

CITY OF HOUSTON
OFFICE
of
BUSINESS OPPORTUNITY

Hire Houston First Progress Report
FY2017

July 1, 2016 – December 31, 2016



Mayor
Sylvester Turner

Director
Carlecia D. Wright



Table of Contents

Program Overview.	3
City and Local Business Criteria.	4
Citywide Summary.	5
Approved Applications by Year	6
Approved Applications by Headquarters 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

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 \$182,864,465 to registered Hire Houston First firms from a total value of \$377,231,654 for HHF eligible contracts and purchase orders awarded between July 1, 2016 and Dec 31, 2016. Therefore, participation of HHF firms for City contracts was 51.4% , while participation for Purchase Orders was 16.1%, which totals an overall HHF participation of percentage of 48.5%.

Fiscal Year 2017	HHF Contracts and POs	Total	%
All Contracts	\$ 180,303,346	\$ 270,216,106	66.7%
Purchase Orders	\$2,561,119	\$ 15,416,789	16.6%
Total	\$182,864,465	\$ 377,231,654	48.5%

Utilization of HHF Firms

- Since this program was created, a total of 2,505 companies were HHF designated as of Dec 31, 2016.
- Approximately 230 HHF companies received either a contract or purchase order during FY2017 YTD.
- A total of 110 contracts have been awarded to 88 prime contractors who had never won a contract before receiving their HHF designation.

Total Jobs Supported

Local Business Employees	1,939
City Business/Local Business Employees	7,153
Total	9,092

The 230 HHF companies that won city contracts and POs during FY2017 YTD employed individuals which supports 9,092 jobs in the Houston and surrounding areas.

Number of HHF Transactions in FY2015

Number of Prime Contracts	90
Number of Purchase Orders	548
Total	638

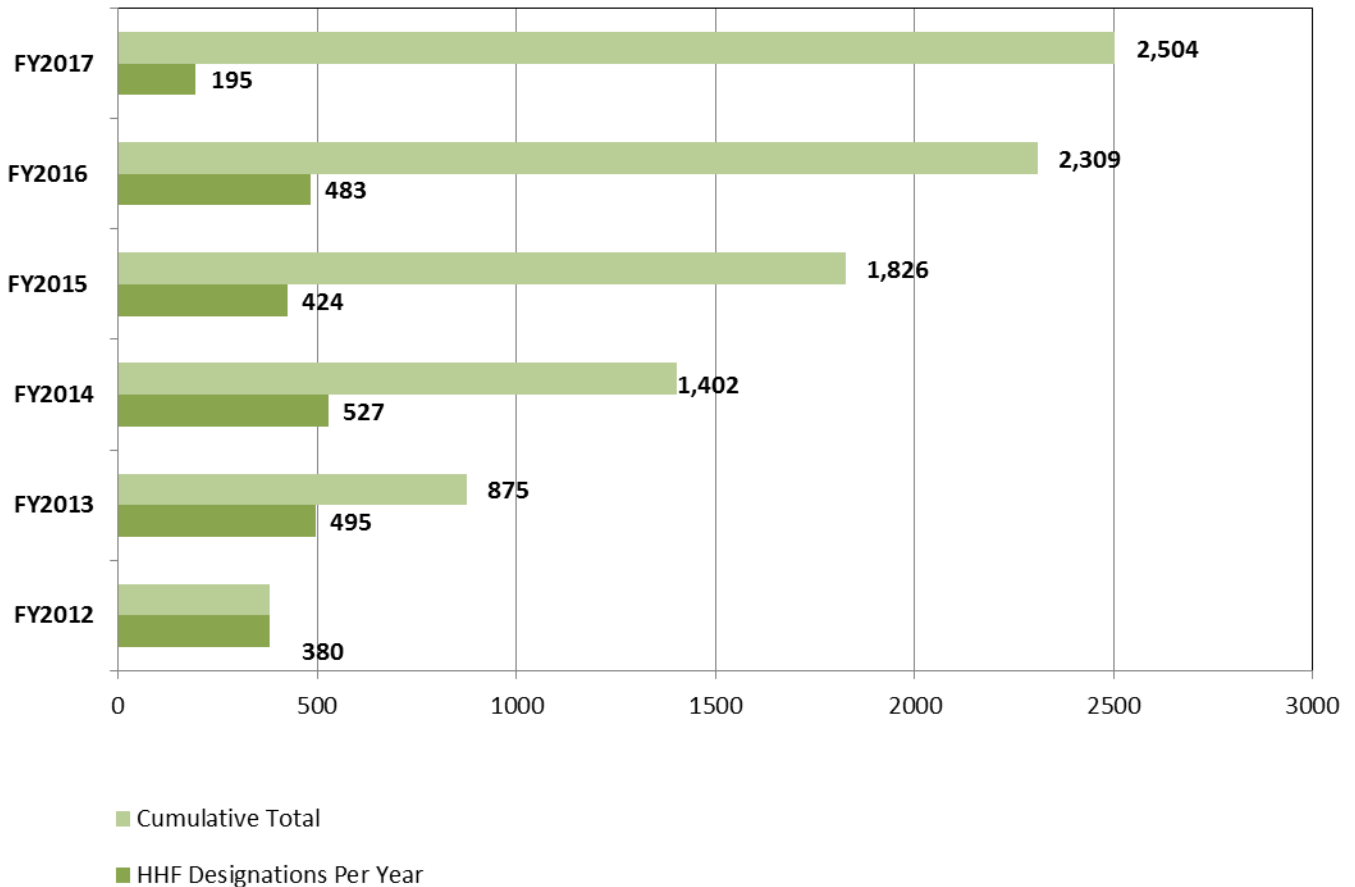
In FY2017 YTD, there were a total of 90 contracts awarded and 548 Purchase Orders issued to HHF companies.





HHF Approved Applications

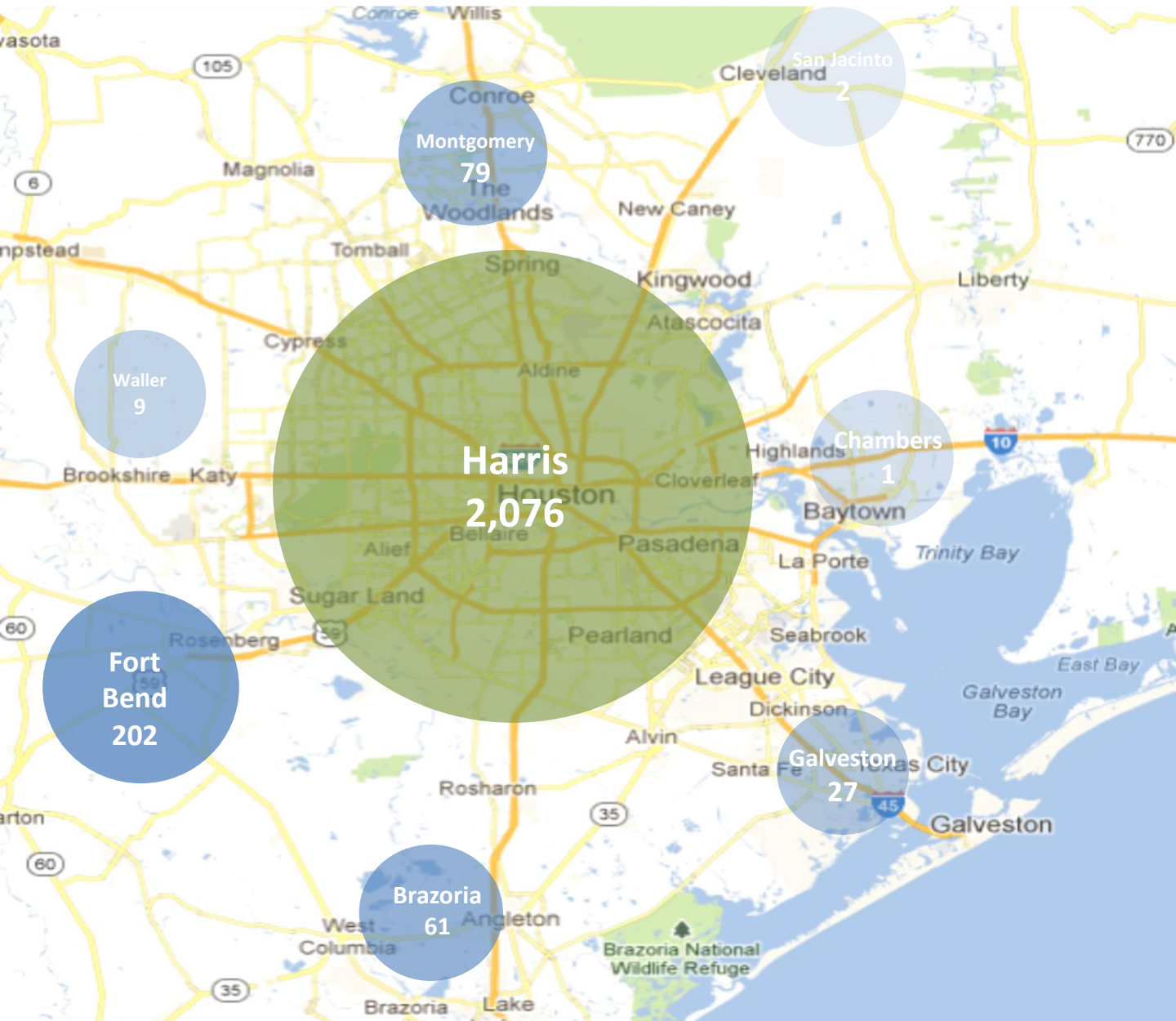
In FY2017, the Office of Business Opportunity had approved 2,504 companies as City Business or Local Business Hire Houston First firms.





Approved Applications by Headquarters County*

Figure 1



* There are a total of 2,505 active HHF firms as of Dec 31, 2016. From that amount, 2,457 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 47 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.



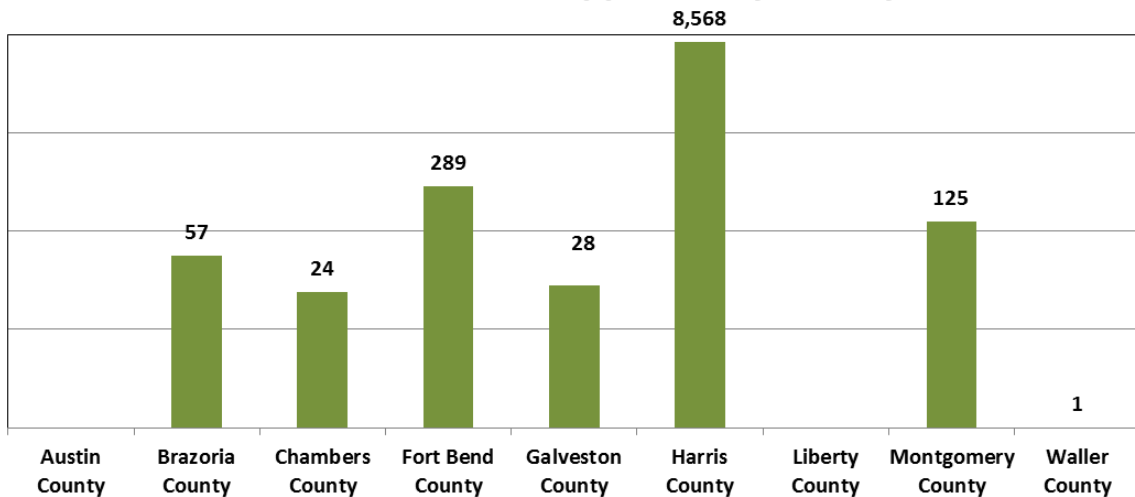


Local Jobs Supported

County	Number of employees
Austin County	0
Brazoria County	57
Chambers County	24
Fort Bend County	289
Galveston County	28
Harris County	8,568
Liberty County	0
Montgomery County	125
Waller County	1
Total	9,092

Approximately \$182 million in City of Houston contracts awarded to HHF designated companies helped sustain 9,092 local jobs during FY2017 YTD. 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.

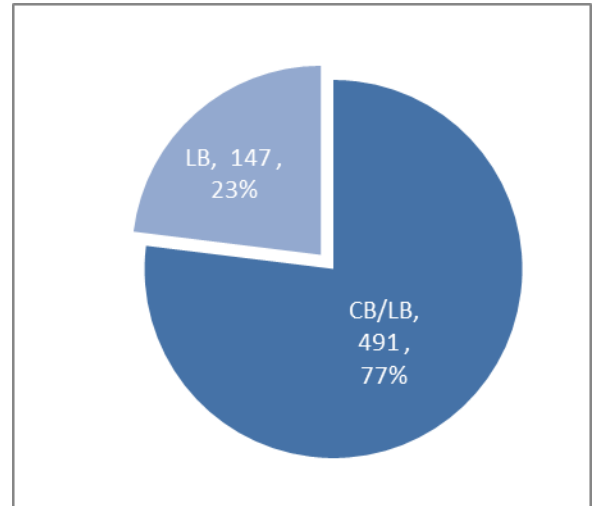




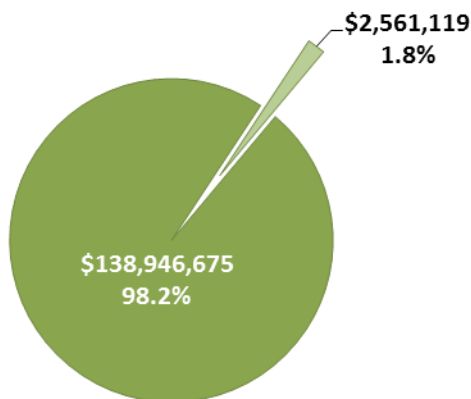
City Business/Local Businesses

Designation Type	FY2017	%
CB/LB	491	77%
LB	147	23%
Grand Total	638	100%

In FY2017 YTD, there were a total of 638 HHF companies that were awarded contracts and non-contract POs with CB/LB designation. There were a total of 491 HHF companies that were awarded contracts and 147 non-contract POs with a LB designation.



HHF Contracts and Purchase Orders Detail



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

As reflected by the pie chart, a total of \$138 million contracts were awarded to Hire Houston First Primes in FY2017 which accounted for 99.1% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$2,561,119, accounting for 0.9% of the entire total of \$141 million.

HHF Contracts and POs	Amount
Contracts Awarded to HHF Primes	\$180,303,346
Non-Contract Purchase Orders to HHF Vendors	\$2,561,119
Total	\$182,864,465



Contracts Awarded by Department

Overall, City of Houston departments awarded contracts and purchase orders worth \$182 million to HHF firms with a HHF designation in FY2017 YTD. For the first half of the year, departments have not yet awarded a contract based on the prime contractor’s HHF designation.

Department	FY2017 Total
Administration & Regulatory Affairs	\$204,143
City Council	\$0
Department of Neighborhoods	\$2,981
Finance	\$0
Fleet Management Department	\$5,728,853
General Services Department	\$2,590,682
Houston Aviation System	\$9,821,043
Housing & Community Development	\$19,565
Houston Emergency Center	\$0
Houston Fire Department	\$80,536
Health and Human Services	\$36,950,593
Houston Information Technology System	\$394,717
Houston Parks Department	\$44,266
Houston Police Department	\$109,458
Houston Public Library	\$23,463
Human Resources	\$6,385
Legal Department	\$448
Municipal Courts	\$194
Mayors Office	\$98,495
Office of Business Opportunity	\$250
Planning Department	\$0
Public Works & Engineering	\$125,928,429
Strategic Purchasing Division	\$788,585
Solid Waste Management Department	\$71,379
Total	\$182,864,465



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

HHF Company	Amount Awarded in FY2016	No. of Contracts
ISI Contracting, Inc.	\$ 25,434,236	2
Lockwood, Andrews & Newnam, Inc.	\$ 23,737,666	7
Main Lane Industries, Ltd.	\$ 18,015,832	3
Interfaith Ministries for Greater Houston	\$ 15,768,876	1
Industrial TX Corporation	\$ 14,901,441	2
Pepper-Lawson Waterworks, LLC	\$ 11,390,098	2
Young Women's Christian Association of Houston (YWCA)	\$ 10,776,728	1
Boyer, Inc.	\$ 5,252,695	1
Network Cabling Services, Inc.	\$ 4,278,763	1
Reytec Construction Resources, Inc.	\$ 3,940,053	2
Northwest Assistance Ministries	\$ 3,825,543	1
Statewide Traffic Signal Company	\$ 2,910,093	1
SC Hydraulics, Inc.	\$ 2,899,301	1
Alsay Incorporated	\$ 2,685,339	1
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
T Construction L.L.C.	\$ 2,000,000	1
SER Construction Partners LLC	\$ 1,996,754	1
Hahn Equipment Company, Inc.	\$ 1,882,798	2
Gadberry Construction Company, Inc.	\$ 1,406,169	1
Blastco Texas, Inc.	\$ 1,198,133	1
J. Davis Automotive Group	\$ 1,128,597	1
Reliable Transmission Service-Texas, LLC	\$ 1,113,659	1
Brown Sterling Builders, Inc.	\$ 1,000,000	1
Baylor Asset Management, LLC	\$ 1,000,000	1
Sewer And Storm Maintenance LLC	\$ 961,404	1
P^2MG, LLC	\$ 876,000	1
D G MEDINA CONSTRUCTION, LLC	\$ 817,451	1
Tikon Group, Inc.	\$ 810,118	1
CSI Consolidated, LLC	\$ 809,051	1
OTHON, INC.	\$ 764,000	2
Pierce Goodwin Alexander & Linville, Inc. (PGAL)	\$ 750,000	1
Gunda Corporation, LLC	\$ 750,000	1
Newman Regency Group	\$ 686,676	1
General Body Manufacturing Co.	\$ 544,033	1
S & B Infrastructure, Ltd.	\$ 520,607	1
216 Resources, Inc	\$ 493,000	1
Globe Electric Supply Company, INC	\$ 417,734	1
Caldwell Automotive Partners, LLC	\$ 379,176	1
CPR Services and Supplies, Inc.	\$ 325,000	1
DATAVOX, INC.	\$ 323,062	1
Gorrondona & Associates, Inc.	\$ 235,000	4
The Heitman Company, Inc.	\$ 225,801	1
Nathelyne A. Kennedy & Associates, L.P.	\$ 189,565	1
Basileia Group Inc.	\$ 180,923	1
Metro Fire Apparatus Specialties, Inc.	\$ 168,863	1
HTS Consultants, Inc.	\$ 160,000	4
Batterson Truck Equipment, LLC	\$ 125,028	1





Top 50 Highest Number of HHF Prime Contracts Awarded in FY2017

HHF Company	Total
Lockwood, Andrews & Newnam, Inc.	3
Main Lane Industries, Ltd.	3
Hahn Equipment Company, Inc.	2
Industrial TX Corporation	2
ISI Contracting, Inc.	2
OTHON, INC.	2
Pepper-Lawson Waterworks, LLC	2
Reytec Construction Resources, Inc.	2
216 Resources, Inc	1
ATSER, L.P.	1
Austin-Reed Engineers, LLC	1
Aviles Engineering Corporation	1
Basileia Group Inc.	1
Baylor Asset Management, LLC	1
Blastco Texas, Inc.	1
Boyer, Inc.	1
Brown Sterling Builders, Inc.	1
Carrera Construction, Inc.	1
CSA Construction, Inc.	1
CSI Consolidated, LLC	1
D G MEDINA CONSTRUCTION, LLC	1
DATAVOX, INC.	1
Evelyn Rubenstein Jewish Community Center of Houston	1
Fugro Consultants, Inc.	1
Gadberry Construction Company, Inc.	1
Gorrondona & Associates, Inc.	1
Gunda Corporation, LLC	1
Horn Solutions, Inc.	1
HTS Consultants, Inc.	1
Jaymark Engineering Corporation	1
Jersey Equipment Company of Houston, Inc.	1
Macaulay Controls Company	1
Metro Fire Apparatus Specialties, Inc.	1
Nathelyne A. Kennedy & Associates, L.P.	1
Network Cabling Services, Inc.	1
Newman Regency Group	1
Northwest Assistance Ministries	1
P^2MG, LLC	1
Pepper-Lawson Construction, L.P.	1
Quadrant Consultants Inc.	1
S & B Infrastructure, Ltd.	1
Scohil Construction Services, LLC	1
SER Construction Partners LLC	1
Statewide Traffic Signal Company	1
Stinnett & Associates, LLC	1
SWA Group, Inc.	1
T Construction L.L.C.	1
Tikon Group, Inc.	1
Vanessa M. Johnson, CPA, LLC	1
Young Women's Christian Association of Houston (YWCA)	1





Top 50 HHF Vendors with Purchase Orders in FY2017

Vendor	Total Purchases
ENVIRONMENTAL SORBENTS LLC	\$474,079
BEVCO COMPANY	\$150,680
GLOBE ELECTRIC COMPANY INC	\$98,525
CPR SERVICES AND SUPPLIES INC	\$91,848
METRO FIRE APPARATUS SPECIALISTS	\$54,124
GLOBE OFFICE PRODUCTS	\$53,108
CRITICAL INFRASTRUCTURE SOLUTIONS	\$52,766
THE PRINCIPLE PARTNERING GROUP	\$49,995
MACAULAY CONTROLS	\$49,041
UTILITY SYSTEMS SCIENCE AND	\$48,700
PRECISION LAND SURVEYING INC	\$48,000
GILBREATH COMMUNICATIONS, INC.	\$48,000
INDIGO BEAM	\$47,970
CAMPBELL CONCRETE MATERIALS LP	\$47,215
GENERAL TRUCK BODY MFG COMPANY	\$45,202
ELP ENTERPRISES INC	\$45,180
DECOULANT INC	\$44,533
JDC FLUID EQUIPMENT	\$44,344
INLAND ENVIRONMENTS LTD.	\$43,288
BASELINE PAVING & CONSTRUCTION	\$42,148
PUMPS OF HOUSTON INC	\$41,808
BURGOON COMPANY	\$40,997
BOYER INC	\$40,990
TRANTEX TRANSPORTATION PRODUCTS	\$37,917
MARKETING MAGIC INTERNATIONAL LTD	\$37,000
MEK INTERIOR AND FLOORS, INC.	\$31,529
COWGIRL HOLDINGS LLC	\$30,200
HOUSTON FREIGHTLINER INC	\$27,608
REPUBLIC TRAFFIC SAFETY INC	\$27,050
CENTRAL POLICE SUPPLY INC	\$23,698
PRO ALLIANCE	\$23,285
AUSTIN REED ENGINEERS LLC	\$22,808
SKE CONSTRUCTION LLC	\$21,542
SOUTH COAST HYDRAULICS	\$21,051
MSHANA GROUP LLC	\$19,884
CENTURY ASPHALT LTD	\$19,250
NETSYNC NETWORK SOLUTIONS	\$18,232
WORLD WIDE PARTS & EQUIPMENT INC	\$17,781
URSIN'S ENERGY EFFICIENT LIGHTING	\$17,565
MEK INTERIOR AND FLOORS INC	\$15,851
DLG INTERESTS INC	\$15,683
BATES CHEMICAL INC	\$15,300
CAST APPRAISAL SERVICE	\$13,875
NEXTGEN PARKING LLC	\$13,620
ADVANCED OVERHEAD CRANE SERVICES	\$12,967
ATLANTIC PETROLEUM & MINERAL	\$12,871
THE URBAN CIRCLE LLC	\$12,500
PREFERRED TECHNOLOGIES INC	\$12,437
MACIAS CONSTRUCTIONS	\$12,250
NEWMAN & NEWMAN INC	\$11,725





Educate. Connect. Grow.