

Hire Houston First

ANNISE PARKER'S PLAN FOR LOCAL HIRING AND CONTRACTING INCENTIVES

POLICY BRIEFING

In these tough times, our leaders should be doing everything we can to create new jobs and keep Houstonians working. One of the most basic and powerful steps we can take is to make sure that our local tax dollars are working to keep Houston's economy strong.

That's why, as Mayor, I will implement *Hire Houston First* – a set of powerful incentives and policies to make sure that, whenever possible, we hire local firms that employ Houstonians for taxpayer-funded projects.

Creating more Jobs for Houstonians

Even in this tough economy, Houston will spend billions of dollars providing essential services and building and maintaining everything from streets and bridges to water lines and sidewalks. When these services are provided by local businesses that hire local residents, our economy benefits.



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– City Controller
ANNISE PARKER

Houstonians employed by these projects, and the local companies that profit from them, will use much of the money they earn to purchase goods and services from other local businesses – that in turn will use their earnings to support even more local businesses.

This chain of earning and spending is known as a multiplier – and it is powerful. Estimates can vary. For example, the Congressional Budget Office estimates that \$1 of infrastructure spending can boost the economy anywhere from \$1 - \$2.50. Moody's Economy.com's chief economist pegs it at \$1.59.

In any case, investing in our local economy is just good common sense. And in the long run, we will make money for taxpayers as increased economic activity generates more tax revenue for the city.

Leading a Regional Jobs Alliance

I believe that what's good for the region is good for Houston. Some of us live in Houston and work in Bellaire. Some companies are based in Sugar Land but create good jobs for Houston residents. Our competition is not Bellaire or Sugar Land – it's Los Angeles, Chicago and Atlanta.

That's why I will work to create a **Regional Jobs Alliance** – where the City of Houston would join with surrounding governments to promote local hiring and local contracting with our close-in suburbs and municipalities. As local governments join the alliance, the reach and power of local hiring incentives and local contracting preferences would grow to benefit our entire region.

Setting the Right Priorities for Our Tax Dollars

As Mayor, I will work with stakeholders and Councilmembers to craft a policy and pass an ordinance that incorporates one or more of the following local hiring incentives and local contracting preferences – and other good ideas developed by my colleagues in this process. And if changes are required in state law, I will work with our state legislators to make those changes happen.

■ HIRE HOUSTON FIRST ORDINANCE.

Local Hiring:

Bid preference. The city would award bonus points in the evaluation process to proposals meeting local hiring goals.

Bonus payments. In the same way that the city pays a bonus to a construction contractor for completing a project ahead of schedule, the city would pay a bonus to firms who meet or exceed local hiring benchmarks.

Local Contracting:

(Local firms would include not only firms wholly located in Houston, but firms with a presence in Houston that contribute to our economy.)

Right to match low bid. If a local contractor's bid is within 10% of the lowest bid, the local firm could match the lowest bid from a non-local firm and be awarded the contract.

Enhanced bid preferences. The city already gives a preference to local vendors in tie bids – where all else is equal. Under this option, the city would expand that preference to award bonus points to local firms in the evaluation process.

Another option for small local businesses: for small contracts (e.g., under \$100,000), the city would grant a preference equal to 10% of the bid of the lowest and best responsible bidder, and, if after taking that preference into account the small local business' bid is equal to or less than the lowest bid, the bid or proposal of that small local business would be deemed to be the lowest bid.

Minority contracting goals. The city's Minority/Women/Disadvantaged Business Enterprise Program sets forth voluntary goals to encourage contracting with

MWDBE firms. Under the Hire Houston First program, the voluntary goals would be weighted to give preference to MWDBE companies that are locally owned.

■ **LOCAL SOLICITATION.** City staff would determine if local expertise is available prior to advertising a solicitation for goods and services, and if so, when allowed by state law, limit solicitations to local firms.

■ **CONTRACT NEGOTIATIONS.** Make it city policy to use the city's leverage in negotiating contracts to prioritize local subcontracting and local hiring by both contractors and subcontractors.

■ **LEAD BY EXAMPLE.** The city would give a preference to Houston residents, to the extent allowed by law, in the hiring of city employees.

■ **ACCOUNTABILITY MEASURES.** As Mayor, I will work with the Controller to measure the success of Hire Houston First after the first two years, and report the findings to City Council and the public for re-evaluation of the program.