

CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Hire Houston First Progress Report

FY2017

July 1, 2016 – June 30, 2017



Mayor
Sylvester Turner

Director
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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 2017, the City awarded \$332,084,588 to registered Hire Houston First firms from a total value of \$869,023,617 for HHF eligible contracts and purchase orders awarded between July 1, 2016 and Jun 30, 2017. Therefore, participation of HHF firms for City contracts was 38.8%, while participation for Purchase Orders was 18.6%, which totals an overall HHF participation of percentage of 38.2%.

Fiscal Year 2017	HHF Contracts and POs	Total	%
All Contracts	\$ 327,728,793	\$ 845,565,564	38.8%
Purchase Orders	\$ 4,355,796	\$ 23,458,053	18.6%
Total	\$ 332,084,588	\$ 869,023,617	38.2%

Utilization of HHF Firms

- Since this program was created, a total of 2,713 companies were HHF designated as of Jun 30, 2017.
- Approximately 375 HHF companies received either a contract or purchase order during FY2017.
- A total of 159 contracts have been awarded to 93 prime contractors who had never won a contract before receiving their HHF designation.

Total Jobs Supported

Local Business Employees	11,023
City Business/Local Business Employees	5,993
Total	17,016

The 375 HHF companies that won city contracts and POs during FY2017 employed individuals which supports 17,016 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2015

Number of Prime Contracts	189
Number of Purchase Orders	881
Total	1,070

In FY2017, there were a total of 189 contracts awarded and 881 Purchase Orders issued to HHF companies.

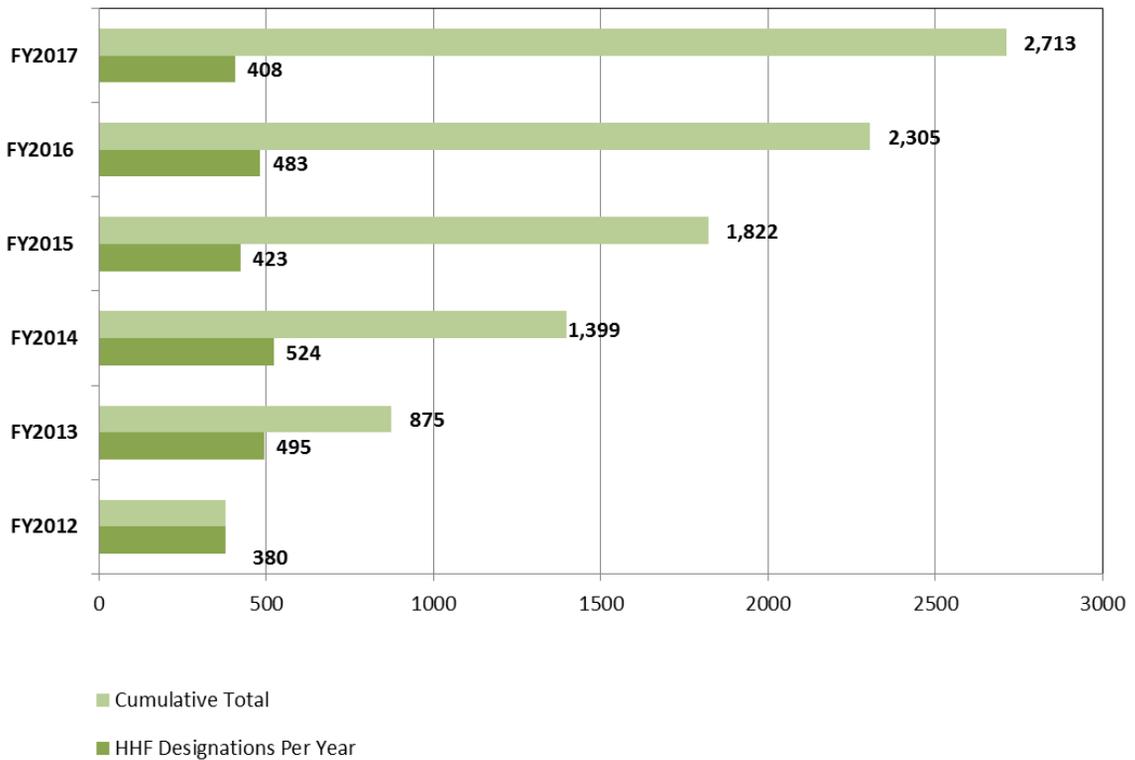




HHF Approved Applications

In FY2017, the Office of Business Opportunity approved 2,713 companies as City Business or Local Business Hire Houston First firms.

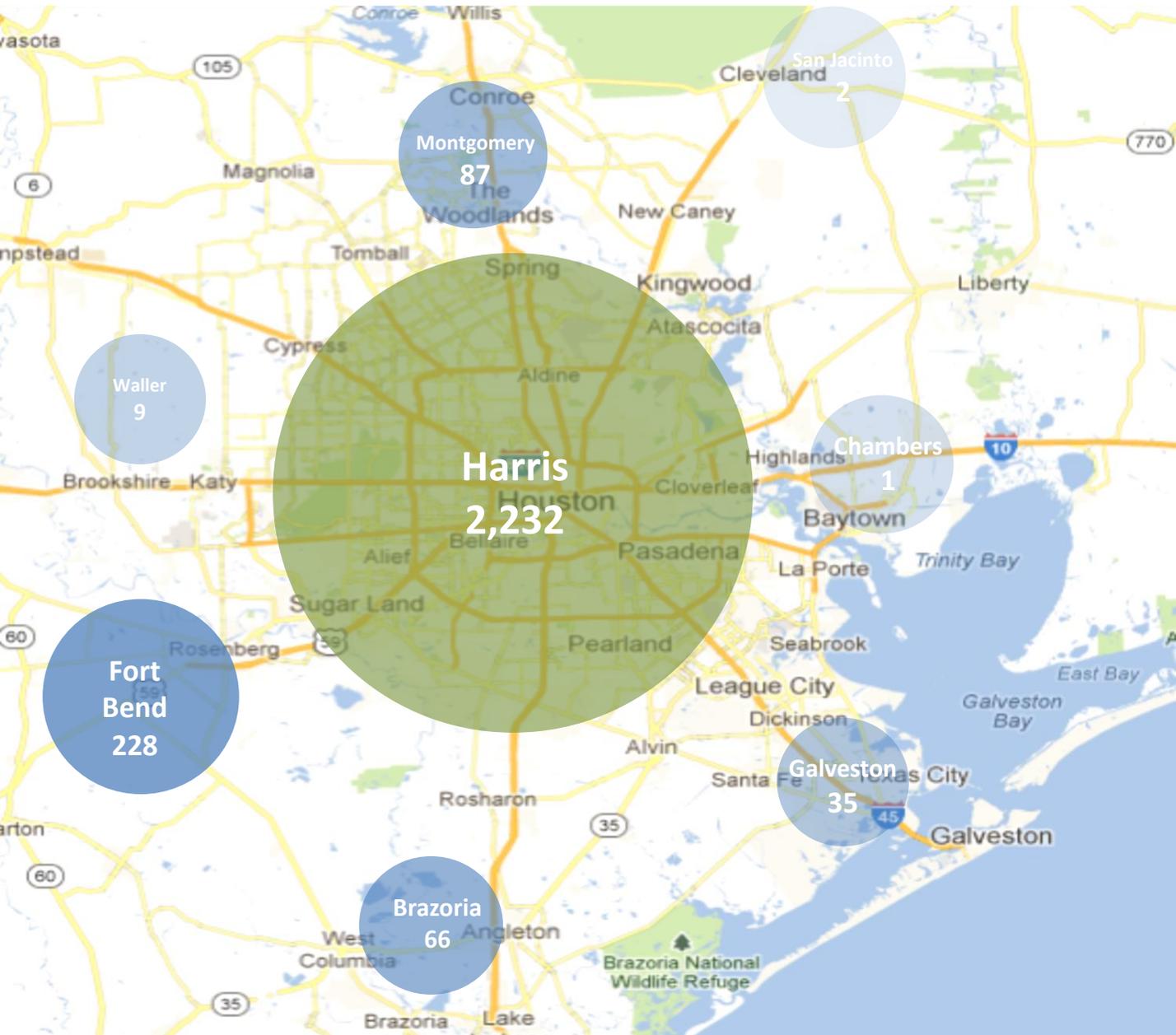
Designations per Year and Cumulative Total





Approved Applications by Headquarters County*

Figure 1



* There are a total of 2,713 active HHF firms as of Jun 30, 2016. From that amount, 2,660 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 53 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.



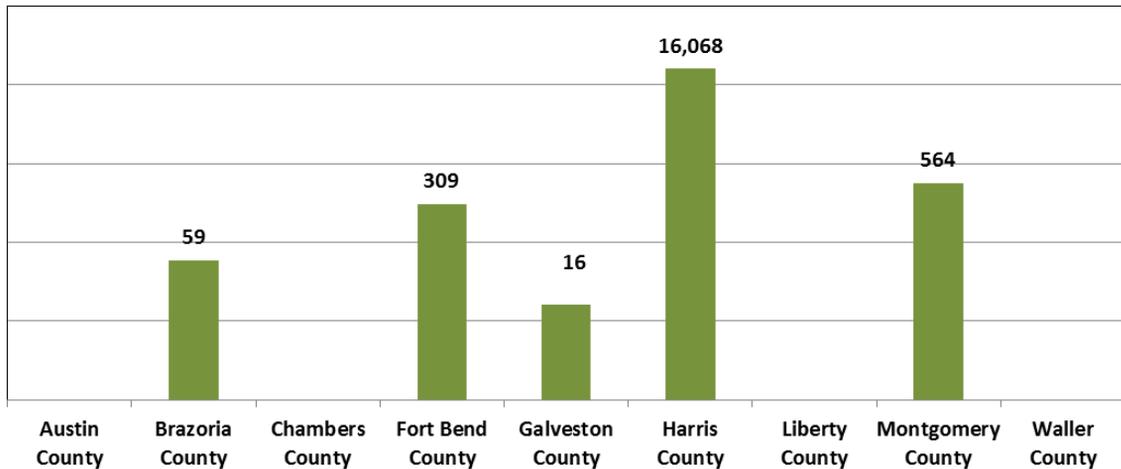


Local Jobs Supported

County	Number of employees	%
Austin County	0	0.0%
Brazoria County	59	0.3%
Chambers County	0	0.0%
Fort Bend County	309	1.8%
Galveston County	16	0.1%
Harris County	16,068	94.4%
Liberty County	0	0.0%
Montgomery County	564	3.3%
Waller County	0	0.0%
Total	17,016	100%

Approximately \$332 million in City of Houston contracts and POs awarded to HHF designated companies helped sustain 17,016 local jobs during FY2017. Approximately 94% of the jobs were for companies in Harris County.

Number of Jobs Supported by County

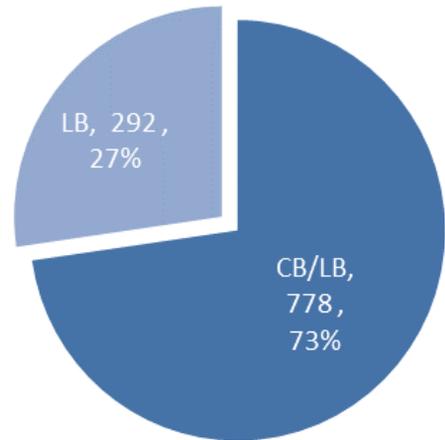


Note: The count of local employees is based off information submitted for the Hire Houston First applications.



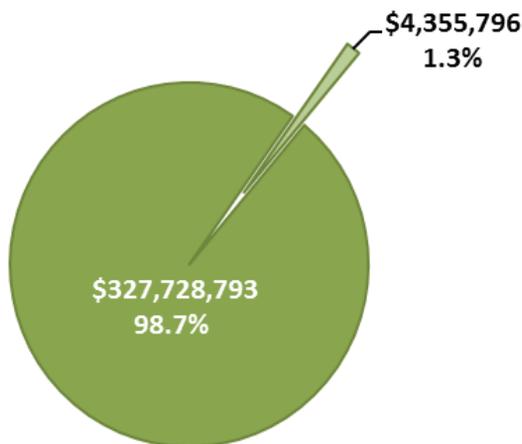
City Business/Local Businesses

Designation Type	FY2017	%
CB/LB	778	73%
LB	292	27%
Grand Total	1,070	100%



In FY2017, there were a total of 1,070 contracts and POs awarded to HHF companies with CB/LB designation. There were a total of 778 contracts and POs awarded to HHF companies with a CB/LB designations and 292 with a LB designation.

HHF Contracts and Purchase Orders Detail



As reflected by the pie chart, a total of \$327 million contracts were awarded to Hire Houston First Primes in FY2017 which accounted for 98.7% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$4.3 million, accounting for 1.3% of the grand total of \$332 million.

HHF Contracts and POs	Amount
Contracts Awarded to HHF Primes	\$327,728,793
Non-Contract Purchase Orders to HHF Vendors	\$4,355,796
Total	\$332,084,588

- Contracts Awarded to HHF Primes
- Non-Contract Purchase Orders to HHF Vendors





Contracts Awarded by Department

Overall, City of Houston departments awarded contracts and purchase orders worth \$332 million to HHF firms with a HHF designation in FY2017. During this year departments have not awarded a contract based on the prime contractor’s HHF designation. In most cases the Prime contractor has a HHF designation but also has the lowest bid.

Department	FY2017 Total
Administration & Regulatory Affairs	\$204,653
Department of Neighborhoods	\$2,981
Finance	\$0
Fleet Management Department	\$6,133,416
General Services Department	\$7,485,388
Houston Aviation System	\$20,231,712
Housing & Community Development	\$2,289,657
Houston Emergency Center	\$0
Houston Fire Department	\$175,568
Health and Human Services	\$37,022,892
Houston Information Technology System	\$469,492
Houston Parks Department	\$3,964,375
Houston Police Department	\$182,943
Houston Public Library	\$138,650
Human Resources	\$31,554
Legal Department	\$8,270
Municipal Courts	\$194
Mayors Office	\$315,130
Office of Business Opportunity	\$250
Planning Department	\$8,145
Public Works & Engineering	\$246,501,031
Strategic Purchasing Division	\$6,819,517
Solid Waste Management Department	\$98,771
Total	\$332,084,588



Top 50 Highest Contracts Awarded to HHF Primes in FY2017 – By Dollar Amount

HHF Company	Amount Awarded in	No. of Contracts
Industrial TX Corporation	\$ 29,614,485	7
ISI Contracting, Inc.	\$ 27,777,594	4
Lockwood, Andrews & Newnam, Inc.	\$ 23,792,971	8
SER Construction Partners LLC	\$ 19,790,377	3
Main Lane Industries, Ltd.	\$ 18,015,832	3
Interfaith Ministries for Greater Houston	\$ 15,768,876	1
Blastco Texas, Inc.	\$ 12,813,378	3
LEM Construction Company, Inc.	\$ 12,204,680	2
Pepper-Lawson Waterworks, LLC	\$ 11,390,098	2
Young Women's Christian Association of Houston (YWCA)	\$ 10,776,728	1
McKinney Construction, Inc.	\$ 10,720,201	3
Reytec Construction Resources, Inc.	\$ 8,572,239	4
Grava, LLC	\$ 6,471,179	3
Resicom, Inc.	\$ 6,120,650	2
The Fierro Group, LTD. Co.	\$ 6,016,075	1
T Construction L.L.C.	\$ 5,301,505	4
Boyer, Inc.	\$ 5,252,695	1
SpawGlass Civil Construction, Inc.	\$ 5,090,401	1
Network Cabling Services, Inc.	\$ 4,278,763	1
DCE Construction, Inc.	\$ 3,988,603	1
Prime Trees, Inc.	\$ 3,865,816	1
Northwest Assistance Ministries	\$ 3,825,543	1
E. P. Brady, Ltd.	\$ 3,584,366	1
Durwood Greene Construction Co.	\$ 3,181,000	1
Jerdon Enterprise, L.P.	\$ 2,977,077	2
Statewide Traffic Signal Company	\$ 2,910,093	1
SC Hydraulics, Inc.	\$ 2,899,301	1
Alsay Incorporated	\$ 2,685,339	1
Horizon International Group LLC	\$ 2,591,861	3
Tikon Group, Inc.	\$ 2,523,044	2
CSA Construction, Inc.	\$ 2,512,625	1
Scohil Construction Services, LLC	\$ 2,262,027	1
Evelyn Rubenstein Jewish Community Center of Houston	\$ 2,260,066	1
Neighborhood Centers, Inc.	\$ 2,260,066	1
D. L. Elliott Enterprises, Inc.	\$ 2,117,941	1
Aviles Engineering Corporation	\$ 1,947,000	5
Hahn Equipment Company, Inc.	\$ 1,882,798	2
CSI Consolidated, LLC	\$ 1,765,202	2
D G MEDINA CONSTRUCTION, LLC	\$ 1,417,451	2
Gadberry Construction Company, Inc.	\$ 1,406,169	1
Yes America Now, Inc.	\$ 1,310,262	1
Montrose Counseling Center, Inc.	\$ 1,193,982	1
J. Davis Automotive Group	\$ 1,128,597	1
Reliable Transmission Service-Texas, LLC	\$ 1,113,659	1
AIDS Foundation Houston, Inc.	\$ 1,048,229	1
Brown & Gay Engineers Inc	\$ 1,042,911	1
Brown Sterling Builders, Inc.	\$ 1,000,000	1
Baylor Asset Management, LLC	\$ 1,000,000	1
Specialized Maintenance Services Inc.	\$ 961,404	1
Sewer And Storm Maintenance LLC	\$ 961,404	1





Top 50 Highest Number of HHF Prime Contracts Awarded in FY2017

HHF Company	Total
Lockwood, Andrews & Newnam, Inc.	8
Industrial TX Corporation	7
HTS Consultants, Inc.	5
Aviles Engineering Corporation	5
Reytec Construction Resources, Inc.	4
Gorrondona & Associates, Inc.	4
ISI Contracting, Inc.	4
T Construction L.L.C.	4
Grava, LLC	3
Blastco Texas, Inc.	3
DAE & Associates, Ltd.	3
Main Lane Industries, Ltd.	3
HVJ Associates, Inc.	3
SER Construction Partners LLC	3
McKinney Construction, Inc.	3
Horizon International Group LLC	3
Fugro Consultants, Inc.	2
Resicom, Inc.	2
General Body Manufacturing Co.	2
Pepper-Lawson Waterworks, LLC	2
CSI Consolidated, LLC	2
Tolunay-Wong Engineers, Inc.	2
LEM Construction Company, Inc.	2
Manhattan Construction Company	2
Jerdon Enterprise, L.P.	2
D G MEDINA CONSTRUCTION, LLC	2
Geotest Engineering, Inc.	2
OTHON, INC.	2
Tikon Group, Inc.	2
Paradigm Consultants, Inc.	2
Hahn Equipment Company, Inc.	2
Vanessa M. Johnson, CPA, LLC	1
SWA Group, Inc.	1
Carrera Construction, Inc.	1
CRG TEXAS, LLC	1
Northwest Assistance Ministries	1
AIDS Foundation Houston, Inc.	1
Evelyn Rubenstein Jewish Community Center of Houston	1
Montrose Counseling Center, Inc.	1
Statewide Traffic Signal Company	1
Metro Fire Apparatus Specialties, Inc.	1
Quadrant Consultants Inc.	1
Scohil Construction Services, LLC	1
Texas Pride Utilities, LLC	1
Huff & Mitchell, Inc.	1
Network Cabling Services, Inc.	1
DCE Construction, Inc.	1
Reliable Transmission Service-Texas, LLC	1
D. L. Elliott Enterprises, Inc.	1
S & B Infrastructure, Ltd.	1





Top 50 HHF Vendors with Purchase Orders in FY2017

Vendor	Total Purchases
ENVIRONMENTAL SORBENTS LLC	\$588,088
GENERAL TRUCK BODY MFG COMPANY	\$257,126
BATTERSON TRUCK EQUIPMENT LLC	\$156,105
BEVCO COMPANY	\$152,204
GLOBE OFFICE PRODUCTS	\$136,952
DATAVOX	\$125,905
CPR SERVICES AND SUPPLIES INC	\$112,786
GLOBE ELECTRIC COMPANY INC	\$102,747
DECOULANT INC	\$85,215
JDC FLUID EQUIPMENT	\$60,984
BURGOON COMPANY	\$60,558
REPUBLIC TRAFFIC SAFETY INC	\$57,700
HOUSTON BARRICADE AND SUPPLY	\$56,151
METRO FIRE APPARATUS SPECIALISTS	\$54,124
CRITICAL INFRASTRUCTURE SOLUTIONS	\$52,766
LYNCVERSE TECHNOLOGIES INC	\$51,350
THE PRINCIPLE PARTNERING GROUP	\$49,995
ELP ENTERPRISES INC	\$49,793
COWGIRL HOLDINGS LLC	\$49,760
MACAULAY CONTROLS	\$49,041
UTILITY SYSTEMS SCIENCE AND	\$48,700
GILBREATH COMMUNICATIONS, INC.	\$48,000
PRECISION LAND SURVEYING INC	\$48,000
INDIGO BEAM	\$47,970
CAMPBELL CONCRETE MATERIALS LP	\$47,215
TRAFFICWARE GROUP INC	\$46,310
SWA INTERNATIONAL COMPANY	\$45,400
ATVIROTECH INC	\$45,380
BASELINE PAVING & CONSTRUCTION	\$44,263
INLAND ENVIRONMENTS LTD.	\$43,288
PUMPS OF HOUSTON INC	\$41,808
BOYER INC	\$40,990
CITY SUPPLY COMPANY	\$39,156
LUPHER LLC	\$39,152
TRANTEX TRANSPORTATION PRODUCTS	\$37,917
REVEL SOLUTIONS LLC	\$37,472
MARKETING MAGIC INTERNATIONAL LTD	\$37,000
YES AMERICA NOW	\$36,000
JERSEY EQUIPMENT OF HOUSTON	\$31,728
MEK INTERIOR AND FLOORS, INC.	\$31,529
HOUSTON FREIGHTLINER INC	\$31,268
UNA MAE DENNISON	\$28,639
NETSYNC NETWORK SOLUTIONS	\$26,994
PROGRESSIVE COMMERCIAL	\$26,600
Caldwell Automotive Partners, LLC	\$26,390
BRAND IQ INC.	\$25,779
LORENZO DAVIS	\$25,203
CENTRAL POLICE SUPPLY INC	\$24,801
BUSINESS FLOORING SPECIALIST	\$23,948
PRO ALLIANCE	\$23,285





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