

CITY OF HOUSTON OFFICE of BUSINESS OPPORTUNITY

Hire Houston First Progress Report

FY2026

July 1, 2025 - June 30, 2026



Hire Houston First Program Overview

The Hire Houston First (HHF) program 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 eligible for the HHF designation, 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 online. Only businesses that meet the requirements of the Ordinance are eligible to be designated as a Hire Houston First City Business (CB) or Local Business (LB). Processing is completed at no charge, and designations, if assigned, are valid for three (3) years.

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 2026 the City awarded \$983M to designated Hire Houston First firms from a total of \$1.9B on HHF eligible contracts and purchase orders awarded between July 1, 2025 - June 30, 2026. Therefore, participation of HHF firms was 50.8% on eligible procurements.

Procurement Type	HHF Contracts and POs	Total	HHF %
All Contracts	\$ 972,950,014	\$ 1,898,680,943	51.2%
Purchase Orders	\$ 10,191,694	\$ 36,001,974	28.3%
Total	\$ 983,141,707	\$ 1,934,682,917	50.8%

Utilization of HHF Firms

- A total of 2272 companies registered as HHF designated vendors as of June 30, 2026.
- There were 281 HHF companies that received either a contract or purchase order during FY2026.
- A total of 354 contracts have been awarded to 191 prime contractors who had never won a contract before receiving their HHF designation, since the inception of the program.

Total Jobs Supported

Local Business Employees	10,204
City Business/Local Business	813
Total	11,017

The 281 HHF companies that won city contracts and POs during FY2026 helped support companies which provided 11,017 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2026

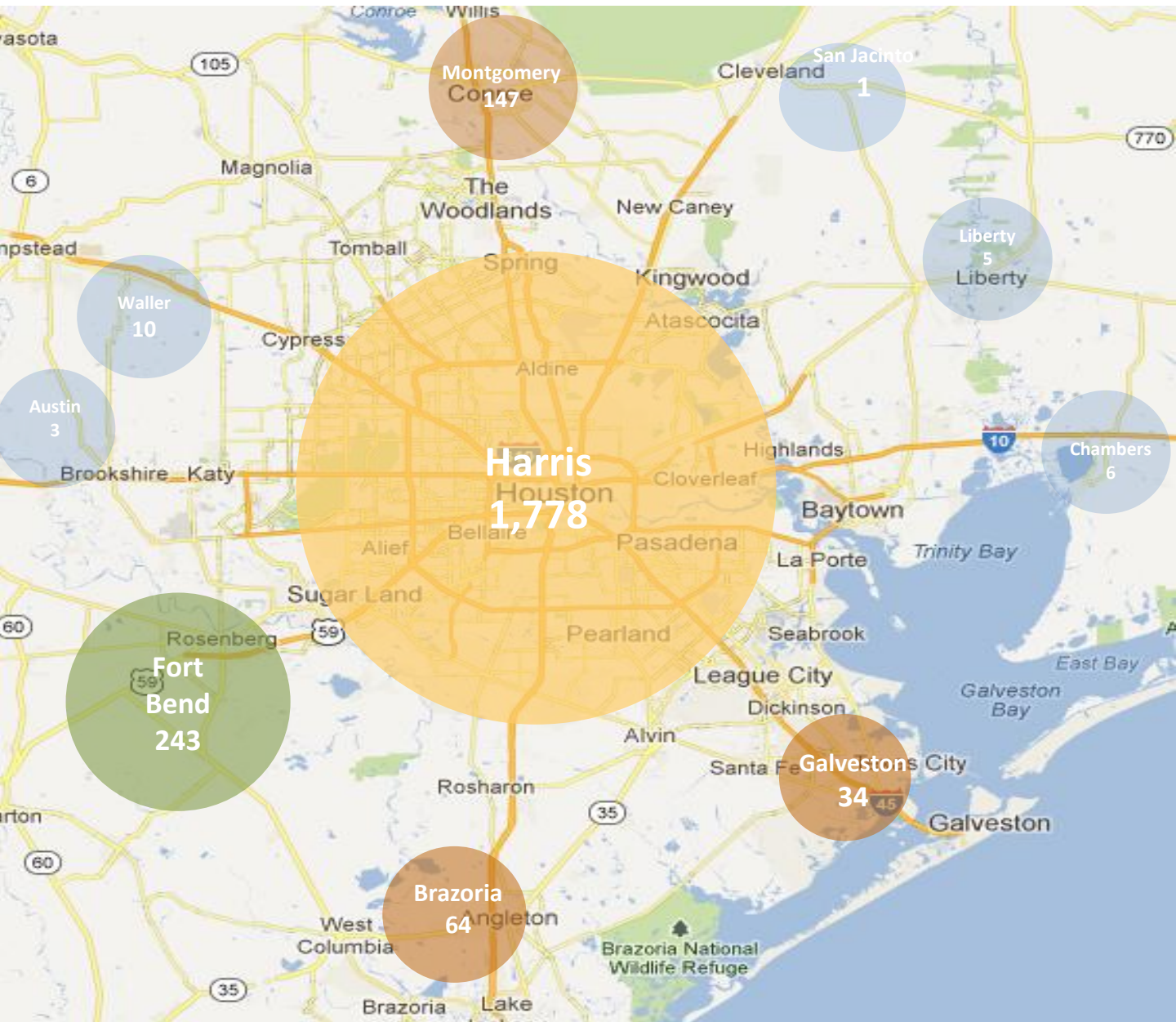
Number of Prime Contracts	378
Number of Purchase Orders	94
Total	472

In FY2026, there were a total of 378 contracts awarded and 94 purchase Orders issued to 281 HHF companies.





HHF Designated Firms by County*



* There are a total of 2,272 active HHF firms as of June 30, 2026. From that amount, 22,43 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 29 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.

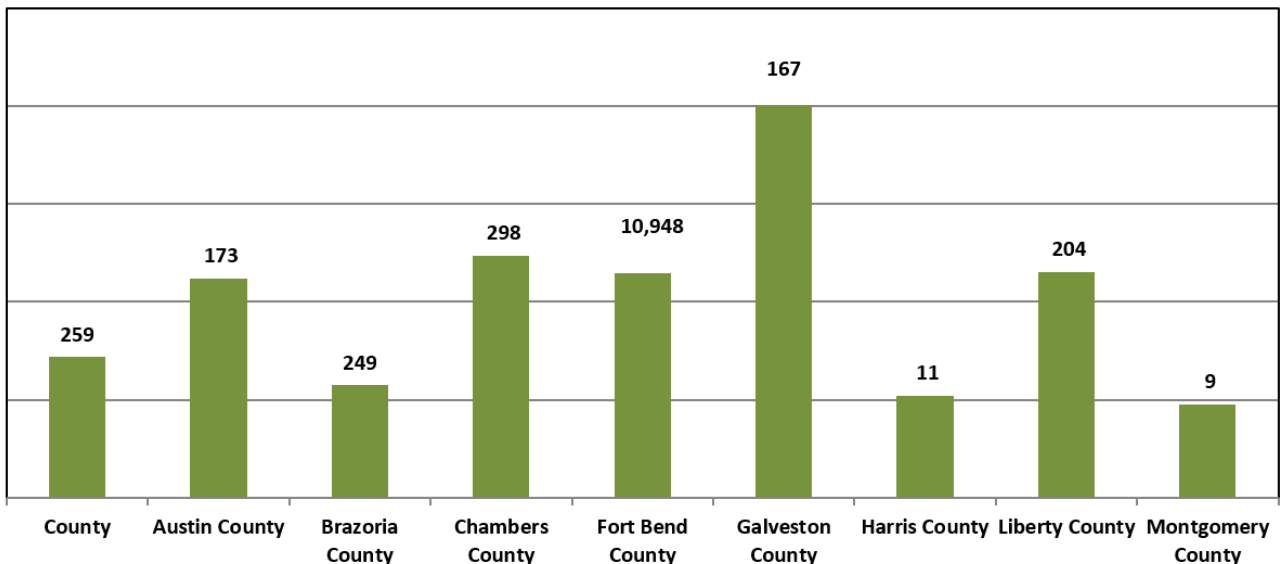


Local Jobs Supported

County	Number of Employees	%
Austin County	27	0.2%
Brazoria County	173	1.6%
Chambers County	14	0.1%
Fort Bend County	298	2.7%
Galveston County	196	1.8%
Harris County	10,085	91.5%
Liberty County	11	0.1%
Montgomery County	204	1.9%
Waller County	9	0.1%
Total	11,017	100%

A total of 281 HHF designated companies were awarded contracts and POs worth approximately \$813 million. These procurements help the economy and the ability to support jobs for companies that employ a total of 11K workers. Approximately 91% of the jobs were for companies in Harris County.

Number of Jobs Supported by County



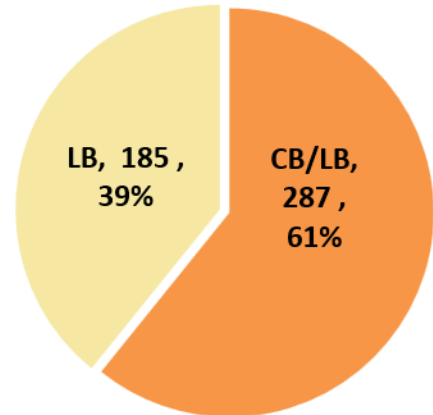
Note: The count of local employees is based on information submitted for Hire Houston First applications.



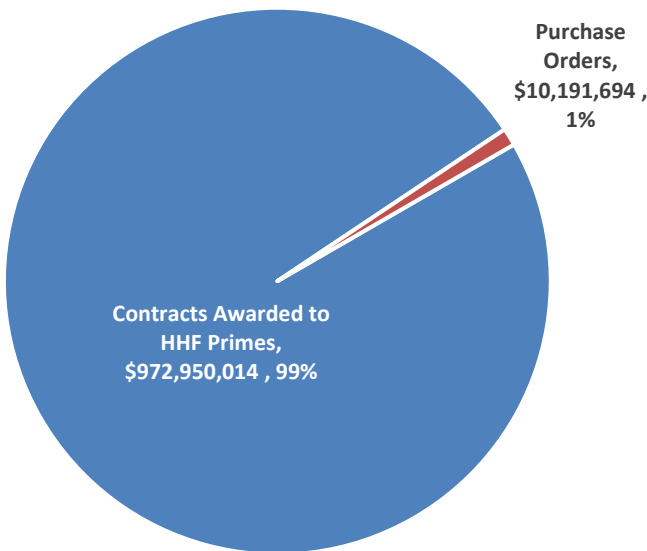
City Business/Local Businesses*

Designation Type	Awards	%
CB/LB	287	61%
LB	185	39%
Grand Total	472	100%

In FY2026, there were a total of 472 contracts and non-contract POs worth \$983M awarded to HHF companies with a CB/LB designation. There were a total of 185 companies with a LB designation and 287 HHF companies that with a CB/LB designation.



HHF Contracts and Purchase Orders Detail



As reflected in the pie chart, a total of \$983 million in contracts were awarded to Hire Houston First Primes in FY2026 which accounted for 99% of all HHF awards. Approximately \$10M worth of purchase orders were awarded to HHF Vendors, accounting for 1% of the entire total of awards.

HHF Contracts & POs		Amount
Contracts Awarded to HHF Primes	\$	972,950,014
Purchase Orders	\$	10,191,694
Total	\$	983,141,707

Contracts Awarded by Department

Overall, City of Houston departments awarded contracts and purchase orders worth \$983 million to HHF firms. The procurements below were awarded to HHF firms that were either the lowest bidder, and/or no other firms were within 3-5%, or the HHF firm may have been evaluated and scored based on other procurement factors. This indicates that local companies continue to be competitive without utilizing the Hire Houston First designation. The HHF program serves as a safety net to ensure that our local companies continue to hold a competitive edge in the bidding process and is an effective promotional tool for companies exploring the growth opportunities afforded by city contracting.

Department of Neighborhoods	Total Awards
Administration and Regulatory Affairs	\$61,360
Department of Neighborhoods	\$74,235
Finance Department	\$1,923,438
Fleet Management Department	\$5,571,579
General Services Department	\$312,050,221
Housing and Community Development	\$7,206,833
Houston Airport System	\$11,413,422
Houston Fire Department	\$3,032,389
Houston Health Department	\$1,217,127
Houston Parks and Recreation Department	\$1,045,460
Houston Police Department	\$654,122
Houston Public Library	\$168,359
Houston Public Works	\$439,697,021
Human Resources	\$27,903,493
Legal Department	\$496,766
Mayor's Office	\$410,642
Municipal Courts Department	\$43,533
Planning & Development Department	\$21,172
Solid Waste Management Department	\$184,109
Total	\$813,175,282



Educate. Connect. **Grow.**