

CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Hire Houston First
Annual Progress Report
FY2014



Mayor
Annise D. Parker

Director
Carlecia D. Wright





Table of Contents

Program Overview.	3
City and Local Business Criteria.	4
Citywide Summary.	5
Approved Applications by Year	6
Total Number of Approved Applications by County	7
Local Jobs Supported	8
Dollars Awarded to HHF Companies.	9
Awards by Department	10
Top 50 Highest HHF Awards	11
Top 50 Highest Number of HHF Contracts	12
Top 50 HHF Firms with Purchase Orders.	13



Hire Houston First Program Overview

Mayor Annise Parker developed Hire Houston First (HHF) 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."

**In procuring architectural, engineering or land surveying services under the Professional Services Procurement Act, Tex. Gov't Code 2254.004, the applicable City department shall, when appropriate, consider knowledge of local conditions as part of the qualifications determination.



City and Local Business Criteria

A. **City Business** 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** 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. The application takes about 20 minutes to complete and processing is completed at no charge.

To learn more, contact the Houston Business Solutions Center (HBSC) at 832-393-0954 for details and information. You may also visit their website at <http://www.houstontx.gov/hbsc/>





Total Amount Awarded*

The Hire Houston First (HHF) program was initiated on October 1, 2011. For Fiscal Year 2014, the City awarded \$579,774,253 to registered Hire Houston First firms from a total value of \$889,459,014 HHF eligible contracts and purchase orders awarded between July 2013 and June 2014. Therefore, participation of HHF firms for City contracts was at 66.8% , while participation in Purchase Orders was at 15.7%, giving a combined participation of 65.2%.

Fiscal Year 2014	HHF Contracts and POs	Total	%
All Contracts	\$575,318,110	\$ 861,043,092	66.8%
Purchase Orders	\$4,456,142	\$ 28,415,923	15.7%
Total	\$579,774,253	\$ 889,459,014	65.2%

* 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".

Utilization of HHF Firms

Number of HHF companies utilized	289
Number of total designated companies	1,432
Utilization	20.2%

There were 1,432 designated HHF companies as of June 30, 2014. From this amount a total of 289 HHF companies received either a contract or purchase order during Fiscal Year 2014.

A total of 58 contracts was awarded to 46 contractors who had never won a contract before receiving their HHF designation.

Total job supported

Local Business Employees	4,272
City Business/Local Business Employees	8,675
Total	12,947

The 289 HHF companies that won city contracts employ 12,947 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2014

HHF Contracts and POs	Total
Number of Prime Contracts	178
Number of Purchase Orders	821
Total	999

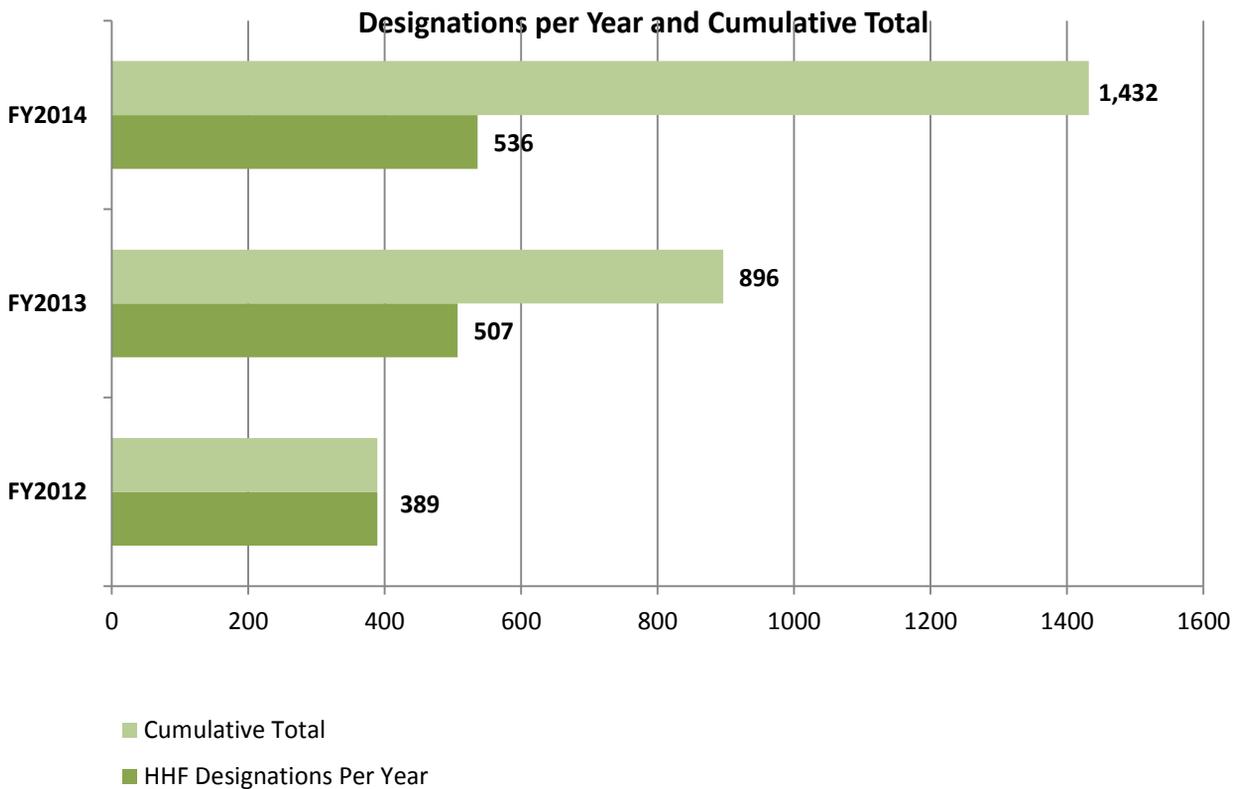
In FY2014, there were a total of 178 contracts awarded and 821 Purchase Orders issued to HHF companies.





HHF Approved Applications

By the end of Fiscal Year 2014, OBO's Houston Business Solutions Center had approved 1,432 companies as City Business or Local Business firms, thus surpassing its projected cumulative total of 1,400 HHF companies at the close of FY 2014.

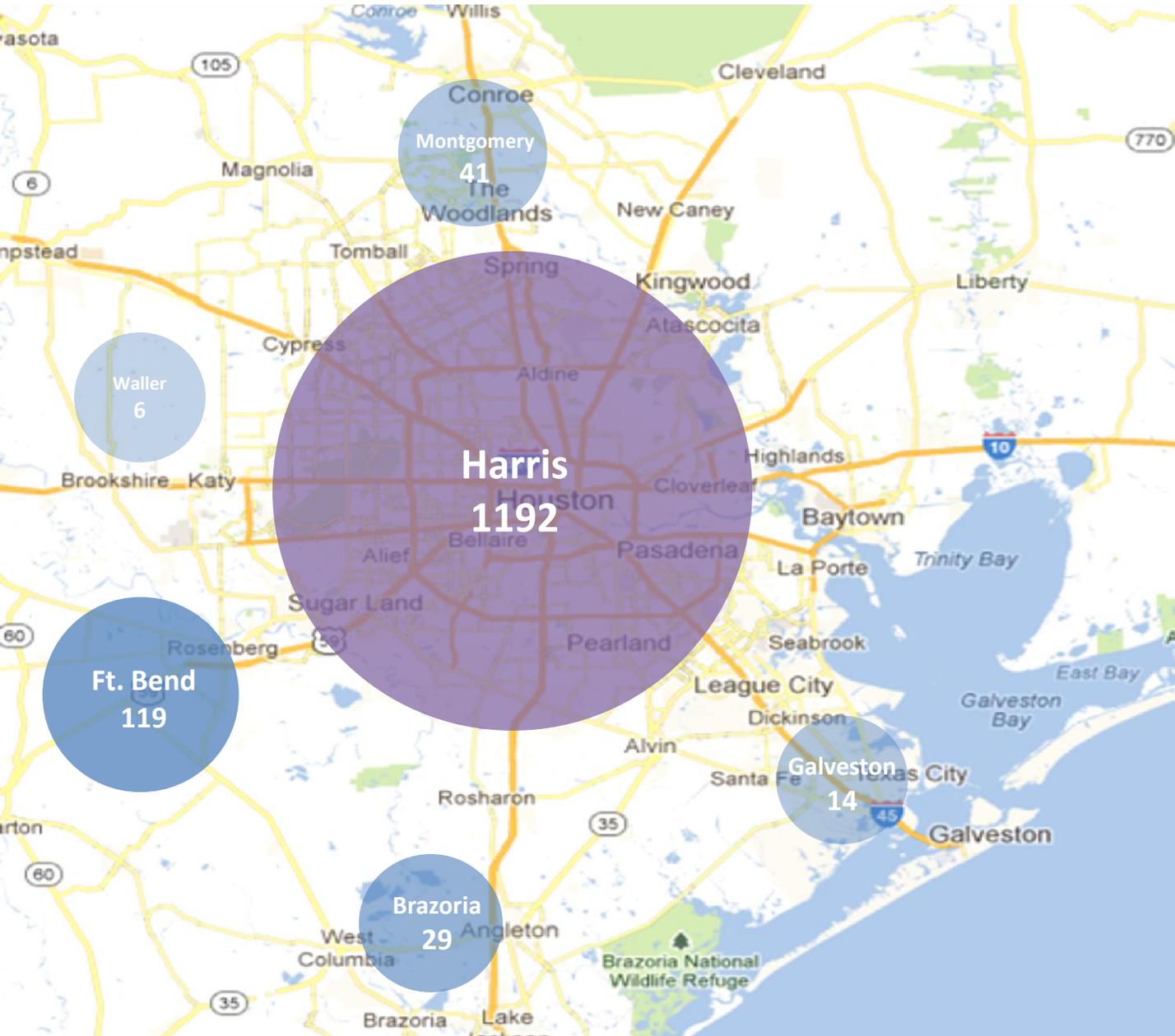




Jul 1, 2013 – Jun 30, 2014

Total Number of Approved Applications by County*

Figure 1



* There are a total of 1,432 active HHF firms as of June 2014. From that amount, 1,401 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 31 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.

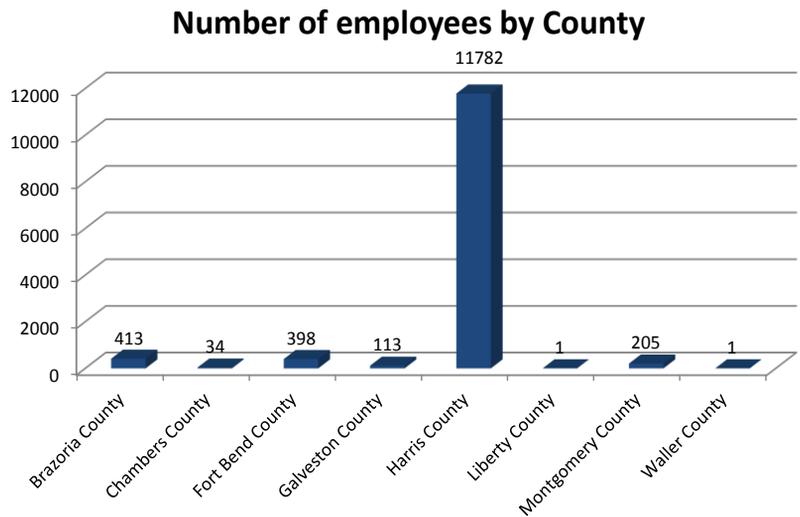




Local Jobs Supported

The nearly \$ 580 million in City of Houston contracts awarded to HHF designated companies helped sustain 12,947 jobs during the fiscal year of 2014. More than 90% of the jobs were for companies in Harris County.

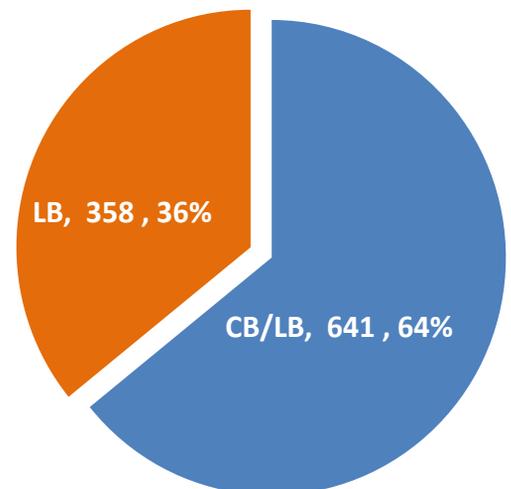
County	Number of employees
Brazoria County	413
Chambers County	34
Fort Bend County	398
Galveston County	113
Harris County	11782
Liberty County	1
Montgomery County	205
Waller County	1
Total	12947



City Business/Local Business Contracts and POs

Designation Type	FY2014	%
CB/LB	641	64%
LB	358	36%
Grand Total	999	100%

There were a total of 641 contracts awarded to HHF primes and non-contract POs utilizing HHF vendors with CB/LB designation. There were a total of 358 contracts and non-contract POs awarded to HHF primes and vendors with a LB designation.

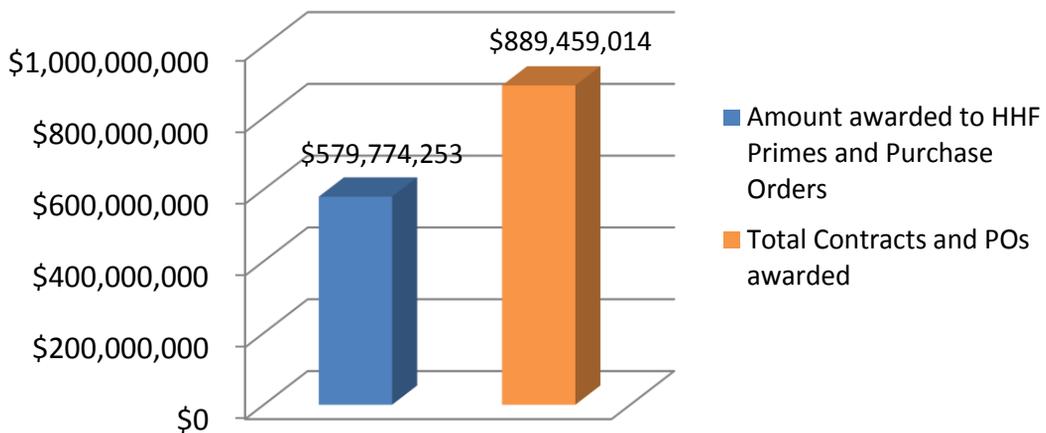




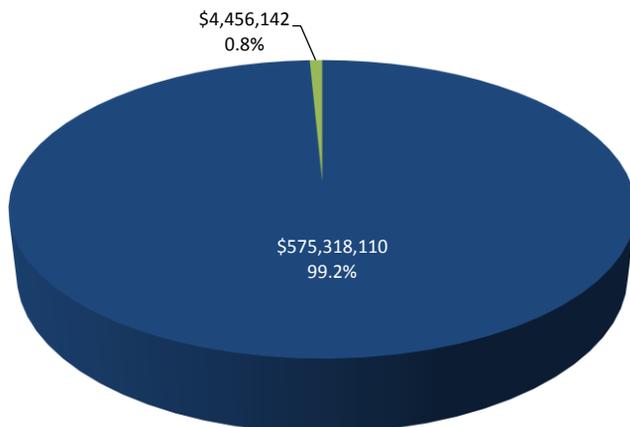
Dollars Awarded to HHF Companies

In FY2014, a total of \$889,459,014 worth of contracts and purchase orders was awarded. 65.2% or \$579,774,253 was awarded to HHF firms.

All Contracts and Purchase Orders



HHF Contracts and Purchase Orders Detail



As demonstrated by the pie chart, contracts awarded to Hire Houston First Primes totaled \$575,318,110, accounting for 99.2% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$4,456,142, accounting for 0.8% of the entire total of \$579,774,253.

■ 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 \$579,774,253 to HHF firms in FY2014.

Dept	FY2014 Total	HHF Preference Contracts
ARA	\$17,065,337	
DON	\$832,267	
FIN	\$5,651,952	
FMD	\$61,580	
GSD	\$25,023,109	
HAS	\$97,503,781	
HCDD	\$22,311	
HEC	\$2,380	
HFD	\$301,009	
HHS	\$271,134	
HPD	\$8,268,981	
HPL	\$36,726	
HR	\$27,613	
HITS	\$25,802	
LGL	\$31,230	
MCD	\$65,975	
OBO	\$30,000	
PD	\$3,039	
HPARD	\$154,460	
PWE	\$402,400,072	\$570,772
SPD	\$21,541,386	\$3,969,144
SWMD	\$180,845	
COH	\$219,998	
GG	\$53,267	
Grand Total	\$579,774,253	\$4,539,916

The Public Works & Engineering Department and Strategic Purchasing Division each awarded one contract* to vendors specifically due to their Hire Houston First designation in FY2014. These included bids that were not the lowest, but were within 3% - 5% of the lowest bid.

*Details of the two contracts specifically awarded to HHF designated vendors are as follows:

Dept	Vendor	Contract Title	Amount Awarded
PWE	Globe Electric Supply Company, Inc.	Formal Bids Received to Furnish and Deliver Industrial Exhaust Fan Equipment for the Public Works and Engineering Department Elevators, Escalators, Booklifts & Manlifts	\$570,772
SPD	EMR Elevator, Inc.	Maintenance & Repair	\$3,969,144
Total			\$4,539,916





Highest Dollar Amount Awarded to HHF Primes in FY2014

HHF Company	No. of Contracts	Amount Awarded in FY2014
SER Construction Partners LLC	5	\$ 62,659,560
SpawGlass Construction Corporation	1	\$ 45,450,949
SpawGlass Civil Construction, Inc.	1	\$ 42,559,405
Reytec Construction Resources, Inc.	6	\$ 34,403,258
BRH-Garver Construction, L.P.	3	\$ 24,327,900
JFT Construction, Inc.	2	\$ 21,811,842
LEM Construction Company, Inc.	5	\$ 20,271,570
McLemore Building Maintenance	2	\$ 19,171,388
Huff & Mitchell, Inc.	3	\$ 18,301,170
Pepper-Lawson Waterworks, LLC	5	\$ 16,574,325
Menade, Inc.	3	\$ 15,678,517
Boyer, Inc.	2	\$ 15,014,128
Conrad Construction Co., LTD.	2	\$ 13,187,303
C. F. McDonald Electric, Inc.	1	\$ 11,995,692
D. L. Elliott Enterprises, Inc.	5	\$ 11,962,487
John L. Wortham & Son, L.P.	2	\$ 11,674,943
STERLING CONSTRUCTION COMPANY, INC.	1	\$ 11,292,148
Total Contracting Limited	1	\$ 10,154,023
Texas Sterling Construction Co.	1	\$ 8,948,584
Texas Concrete Enterprise Ready Mix, Inc.	1	\$ 7,679,912
McKinney Construction, Inc.	2	\$ 7,241,338
T Construction L.L.C.	4	\$ 6,952,080
Calco Contracting, Ltd.	2	\$ 6,076,243
Virtuo Group Corporation	1	\$ 5,646,000
Coastal Pump Services, Inc.	2	\$ 5,504,593
Hahn Equipment Company, Inc.	2	\$ 5,463,961
Durwood Greene Construction Co.	1	\$ 5,444,850
CleanServe, Inc.	5	\$ 5,409,637
Cohen Group, Inc	1	\$ 5,250,000
Teal Construction Company	1	\$ 5,192,787
DCE Construction, Inc.	2	\$ 4,875,750
Blastco Texas, Inc.	2	\$ 4,853,321
Traffic Systems Construction, Inc.	3	\$ 4,502,234
Times Construction, Inc.	5	\$ 4,290,804
Globe Electric Supply Company, Inc.	6	\$ 4,195,282
EMR Elevator, Inc.	1	\$ 3,969,144
Main Lane Industries, Ltd.	2	\$ 3,891,343
Houston Arts Alliance	1	\$ 3,458,300
MNI Diesel Inc	1	\$ 3,057,891
Resicom, Inc.	1	\$ 2,994,801
Tikon Group, Inc.	1	\$ 2,899,368
Pin Oak Interests	1	\$ 2,790,000
AIA General Contractors, Inc.	4	\$ 2,719,947
Nation Waste, Inc.	1	\$ 2,646,652
Collins & Collins	1	\$ 2,329,479
Metro City Construction, L.P.	1	\$ 2,036,195
RNDI Companies, Inc	1	\$ 2,000,000
Arrow Services, Inc.	1	\$ 2,000,000
Inland Environments, Ltd.	1	\$ 2,000,000
Lecon, Inc.	1	\$ 1,959,661





Highest Number of HHF Prime Contracts Awarded in FY2014

HHF Company	Total
Reytec Construction Resources, Inc.	6
Globe Electric Supply Company, Inc.	6
Times Construction, Inc.	5
D. L. Elliott Enterprises, Inc.	5
LEM Construction Company, Inc.	5
Pepper-Lawson Waterworks, LLC	5
CleanServe, Inc.	5
SER Construction Partners LLC	5
AIA General Contractors, Inc.	4
T Construction L.L.C.	4
Menade, Inc.	3
Baseline Paving & Construction, Inc.	3
BRH-Garver Construction, L.P.	3
Infrastructure Associates, Inc.	3
Traffic Systems Construction, Inc.	3
Huff & Mitchell, Inc.	3
Tomball Dodge Inc.	2
Ray Gareith Don, Inc.	2
Blastco Texas, Inc.	2
JFT Construction, Inc.	2
Hahn Equipment Company, Inc.	2
Boyer, Inc.	2
McLemore Building Maintenance	2
Coastal Pump Services, Inc.	2
DCE Construction, Inc.	2
Legacy Plumbing Company	2
Calco Contracting, Ltd.	2
Conrad Construction Co., LTD.	2
HBS National Corporation	2
Main Lane Industries, Ltd.	2
Caldwell Automotive Partners, LLC	2
McKinney Construction, Inc.	2
John L. Wortham & Son, L.P.	2
SpawGlass Construction Corporation	1
SpawGlass Civil Construction, Inc.	1
C. F. McDonald Electric, Inc.	1
STERLING CONSTRUCTION COMPANY, INC.	1
Total Contracting Limited	1
Texas Sterling Construction Co.	1
Texas Concrete Enterprise Ready Mix, Inc.	1
Virtuo Group Corporation	1
Durwood Greene Construction Co.	1
Cohen Group, Inc	1
Teal Construction Company	1
EMR Elevator, Inc.	1
Houston Arts Alliance	1
MNI Diesel Inc	1
Resicom, Inc.	1
Tikon Group, Inc.	1
Pin Oak Interests	1





Top 50 HHF Vendors with Purchase Orders in FY2014

Vendor	Total Purchases
Caldwell Automotive Partners, Llc	\$388,451
Tomball Dodge Inc	\$154,094
Cpr Services And Supplies Inc	\$147,017
Bevco Company, Inc.	\$143,297
Environmental Sorbents Llc	\$134,314
Environmental Sorbents, Llc	\$109,529
Hahn Equip Company Inc	\$103,210
Caldwell Automotive Partners, Llc, D/B/A Caldwell Country Ford	\$98,921
Q Environmental Inc	\$94,781
Hahn Equipment Company. Inc.	\$94,343
Tomball Dodge Inc.	\$86,755
Bevco Company	\$86,164
Globe Electric Company Inc	\$82,779
Globe Electric Supply Co. Inc.	\$80,997
Cpr Services And Supplies, Inc., D/B/A Mdn Enterprises	\$75,827
Nation Waste, Inc.	\$69,734
3Mb Interior Plus, Llc	\$69,413
Elp Enterprises Inc	\$61,721
Csf Consulting, L.P.	\$57,980
Living Earth Technology Inc / The Letco Group	\$57,750
Ron Carter Automotive	\$57,392
Tommie Vaughn Motors, Inc.	\$57,265
Globe Office Products	\$54,966
Geotech Engineering & Testing	\$53,267
Una Mae Dennison	\$50,570
Qc Laboratories, Inc.	\$49,995
Rph Consulting Group, Llc	\$49,950
Times Construction Inc	\$49,948
Guess Group Inc	\$49,875
Aventine Hill Partners Inc	\$49,500
Txnead, Llc	\$48,464
Ursin'S Energy Efficient Lighting	\$47,111
Alvin Autoland Inc	\$42,783
Dnb Enterprises Inc	\$42,265
Ais International Ltd	\$42,000
One World Strategy Group	\$40,594
Washington & Sons A/C And Heating,	\$40,000
Preferred Technologies Inc.	\$39,840
Rdi Mechanical Inc	\$39,088
Rdi Mechanical, Inc.	\$38,605
Legacy Plumbing Company	\$37,610
Lone Star Uniforms, Inc	\$35,295
Set Environmental, Inc.	\$34,440
Element Solutions International Llc	\$34,418
Northstar Marketing Group	\$33,532
Metro Fire Apparatus Specialties, Inc.	\$30,135
Evco Partners, L.P.	\$29,203
Coastal Pump Services, Inc.	\$28,895
Imu Southwest, The Immunization Clinic	\$28,314
Element Solutions International	\$26,164





Educate. Connect. **Grow.**