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FIRST SMALL BUSINESS-TARGETED CONTRACT PUT UP FOR BIDS BY PORT OF HOUSTON AUTHORITY

Goal Is For As Much As \$10 Million Annually in Small Business Participation

HOUSTON, September 24, 2001 – The Port of Houston Authority today put up for bid the first contract incorporating new participation guidelines aimed at creating increased contracting and procurement opportunities for Houston-region small businesses and minority firms.

The Port Authority Commission approved a request for bids on a \$120,000 re-roofing contract that includes a 35 percent small business participation requirement under the Port Authority's new Small Business Development Program (SBDP) adopted in May 2001. Selected contracts bid by the Port Authority during the balance of 2001 will also include the small business participation guidelines; all eligible Port Authority contracts will incorporate the requirements beginning January 1, 2002. Small businesses from the Texas counties of Harris, Galveston, Fort Bend, Montgomery, Liberty, Waller, Chambers or Brazoria are eligible for the SBDP program.

“Small business is a vital part of our local economy and The Port Authority is committed to increasing both the dollar amount and percent of our total purchases made from these firms,” said Chairman James T. Edmonds. He estimated that the Port Authority issues about \$30 million of eligible contracts each year and that the SBDP program will result in targeting about \$10 million of purchases and services to small businesses.

Program Highlights

The program applies to all contracts previously subject to competitive bidding and is open to all certified small businesses whose owners have a net worth of less than \$750,000, including minority and women-owned firms.

The Port Authority is taking a number of steps to make the SBDP available to small businesses that have not previously worked on Port projects:

- Utilizing small business advisors to assist small businesses and contractors with information and support
- Reducing the dollar amounts of its contracts to give small businesses greater opportunity to compete
- Helping small businesses obtain insurance and surety bonds
- Encouraging the formation of joint ventures and alliances between small and large businesses to build up experience, and
- Collaborating with private sector businesses and individuals on developing mentoring programs.

When a small business is the prime contractor, The Port Authority will consider small business participation in two separate ways. First, it will count the total value of the contract awarded to the eligible prime small business. Second, The Port Authority will count the total value of the awarded contract to the prime small business contract, minus the dollar amount subcontracted to non-small business.

When the small business is a subcontractor, The Port Authority or a contractor may count toward the Port Authority's goal a portion of the total dollar value of a contract with an eligible joint venture equal to the percentage of the ownership and contract of the small business partner in the joint venture.

The Port Authority may exempt a contract from a small business goal if a public or administrative emergency exists that requires immediacy; if the services of goods requested are of a specialized, technical or unique nature; if the application of small business provisions would impose unwarranted economic burden or risk on the Port of Houston Authority or cause undue delays; or if the possible small business participation level based on availability would produce negligible participation.

Edmonds said that the Port Authority will track small business participation by type of contract, dollar value of contract and subcontract work, race and/or sex of the small business owners, and location of the small business. Each year, The Port of Houston Authority Commission will review and set an annual goal for small business participation based on projected availability and prior utilization of small business by the Port of Houston Authority and other governmental entities.

The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities located 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 is also responsible for 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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