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PORT OF HOUSTON AUTHORITY ROLLS OUT SMALL BUSINESS DEVELOPMENT PROGRAM

Target \$10 Million in Contracts for Eight County Area

HOUSTON, January 28, 2002 – The Port of Houston Authority today officially launched a Small Business Development Program aimed at creating increased contracting and procurement opportunities with the Port for Houston-region small businesses.

“This is a significant change in the way we do business. A new state law that went into effect on Sept. 1, 2001, allows the Port to accept, for construction and service projects, sealed competitive proposals that take into consideration factors other than just the lowest price. With this new program, one of the factors we’ll be evaluating is small business involvement,” said James T. Edmonds, chairman of the Port Authority.

“While the Port has always done business with small companies, the Small Business Development Program emphasizes the commitment the Port has to being in the forefront of economic development for this region and for the state,” said Port Commissioner Cheryl Thompson-Draper, who is chairman of the Port’s Small Business Opportunity Task Force. “With close to half of Texas’ workforce employed by small businesses, we believe this program is an outstanding initiative to help grow these companies and provide increased opportunities for employment.”

The Small Business Development Program is a goal-oriented program, targeting small businesses or requiring contractors who receive contracts from the Port to use good-faith efforts to utilize approved small businesses. Under the program, all eligible Port Authority contracts will

have a goal of including a 35 percent small business participation, including those owned by minorities and/or women. The Port Authority issues about \$30 million of eligible contracts each year. The Small Business Development Program will result in targeting about \$10 million of purchases and services to small businesses.

Small businesses from the Texas counties of Harris, Galveston, Fort Bend, Montgomery, Liberty, Waller, Chambers and Brazoria are eligible to participate.

The program, which will be overseen by newly appointed Small Business Development Manager Gilda Ramirez, is open to all certified small businesses whose owners have a net worth of less than \$750,000.

To support the Port's small business outreach effort, the Port Authority Commission is creating a Small Business Advisory Committee composed of 15 local business people selected for their ability to provide information, assistance and local business contacts.

The Port Authority is taking a number of steps to make the Small Business Development Program available to small businesses that have not previously worked on Port projects by:

- Reducing the overall dollar amounts of its contracts in order to make it easier for small businesses to obtain the insurance and surety bonds needed to qualify to bid on contracts.
- Assisting small business in obtaining insurance and surety bonds when necessary in the performance contracts.
- Encouraging the formation of joint ventures and alliances between small and large businesses as well as collaboration between private sector businesses and individuals in developing mentoring programs.
- Utilizing small business advisors to assist small businesses and contractors with information and assistance, including providing workshops and training sessions and holding pre-bid and pre-proposal conferences to explain small business requirements.
- Requiring all bidders and proposers to submit a written assurance of meeting the contract goal for small business participation in their bids or proposals.
- Conducting outreach activities for small minority and women-owned businesses.

- Utilizing a variety of appropriate trade bulletins, local newspapers, economic development groups and technical assistance agencies to inform small businesses of bid notices and specifications.

“We believe we have developed an accessible program that will enable a small business the opportunity to work with the Port of Houston,” said Commissioner Thompson-Draper. “Many government agencies across the country have contacted the Port of Houston for a copy of our plan. Our process is thorough, but not burdensome, and will result in heightened activity for this important segment of our economy.”

The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities along the Port of Houston, a 25-mile-long complex of diversified public and private facilities that handle more than 175 million short tons of freight worth more than \$60 billion annually. The Port Authority plays a vital role in ensuring navigation safety along the Houston Ship Channel, a key economic catalyst for the city since the Port of Houston first opened to deep-water vessels in 1914. The Port is the source of more than 200,000 direct and related jobs and generates about \$525 million annually in state and local taxes. The Port of Houston ranks first in the U.S. in foreign waterborne commerce and second in total tonnage. Each year, more than 7,000 vessels from around the world call at the Port.

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