump Services, Inc.	1	\$ 9,981,700
D. L. Elliott Enterprises, Inc.	4	\$ 9,750,594
Triple B Services, L.L.P.	2	\$ 9,440,511
Tomball Dodge Inc.	1	\$ 9,176,669
Boyer, Inc.	1	\$ 8,876,300
Synagro of Texas-CDR. Inc.	1	\$ 8,264,250
Huff & Mitchell, Inc.	1	\$ 8,199,532
Caldwell Automotive Partners, LLC	2	\$ 8,014,485
Main Lane Industries, Ltd.	3	\$ 7,427,360
McKinney Construction, Inc.	2	\$ 7,346,932
Sterling Construction Co.	1	\$ 6,841,942
Blastco Texas, Inc.	2	\$ 6,280,722
WASTE MANAGEMENT OF TEXAS, INC	1	\$ 5,758,000
CALCO CONTRACTING, LTD.	1	\$ 5,099,225
Tikon Group, Inc.	2	\$ 5,023,973
Yes America Now, Inc.	1	\$ 4,535,907
Specialized Maintenance Services, Inc.	2	\$ 3,870,077
Jerdon Enterprise, LP	2	\$ 3,724,339
Montrose Counseling Center, Inc.	2	\$ 3,693,982
Nerie Construction Limited Liability Company	3	\$ 3,593,185
Weisinger Incorporated	2	\$ 3,307,488
P^2MG, LLC	2	\$ 3,228,000
Angel Brothers Enterprises, Ltd.	1	\$ 3,184,110
T Construction LLC	3	\$ 3,122,487
SER - JOBS FOR PROGRESS OF THE TEXAS GULF COAST, INC.	1	\$ 3,000,000
Restocon Corporation	1	\$ 2,753,120
DCE Construction, Inc.	1	\$ 2,665,447
Meiners Construction LLC	1	\$ 2,592,165
SCOHIL CONSTRUCTION SERVICES, L.L.C.	1	\$ 2,476,865
Carrera Construction, Inc.	1	\$ 2,014,500
DNB Enterprises, Inc.	3	\$ 1,986,161
Southern Ionics, Inc.	1	\$ 1,937,806
Gadberry Construction Company, Inc.	2	\$ 1,906,163
The Gonzalez Group, LP	1	\$ 1,890,000
DURA PIER FACILITIES SERVICES, LTD	1	\$ 1,889,750





Top 50 Highest Number of HHF Prime Contracts Awarded in FY2016

HHF Company	Total
Industrial TX Corporation	7
SER Construction Partners LLC	5
Times Construction, Inc.	4
D. L. Elliott Enterprises, Inc.	4
Texas Pride Utilities, LLC	4
HTS Consultants, Inc.	4
AIA General Contractors, Inc.	3
Main Lane Industries, Ltd.	3
DNB Enterprises, Inc.	3
Nerie Construction Limited Liability Company	3
Aviles Engineering Corporation	3
T Construction LLC	3
QC Laboratories, Inc.	2
Weisinger Incorporated	2
Harper Brothers Construction LLC	2
McKinney Construction, Inc.	2
T Construction L.L.C.	2
Blastco Texas, Inc.	2
Jerdon Enterprise, LP	2
Caldwell Automotive Partners, LLC	2
Triple B Services, L.L.P.	2
P^2MG, LLC	2
Gadberry Construction Company, Inc.	2
Reytec Construction Resources, Inc.	2
JFT Construction, Inc.	2
Macaulay Controls Company	2
TDIndustries, Inc.	2
Tikon Group, Inc.	2
E Contractors USA, LLC	2
Montrose Counseling Center, Inc.	2
Specialized Maintenance Services, Inc.	2
TLC Engineering, Inc.	2
Lloyd, Smitha and Associates, LLC	2
Tolunay-Wong Engineers, Inc.	1
Brian Smith Construction Inspection, Inc.	1
HVJ Associates, Inc.	1
MMG Contractors	1
SCOHIL CONSTRUCTION SERVICES, L.L.C.	1
CALCO CONTRACTING, LTD.	1
Traffic Engineers, Inc.	1
DAE & Associates Ltd.	1
Huff & Mitchell, Inc.	1
Restocon Corporation	1
Angel Brothers Enterprises, Ltd.	1
ISI Contracting, Inc.	1
DCE Construction, Inc.	1
McKenna Contracting, Inc	1
Inland Environments, Ltd.	1
AIDS Foundation Houston, Inc.	1
TRAFFIC SYSTEMS CONSTRUCTION, INC.	1





Top 50 HHF Vendors with Purchase Orders in FY2016

Vendor	Total Purchases
Caldwell Automotive Partners, LLC	\$516,208
ENVIRONMENTAL SORBENTS LLC	\$399,054
TOMBALL DODGE INC	\$256,455
CPR SERVICES AND SUPPLIES INC	\$213,273
BEVCO COMPANY	\$211,349
GLOBE OFFICE PRODUCTS	\$185,200
GLOBE ELECTRIC COMPANY INC	\$154,233
MACAULAY CONTROLS	\$119,777
YES AMERICA NOW	\$84,300
ENVIRONMENTAL IMPROVEMENT INC	\$72,198
BATES CHEMICAL INC	\$67,420
LORENZO DAVIS	\$66,597
TRANTEX TRANSPORTATION PRODUCTS	\$65,046
PUMPS OF HOUSTON INC	\$63,000
PROJECT PROMOTIONS	\$61,029
KATHY D HAGAN	\$59,720
BROADCAST TECHNICAL SERVICES INC	\$52,155
LLOYD SMITH AND ASSOCIATES LLC	\$50,000
LEADERSHIP CONSULTING GROUP INC	\$50,000
THE PRINCIPLE PARTNERING GROUP	\$49,995
RICHARDS CARLBERG INC	\$49,957
THE TAGOS GROUP LLC	\$49,800
BASELINE PAVING & CONSTRUCTION	\$48,587
UTILITY SYSTEMS SCIENCE AND	\$48,579
BISHOP QUINTANA ROY ADVERTISING &	\$48,500
UNA MAE DENNISON	\$48,113
SIERRA INFOSYS INC	\$46,000
QC LABORATORIES INC.	\$44,649
NEWMAN & NEWMAN, INC.	\$44,180
TECHNICAL & SCIENTIFIC APPLICATION	\$43,342
E CONTRACTORSUSA LLC	\$42,966
BOYER INC	\$41,980
ELP ENTERPRISES INC	\$39,978
HEIL OF TEXAS (HOU) REGIONS	\$39,635
HARRIS CARPET & FLOORS	\$38,394
PARADIGM CONSULTANTS INC	\$38,167
HARVEST INCENTIVES	\$37,963
REPUBLIC TRAFFIC SAFETY INC	\$37,571
MEK INTERIOR AND FLOORS, INC.	\$37,427
KLP COMMERCIAL	\$36,942
HAHN EQUIP COMPANY INC	\$36,186
DATAVOX	\$35,901
BFL DEVELOPMENT LLC	\$34,347
MEK INTERIOR AND FLOORS INC	\$34,292
AIR FILTERS INC	\$33,954
HOUSTON BARRICADE AND SUPPLY	\$33,205
BL TECHNOLOGY INC	\$32,900
ALL PLAY INC	\$31,371
PRO ALLIANCE	\$31,254
DOUBLEDIMOND PUBLIC RELATIONS LLC	\$30,000





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