



FY 2014 Minority, Women, and Small Business Enterprises Awards Report Overview

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Presented to:

Budget and Fiscal Affairs Committee

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Frequency of Production



As approved in City Ordinance Chapter 15, the MWSBE Awards Report is now produced on a quarterly basis. However, the report takes a month to generate; starting after the 15th of the following month.

Below is the FY 2014 production schedule:

Quarter 1: July 1 – September 30 (Published November 15)

Quarter 1 -2 : July 1 – December 31 (Published February 15)

Quarter 1-3: July 1 – March 31 (Published May 15)

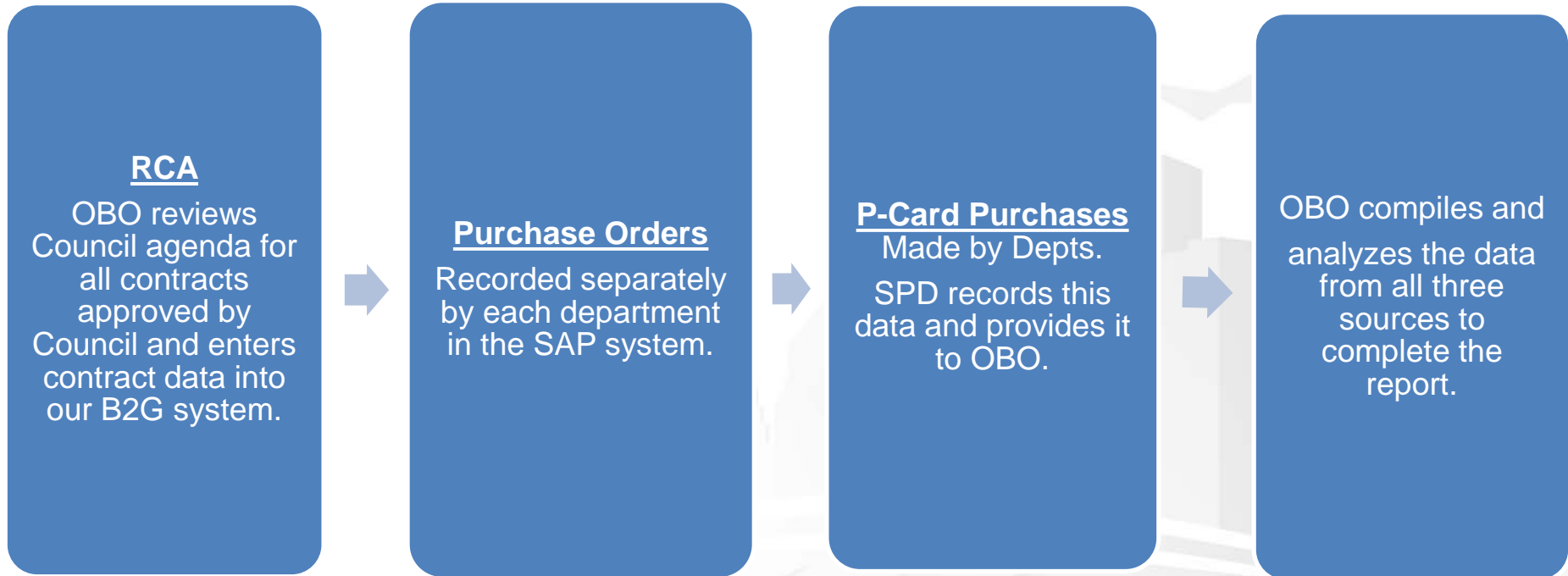
Annual: July 1- June 30 (Published between August 15 – September 1)



Source of Data



Current process of capturing data for the report:



FY 2014 Citywide Summary



	A	B	C = A+B	D = B/C
Contract Type	Non MWSBE Amount	MWSBE Amount	Total Amount Awarded	MWSBE %
Construction Total	\$102,284,976	\$26,623,428	\$128,908,404	20.7%
Professional Services Total	\$38,727,269	\$16,099,744	\$54,827,014	29.4%
Purchasing Total	\$91,243,881	\$34,260,592	\$125,504,474	27.3%
Total	\$232,256,126	\$76,983,765	\$309,239,891	24.9%
Exempt Contracts	\$67,774,565	\$1,190,665	\$68,965,230	1.7%
Waiver Contracts	\$43,533,878	\$2,958,785	\$46,492,662	6.4%
Non-Goal Oriented	\$6,102,075	\$3,423,703	\$9,525,778	35.9%
Grand Total	\$349,666,644	\$84,556,918	\$434,223,562	19.5%

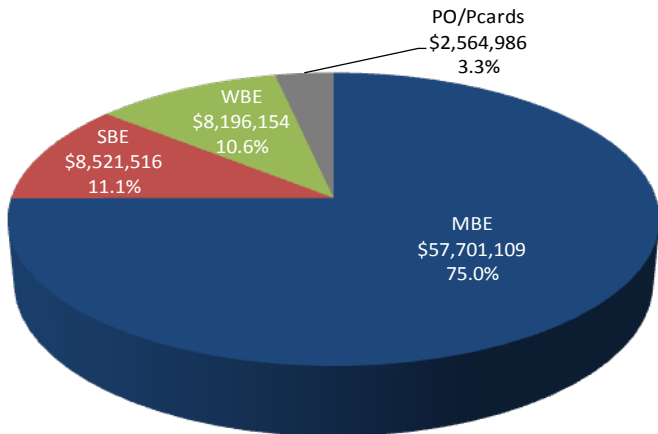
While the City awarded a total of \$434.2M, from that, \$68.9M were exempt contracts; \$46.5M were contracts with waivers; and \$9.5M were non goal-oriented contracts. Even still, a total of \$7.5M was awarded to certified firms. The City's goal-oriented procurements accounted for 24.9% of awards in the first half of FY2014.

Although the Construction goal was increased to 34%, we anticipate that this increase will be gradually reflected in the overall participation percentage over time as WBEs re-engage in City contracting.



Citywide Awards by Certification Type and Contract Type

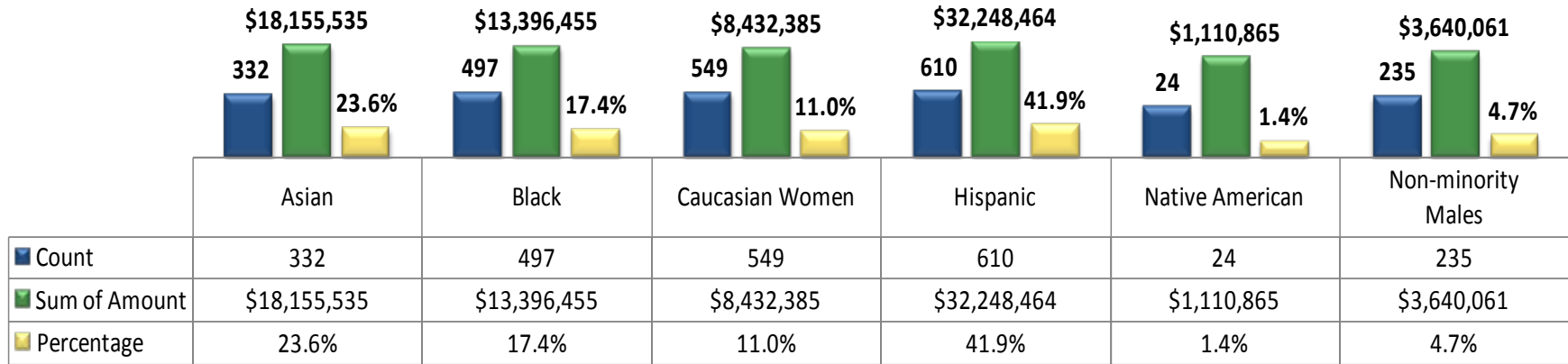
Contract Type				Caucasian		Native	Non-	Grand Total
	Asian	Black	Women	Hispanic	American	minority	Males	
Construction	\$3,622,565	\$2,602,396	3,335,847	\$12,631,685	\$1,057,415	3,373,521		\$26,623,428
Professional Services	\$4,801,715	\$4,135,320	3,273,071	\$3,840,541	\$49,098	-		\$16,099,744
Purchasing - Contracts	\$9,514,705	\$6,047,716	903,111	\$15,230,075				\$31,695,606
PO/Pcards	\$216,550	\$611,023	\$920,356	\$546,163	\$4,352	\$266,541		\$2,564,986
Grand Total	\$18,155,535	\$13,396,455	8,432,385	\$32,248,464	\$1,110,865	3,640,061		\$76,983,765



- Certified firms received the highest dollar amount of awards in contracts relating to Purchasing contracts.
- The highest percentage of dollars awarded to certified firms were awarded to MBEs.



Citywide Awards by Ethnicity



Hispanics received the highest dollar amount awarded to certified firms.



Primes and Subcontractors

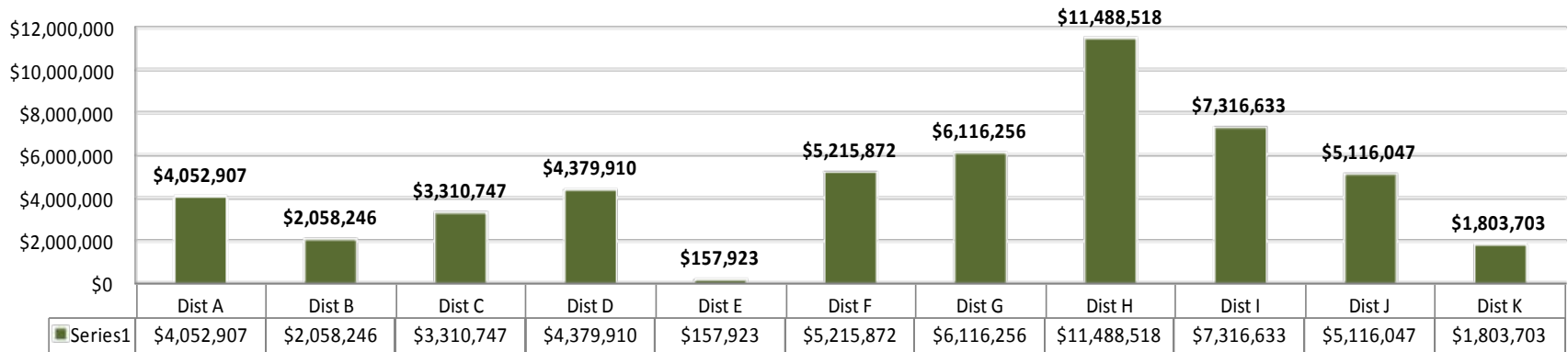


Vendor Type	A		B	C=A/Grand Total
	Non MWSBE	MWSBE	Total Award	Percent
Prime Contract	\$214,206,882	\$23,591,899	\$237,798,781	7.6%
Subcontract	\$1,027,966	\$50,826,879	\$51,854,845	16.4%
PO/Pcards	\$17,021,279	\$2,564,986	\$19,586,265	0.8%
Grand Total	\$232,256,126	\$76,983,765	\$309,239,891	24.9%

- Certified prime contractors were awarded 7.6% of all contracts awarded by the City of Houston, which accounts for \$23,591,899 of all dollars awarded on all contracts.
- Certified subcontractors were awarded 16.4% of all contracts awarded by the City of Houston, which accounts for \$50,826,879 of all dollars awarded on all contracts.
- Certified firms also received \$2,564,986 for PO and P-Card transactions which accounts for 0.8% of all dollars awarded by the City of Houston.



Contracts Awarded to Certified Firms by Council District

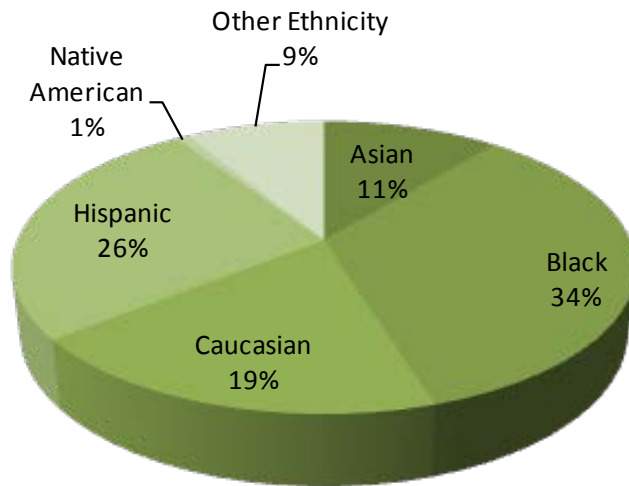


Council District	Number of Certified Firms	Number of Certified Firms with Contracts	Percentage of Utilization
Dist A	144	35	24.3%
Dist B	119	20	16.8%
Dist C	174	36	20.7%
Dist D	106	22	20.8%
Dist E	40	3	7.5%
Dist F	105	19	18.1%
Dist G	151	25	16.6%
Dist H	87	36	41.4%
Dist I	110	20	18.2%
Dist J	118	31	26.3%
Dist K	93	18	19.4%
Non Council District	1010	152	15.0%
Grand Total	2257	417	18.5%

Council District	Female	Male	Grand Total
Dist A	\$ 129,174	\$ 3,923,732	\$ 4,052,907
Dist B	\$ 359,267	\$ 1,698,978	\$ 2,058,246
Dist C	\$ 935,978	\$ 2,374,769	\$ 3,310,747
Dist D	\$ 762,836	\$ 3,617,074	\$ 4,379,910
Dist E	\$ 73,848	\$ 84,075	\$ 157,923
Dist F	\$ 112,812	\$ 5,103,061	\$ 5,215,872
Dist G	\$ 5,361,086	\$ 755,170	\$ 6,116,256
Dist H	\$ 2,335,446	\$ 9,153,072	\$ 11,488,518
Dist I	\$ 222,492	\$ 7,094,142	\$ 7,316,633
Dist J	\$ 508,900	\$ 4,607,147	\$ 5,116,047
Dist K	\$ 613,248	\$ 1,190,455	\$ 1,803,703
Non Council District	\$ 9,139,386	\$ 16,827,616	\$ 25,967,002
Grand Total	\$ 20,554,474	\$ 56,429,291	\$ 76,983,765



Certified Firms by Industry and Ethnicity



Industry	Count
Architectural & Engineering Products and Services	201
Automotive & Transportation	93
Business Services & Support/Creative Products & Services	334
Concessions & Food Products Service	49
Construction Services & Equipment	620
Energy & Utilities/Environmental Services & Equipment	88
Facilities & Security Products & Services (Janitorial/Security/HVAC)	226
Health Care & Pharmaceutical Products & Services	54
Industrial Manufacturing & Equipment	45
Legal, Financial & Insurance & Real Estate Services	120
Other Services	173
Retail, Wholesale & Warehousing	125
Technology & Telecommunications	129
Grand Total	2,257

The highest number of certified firms are in the Construction industry.





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Exempt Contracts Waivers Good Faith Efforts



Exemptions and Waivers



- **MWSBE goals are required on goal-oriented and regulated contracts unless:**
 - **Emergency Contracts** - Contracts awarded to meet an immediate need.
 - **Specialized Contracts**- Services or goods requested are of a specialized, technical or unique nature.
 - **Economic Burden/Risk/Delay**- Unwarranted economic burden or risk on the City or unduly delay acquisition of the goods or services.
 - **Interlocal Agreements/Cooperative Purchasing Agreements/DIR**- Agreements the City enters into with other governmental entities in the interest of cooperatively sharing resources.

Contracts with Waivers

- **Non-Divisible** – Contracts cannot be divided to create subcontracting opportunities.
- **No MWSBEs available** – Contract do not have MWSBEs available in the market to perform the work or require a specialized license to do the work required.
- **Sole Source** - Contracts awarded to meet a need that can only be supplied from a firm that provides specialized and/or unique products or services.
- **Direct shipment** - Contracts where the goods are directly shipped to the City.

****Generally, exempt contracts and waivers are reviewed and approved by OBO**

Total Exempt and Waiver Contracts



Contracts with Waivers		
Justification	Count	Amount
Non-Divisible	17	\$27,835,919
Direct/Drop shipment	8	\$6,405,936
Sole Source	8	\$1,332,692
No available MWSBEs	7	\$10,918,115
Authorized Supplier Only Contract	1	\$0
Total	41	\$46,492,662

Exempt Contracts		
Justification	Count	Amount
Interlocal Agreement	35	\$63,855,568
Co-operative Purchasing	6	\$5,040,365
Emergency	1	\$69,297
No opportunity - contract for landfill	1	\$0
Total	43	\$68,965,230

- Out of the 317 contracts included in the current MWSBE report from July-Dec, only 7 contracts had waivers approved where certified firms were not available and only 8 contracts had waivers approved due to sole source contracts.
- Additional outreach will be conducted to increase the number of certified firms in these areas.



Good Faith Efforts



- **MWSBE goals are not mandated. Contractors are required to make Good Faith Efforts (GFE) to meet contract goals.**
- Good Faith Efforts generally are steps taken to achieve the goal which by their scope, intensity, and usefulness demonstrate the contractor's responsiveness to meet the Program's objectives.
- GFE written policy is referenced in contract documents and a copy is on the OBO website.
- OBO makes GFE determinations at 2 main points:
 - Pre-Award GFE
 - Reviewed by Department Services section
 - Participation Plans submitted with bids on construction projects
 - Participation plans submitted directly by contractors prior to contract awards
 - May result in a reduced goal or no goal
 - Post-Award GFE
 - Monitoring done by OBO Contract Compliance team during contract
 - Final GFE determination made at the end of contract





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Program Enhancements



Improvement Strategies



- **Additional Outreach:** The Office of Business Opportunity will be conducting additional outreach efforts to increase the number of certified firms in the areas where waivers were granted.
- **Improve Construction Participation** – Also conduct additional outreach to ensure that women are able to perform on construction contracts. Therefore, increasing the overall percentage of certified firms that participate on construction contracts to meet the goal of 34%.
- **Payments Dashboard**
 - OBO has received funding to implement a new Payment Dashboard.
 - The dashboard will reflect the actual progress departments have made citywide towards achieving citywide goals based on the payments made to certified firms.
 - OBO's Payment Dashboard will be available to the public by the end of this fiscal year.



Thank You.



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