



# Hire Houston First

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# Evolution of the Program

Consistent with the Mayor's longstanding goal of a city procurement program that promotes Houston business, the City, as part of its 2011 legislative agenda, sought a change to Texas procurement laws.

In prior years, the legislature had permitted smaller cities to give a preference to local vendors and thus promote the cities' economies.

Thanks to the City of Houston's efforts and the unanimous support of the local delegation, Texas cities of all sizes may now give preference to local businesses under Texas Local Gov't Code §§271.905, 271.9051.

This ordinance promotes Houston businesses by relying on the new law and expanding upon its principles.



# Definitions

**City business**— a business with a principal place of business within the city limits.

**Local business**— business with a principal place of business in the “local area” (i.e., the eight county area composed of Harris, Fort Bend, Montgomery, Brazoria, Galveston, Chambers, Waller, and Liberty.)

**Principal place of business:**

- a business that is headquartered in the incorporated limits of the city or the local area; or
- has an established place or places of business in the incorporated limits of the city or the local area from which 20% or more of the entity’s workforce are regularly based.





# Purchases of personal property

## ***Contracts of \$100,000 or more***

A city business *may* be given preference over a non-city business if its bid is within three percent of the lowest bidder.

## **Contracts of less than \$100,000**

Bid must be within five percent of the lowest bid.



# Purchases of Services

## ***Contracts of \$100,000 or more***

A local business *may* be given preference over a non-local business if its bid is within three percent of the lowest bidder.

## ***Contracts of less than \$100,000***

Bid must be within five percent of the lowest bid.

# Certain Professional Services

When procuring architectural, engineering or land surveying services under the Professional Services Procurement Act, the contracting department may consider the status of a provider as a local business in determining qualifications.



# Purchases under \$50,000

When issuing individual purchases orders of less than \$50,000, a local business *shall* be given a preference.



# Additional Provisions

## ❖ Exceptions:

- No local preference will be given when doing so would unduly interfere with contract needs.
- No local preference will be given when prohibited by law (i.e., certain federal regulations.)

❖ Best value procurements: additional points will be given to a city business; lesser additional points will be given to a local business.

❖ MOBO will make determinations as to qualifications for program.

❖ Effective with solicitations published on or after September 1, 2011.

