

OFFICE OF BUSINESS OPPORTUNITY

Department Description and Mission

Office of Business Opportunity's vision is to eliminate systemic barriers to prosperity and economic opportunity in the Greater Houston region. The Office of Business Opportunity (OBO) 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. The department creates a culture of efficiency, transparency, and cooperation amongst all stakeholders while executing its mission with an eye towards equity. The ultimate goal of these efforts is to reduce internal and external barriers in contracting and access to other opportunities.

OBO strives to execute its mission by:

- Attracting a diverse array of applicants for local and federal certification in various industries.
- Administering reputable Certification and Hire Houston First Programs while providing unparalleled service delivery.
- Ensuring that prime contractors consistently meet and exceed Minority, Women, Small, and Disadvantaged Business Enterprises (MWSDBE) goals on contracts as well as comply with other contractual regulatory requirements.
- Providing measurable and impactful small business development services and capacity building programs.
- Facilitating workforce development initiatives to address the needs of the unemployed and hard to employ individuals in Houston.

The primary services offered by OBO comprise of:

Administration Services

This program sets and implements the strategic direction, policy, and long-term goals of the department, manages all budget and personnel matters, analytics, Title VI compliance, and directly engages with the Administration, City Council, and the public in the execution of OBO's mission.

Certification and Designations Division

This program certifies businesses for participation on City and federally funded projects. Certification types include Minority, Women, Small Business Enterprises (MWSBE), Persons with Disabilities Business Enterprises (PDBE), Disadvantaged Business Enterprises (DBE), and Airport Concession Disadvantaged Business Enterprises (ACDBE), collectively, "certified firms." As a result of their certification, these businesses may be eligible to participate for MWSBE, DBE, or ACDBE goal credit on goal-oriented and regulated City contracts. Additionally, the Division facilitates the certification of Historically Underutilized Businesses (HUB) on behalf of the State of Texas. The Division also designates businesses as a part of the Hire Houston First Program so that they may be eligible for a local preference in the awarding of City contracts.

Contract Compliance Division

This program enforces local, state, and federal labor standards and prompt payment requirements on contracts in addition to monitoring contracts with MWSBE and DBE goals to ensure compliance with the City's written Good Faith Efforts policy. It ensures maximum contractor compliance with governing requirements, resulting in their employees being paid properly and fulfillment of the committed percentages for engagement of certified small businesses on City contracts. Members of this team are present at pre-construction conferences and meetings for construction and goal-oriented contracts to explain the compliance guidelines to contractors and to answer compliance related questions. The team collaborates with City departments in the final evaluation of all City contracts.

Department Services Unit

OBO's Department Services Unit evaluates MWSDBE goal waivers, proposed contract MWSDBE goals, and pre-award MWSDBE Participation Plans. This Unit assists departments with setting contract-specific goals based on market availability of certified firms and divisible work on each project. The Department Services team also facilitates the Department Services Training Institute, which provides departments with information about common compliance issues and best practices. Along with OBO's Contract Compliance Division, the Unit provides periodic training to the contracting community. This team plays a major role in making the City's procurement process as competitive and diverse as possible.

External Affairs Division: OBO Solutions Center, Business and Workforce Development

This program:

- Raises awareness of OBO's services and City contracting opportunities through regular presentations to the public at targeted events, bimonthly newsletters, and weekly email notifications. This Division provides one-on-one business development assistance to certified firms. The OBO Solutions Center, with the assistance of community partners, provides free assistance including business development counseling, financial advice, legal counseling, business resource guides, and business training workshops to businesses in all stages of development that would like to obtain information on how to start, own, operate and/or grow their own businesses.
- Assists in the success of small businesses and entrepreneurs by providing impactful business development and capacity building programs, as well as business support services that include general business guidance and connections to business development organizations and community partner organizations.
- Administers OBO's workforce development initiative which includes coordinating resource fairs, connecting individuals to wrap-around services, and facilitating legal clinics. The initiative also includes the development of a workforce inclusion plan focused on augmenting the local workforce through targeted employment-ready training programs for underemployed and hard to employ individuals and connecting those individuals to tangible opportunities.

Title VI Compliance

OBO is responsible for overseeing citywide compliance with Title VI of the Civil Rights Act of 1964, ensuring that on a departmental level, there is equitable access to the City's programs, activities, and services so that every citizen has the greatest opportunity to achieve and obtain the foundations necessary for self-sufficiency and success. All City departments are responsible for ensuring that no person is subjected to discrimination, excluded from participation in or denied the benefits of its services on the basis of race, color, national origin, sex, age, creed, disability, or English language proficiency.

Department Short Term Goals

- Operationalize the results of the 2024 Disparity Study.
- Execute a comprehensive workforce development program geared toward assisting MWSDBE certified firms with hiring and upskilling needs.
- Enhance and expand existing capacity building initiatives to meet the identified needs of the business community.
- Develop additional strategic partnerships with local organizations to increase program visibility and patronage of our services by the business community.
- Decrease the certification application time frame by focusing on minimizing staff attrition.

- Continue existing efforts to reengineer the process, policies, and procedures for Contract Compliance monitoring to enhance operational efficiencies, and to ensure that expectations are clear for all stakeholders, with an eye towards quality and customer service. Leverage technology to create additional efficiencies.
- Conduct refresher trainings for City departments' staff and the community on program requirements.
- Explore new revenue sources, including whether fees should be charged to businesses for select OBO services.

Department Long Term Goals

- Stay abreast of industry best practices to maximize the efficacy and impact of OBO's services and programs.
- Leverage technology options to create efficiencies via automation and build out of dynamic reporting capabilities, thereby improving work performance.
- Align staffing levels with volume of service demands.

FISCAL YEAR 2025 BUDGET

Business Area Program Summary

Business Area: Office of Business Opportunity
Bus. Area No : 5100

Budget By Program (\$ in thousands):

Program	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	0	1,933	0	2,117	0	2,454
Business Support and Development	0	498	0	540	0	499
Certification and Designations	0	879	0	1,007	0	1,104
Contract Compliance	1,641	1,045	2,077	1,527	2,206	1,531
Department Services	57	179	99	259	104	207
Workforce Development	0	124	0	135	0	125
Debt Service and Interfund Transfers	0	790	0	662	0	744
Total	1,698	5,448	2,176	6,247	2,310	6,664

FTEs by Program:

Program	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administration Services	5.2	0.0	7.1	0.0	9.0	0.0
Business Support and Development	4.6	0.0	4.6	0.0	4.9	0.0
Certification and Designations	9.0	0.0	10.8	0.0	12.1	0.0
Contract Compliance	8.8	0.0	13.6	0.0	12.8	0.0
Department Services	1.6	0.0	2.6	0.0	2.0	0.0
Workforce Development	1.1	0.0	1.1	0.0	1.2	0.0
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	30.3	0.0	39.8	0.0	42.0	0.0

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Administration Services

Description:

This program sets and implements the strategic direction, policy, and long-term goals of the department, manages all budget and personnel matters, analytics, and Title VI compliance, and directly engages with the Mayoral Administration, City Council, and the general public in the execution of OBO's mission.

Goal:

Ensure OBO services are delivered efficiently, effectively, and in the most cost effective manner, resulting in impactful services to Houston's historically underutilized businesses and disenfranchised individuals.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	1,933	0	2,117	0	2,454

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	5.2	0.0	7.1	0.0	9.0	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
MWSBE contract participation - goods and services	23.2%	11%	11%	11%
MWSBE contract participation - professional services	41.2%	24%	24%	24%
MWSDBE contract participation - construction	39.2%	34%	34%	34%
Percentage of citywide compliance with Title VI requirements	50%	100%	100%	100%
Expenditures Adopted Budget vs Actual Utilization	81%	98%	95%	98%
Revenues Adopted Budget vs Actual Utilization	94%	100%	114%	100%

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Business Support and Development

Description:

The OBO Solutions Center serves as an information clearinghouse for Houstonians wishing to start, operate, or grow a business, regardless of certification.

Goal:

Ensure the success of small businesses and aspiring entrepreneurs by providing impactful business support services that include general business guidance and connection to business development resources, and community partners.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	498	0	540	0	499

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	4.6	0.0	4.6	0.0	4.9	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Conduct a Customer Satisfaction Survey for the cohort-based business development and capacity building programs. The goal is to have 100% satisfaction.	N/A	N/A	N/A	100%
Number of small businesses and aspiring entrepreneurs assisted by the OBO Solutions Center	2,519	3,000	3,000	3,000

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Certification and Designations

Description:

Measures the average number of days it takes the OBO to process an application for MWSDBE certification from the date an application is received to the date a decision is made on the application. Measures the increase in the pool of Hire Houston First designated businesses.

Goal:

Expand the pool and availability of firms for the City's supplier diversity and local preference procurement programs and decrease the average processing time for certification applications for these programs.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	879	0	1,007	0	1,104

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	9.0	0.0	10.8	0.0	12.1	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Number of firms participating in the Hire Houston First designations Program	435	300	300	300
Number of days to process certification for MWSDBE	142	120	165	120

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Contract Compliance

Description:

This program monitors and audits Prime contractor performance relating to Labor Standards and MWSDBE compliance.

Goal:

Reduce the quantity of Unsatisfactory ratings for Labor Standard compliance for construction contracts. Increase the quantity of Satisfactory or Outstanding ratings for MWSDBE compliance.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Contractor Responsibility Fund	1,124	247	1,182	329	1,246	331
General Fund	517	798	895	1,198	960	1,200
Total	1,641	1,045	2,077	1,527	2,206	1,531

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Contractor Responsibility Fund	1.8	0.0	2.0	0.0	2.0	0.0
General Fund	7.0	0.0	11.6	0.0	10.8	0.0
Total	8.8	0.0	13.6	0.0	12.8	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Percentage of closed construction contracts meeting Labor Standards requirements	80%	100%	70%	100%
Percentage of closed construction contracts meeting or exceeding the awarded contract goal and/or providing the requisite "Good Faith Efforts"	97%	100%	97%	100%
Percentage of new and existing contracts in which vendors choose the "PLAY" option to provide health benefits to employees in a manner that satisfies the City's requirements for the PAY or PLAY Program	60%	100%	60%	100%

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Department Services

Description:

This program facilitates compliance with the MWSDBE program by City departments and the contracting community in the award of MWSDBE goal-oriented contracts by offering training, guidance, and technical assistance to city department procurement teams and prime contractors

Goal:

Ensure meaningful participation by MWSDBEs in City contracting by decreasing the number of requests for OBO's review of Pre-Bid Good Faith Effort and Pre-Award Good Faith Effort requests from prime contractors

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	57	179	99	259	104	207

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	1.6	0.0	2.6	0.0	2.0	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Number of Pre-Bid Good Faith Effort and Pre-Award Good Faith Effort reviews	63	30	40	45

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Workforce Development

Description:

OBO's Workforce Development Initiatives are held bi-annually to support employment efforts by Prime Contractors and Certified Firms.

Goal:

Provide opportunities for employment and direct connections to resources in the community for chronically unemployed and hard to employ individuals in the Houston Area.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
General Fund	0	124	0	135	0	125

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
General Fund	1.1	0.0	1.1	0.0	1.2	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Number of attendees at the workforce development events	843	1,300	624	1,000
Percentage of attendees receiving supportive services at workforce development events	N/A	N/A	N/A	20%

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Office of Business Opportunity

Bus Area No. : 5100

Debt Service and Interfund Transfers

Description:

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:

Effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

(\$ in thousands)

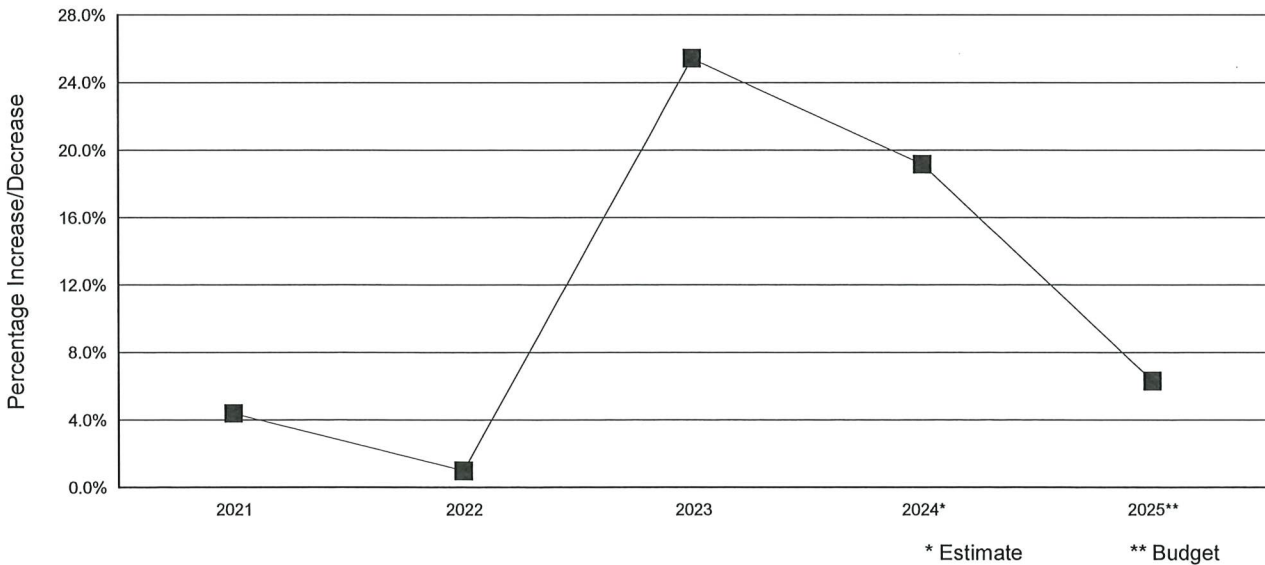
Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Contractor Responsibility Fund	0	790	0	662	0	744

FISCAL YEAR 2025 BUDGET

Business Area Budget Summary

Fund Name :		General Fund					
Business Area :		Office of Business Opportunity					
Fund No. /Bus. Area No. :		1000 / 5100		FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Expenditures	Personnel Services	3,125,323	4,208,739	3,920,795	4,212,125		
	Supplies	23,135	24,398	24,397	27,248		
	Other Services and Charges	1,249,794	1,298,148	1,298,150	1,346,852		
	Non-Capital Equipment	12,659	12,682	12,681	2,200		
	Total M & O Expenditures	4,410,911	5,543,967	5,256,023	5,588,425		
	Debt Service & Other Uses	0	0	0	0		
	Total Expenditure	4,410,911	5,543,967	5,256,023	5,588,425		
Revenues		574,204	992,104	994,878	1,063,878		
Staffing	Full-Time Equivalents - Civilian	28.5	41.2	37.8	40.0		
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0		
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0		
	Total	28.5	41.2	37.8	40.0		
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0		
Significant Budget Changes and Highlights	o The FY2025 Budget provides funding for health benefits and pension contributions.						
	o The FY2025 Budget includes a reduction of \$222,776 for department savings initiatives.						
	o The FY2025 Budget continues to include funding for contract compliance monitoring services.						

**General Fund
Office of Business Opportunity
Year over Year Expenditure Change**

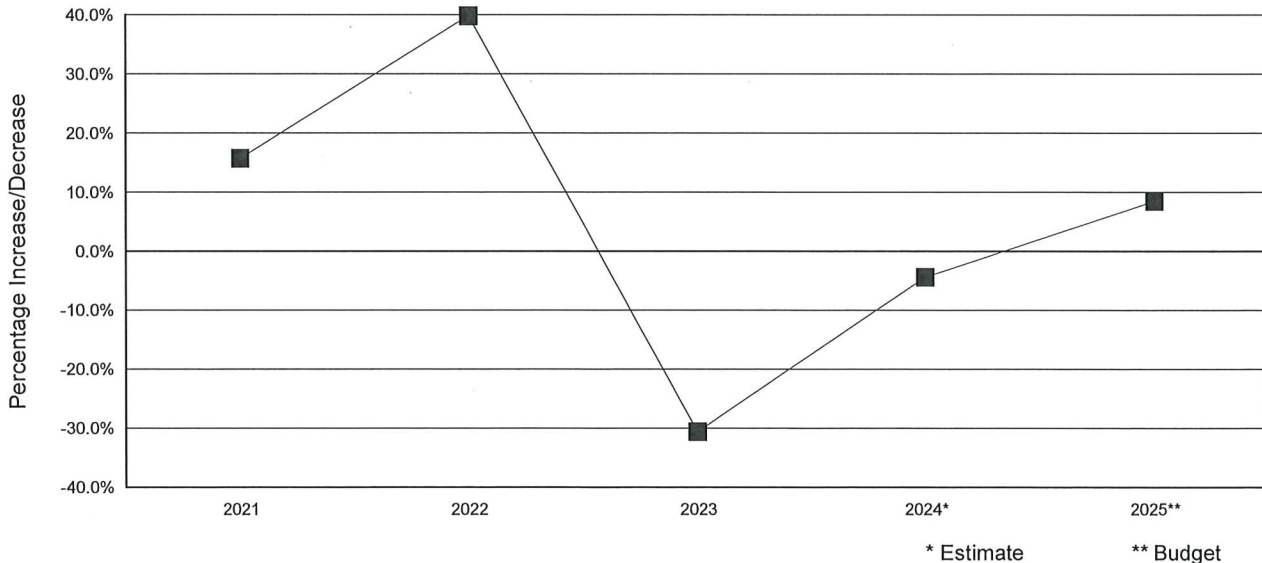


FISCAL YEAR 2025 BUDGET

Business Area Budget Summary

Fund Name :		Contractor Responsibility Fund					
Business Area :		Office of Business Opportunity					
Fund No. /Bus. Area No. :		2424 / 5100		FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Expenditures	Personnel Services	149,392	170,103	170,103	171,342		
	Supplies	300	500	500	500		
	Other Services and Charges	256,989	421,020	420,732	273,684		
	Total M & O Expenditures	406,681	591,623	591,335	445,526		
	Debt Service & Other Uses	630,000	400,000	400,000	630,000		
	Total Expenditure	1,036,681	991,623	991,335	1,075,526		
Revenues		1,123,996	921,749	1,181,589	1,246,475		
Staffing	Full-Time Equivalents - Civilian	1.8	2.0	2.0	2.0		
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0		
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0		
	Total	1.8	2.0	2.0	2.0		
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0		
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2025 Budget provides funding for health benefits and pension contributions. o The FY2025 Budget includes funding to maintain an electronic management system to effectively track all Pay or Play (POP) activities. o The FY2025 Budget continues to support the Contractor Responsibility Fund initiatives such as the Client Access Program, the Emergency Tele-Health and Navigation (ETHAN) Program, and the Crisis Call Diversion Program. 						

**Contractor Responsibility Fund
Office of Business Opportunity
Year over Year Expenditure Change**



FISCAL YEAR 2025 BUDGET

Business Area Revenues Summary

Business Area : Office of Business Opportunity

Business Area No. : 5100

Category	FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Charges for Services	235	311	311	311
Direct Interfund Services	569,589	991,793	991,793	1,043,567
Interest	30,192	14,000	50,000	39,000
Miscellaneous/Other	1,098,184	907,749	1,134,363	1,227,475
Grand Total	<u>1,698,200</u>	<u>1,913,853</u>	<u>2,176,467</u>	<u>2,310,353</u>