



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

# STRATEGIC SOURCING REPORT

## Fiscal Year 2025

# Executive Summary

The Strategic Sourcing Division delivers high-value, sustainable competitively advantaged solutions through cost-effective supplier relationships, ethical, transparent, and efficient procurement practices—leveraging responsible sourcing strategies, collaboration and negotiation with vendors to maximize business opportunities, drive efficiency, and expand access for small, minority and women-owned businesses in support of Port Houston’s mission.

## Procurement Services

For fiscal year 2025, Port Houston’s Procurement Services department administered obligations of \$459.8 million compared to \$697.6 million for 2024.

The Procurement Services department has worked to deliver quality services and improved performance for our customers and stakeholders.

In FY 2025, some examples of successfully executed procurements included the following:

Construction: \$186.9 million

- Construction of Container Yard 8 at Bayport Container Terminal: \$80.3 million
- Construction of Container Yard 7 at Barbours Cut Terminal: \$20.1 million
- Construction of Port Coordination Center Facility at Turning Basin Terminal: \$18.3 million
- Construction contract for bulkhead repairs and stabilization at Wharf 20 and 21 at Turning Basin Terminal: \$9.2 million

Professional Services: \$70.7 million

- Insurance services: \$8.4 million
- Disposal and recycling services: \$6 million
- Professional Services for the design of southern access road: \$5 million
- Planning support for the Development of Houston Facilities: \$4.4 million

Goods: \$139.7 million

- Purchase of sixteen gantry cranes for Bayport: \$48 million
- Fuel for Barbours Cut and Bayport Terminals: \$9.7 million
- Purchase of thirteen empty container handlers at Barbours Cut Terminal and Bayport Terminal: \$5 million

\*Obligated amounts: Funds encumbered under a Purchase Order

## **2025 Inclusive Sourcing Program**

Port Houston is committed to cultivating an inclusive and competitive economic environment, one that promotes equal access to opportunities and supports the SMWBE ecosystem. Port Houston launched the Small Business Development Program (SBDP) in 2002 and later launched a Minority and Women-Owned Business (MWBE) Program in July 2021.

The SBDP and MWBE program are goal-oriented and were established to utilize certified small, minority- and women-owned businesses. The organizational and aspirational goals apply to all SBDP and MWBE Eligible contracts respectively, except contracts for those which are excluded (i.e. sole-source items, federally funded contracts, contracts with other governmental entities, contracts using CO-OPs, and those contracts that are otherwise prohibited by applicable law) or expressly exempted by Port Houston.

The SBDP program has an organizational goal of 35%, overall performance in 2025 is 6%. The MWBE program has an aspirational goal of 30%, overall performance in 2025 is 6.4%. SMWBE combined programs total \$44.7M or 12.4%

## **2025 Port-Wide Awards**

Port Houston awarded a total of \$386.8M. Of the \$386.8M in awards and commitments, \$119.5M were eligible, \$75.4M were excluded contracts, \$164.0M were exempt, \$25.1M were non-goal oriented contracts and \$2.8M were Project 11.

Therefore, the total amount awarded on total contracts excluding non-goal oriented contracts was \$361.7M of which S/MWBE firms received \$44.7M. Of the latter amount, SBEs received awards and commitments of \$21.7M, yielding a utilization rate of 6.0% and MWBEs received \$23.0M or 6.4%

## **2025 Formal Awards (over \$100K)**

Formal awards and commitments totaled \$346.3M, this did not include Non-goal oriented contracts. Of the \$346.3M formal awards, \$41.2M or 12.0% was awarded to enrolled S/MWBE firms.

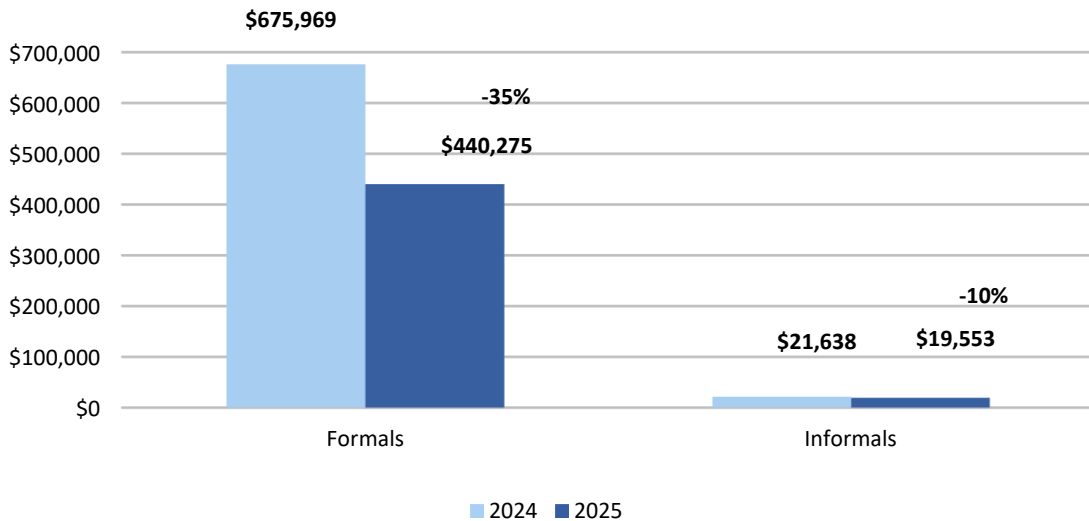
## **2025 Informal Awards (under \$100K)**

Informal awards and commitments to enrolled firms totaled \$15.4M, this did not include Non-goal oriented contracts. Of the \$15.4M, \$3.5M or 23.0% was awarded to S/MWBE firms.

## Figure 1: Obligations by Type

Formal & Informal\* Obligated amounts Year-to-date (“YTD”)

2024 vs 2025 (000’s)



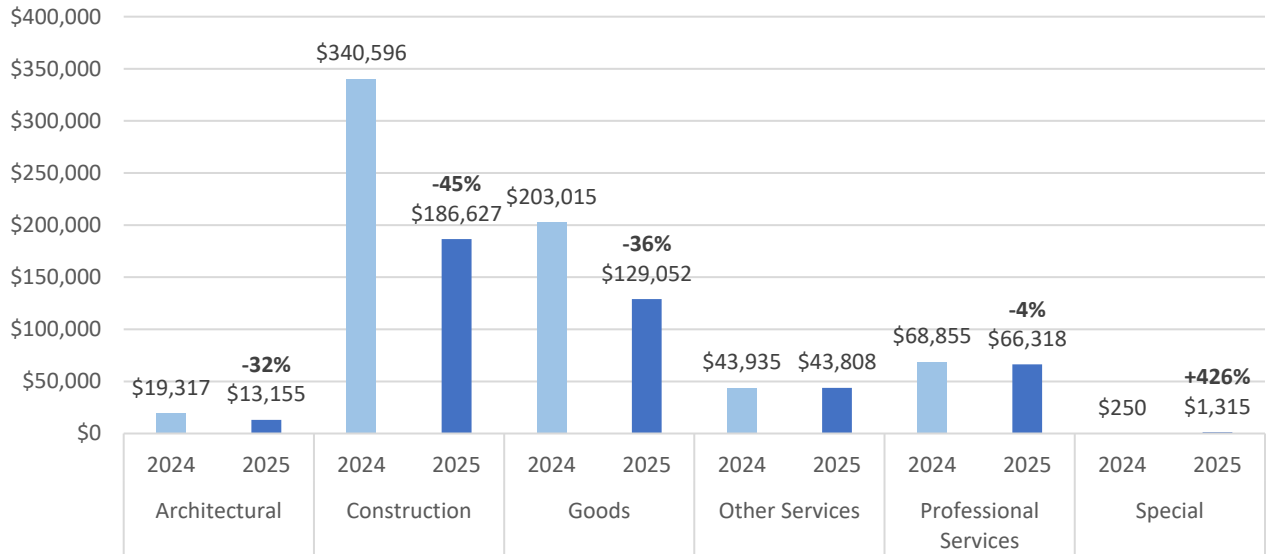
(Figure 1)

- During 2025, the Total Obligated amount for Formal and Informal Procurements was \$459.8 million compared to \$697.6 million for 2024.
- Formal Procurements had a decrease of 35% year-over-year resulting from various high dollar procurements, including: Dredging contracts for P11, construction of Container Yard 6 and 7 at Barbour's Cut Terminal (BCT), and expansion of exit gate at Bayport Container Terminal (BPT).
- The Total Obligated amount for Informal Procurements had a decrease of 10% year-over-year related to various miscellaneous services, equipment, computer hardware and software services.

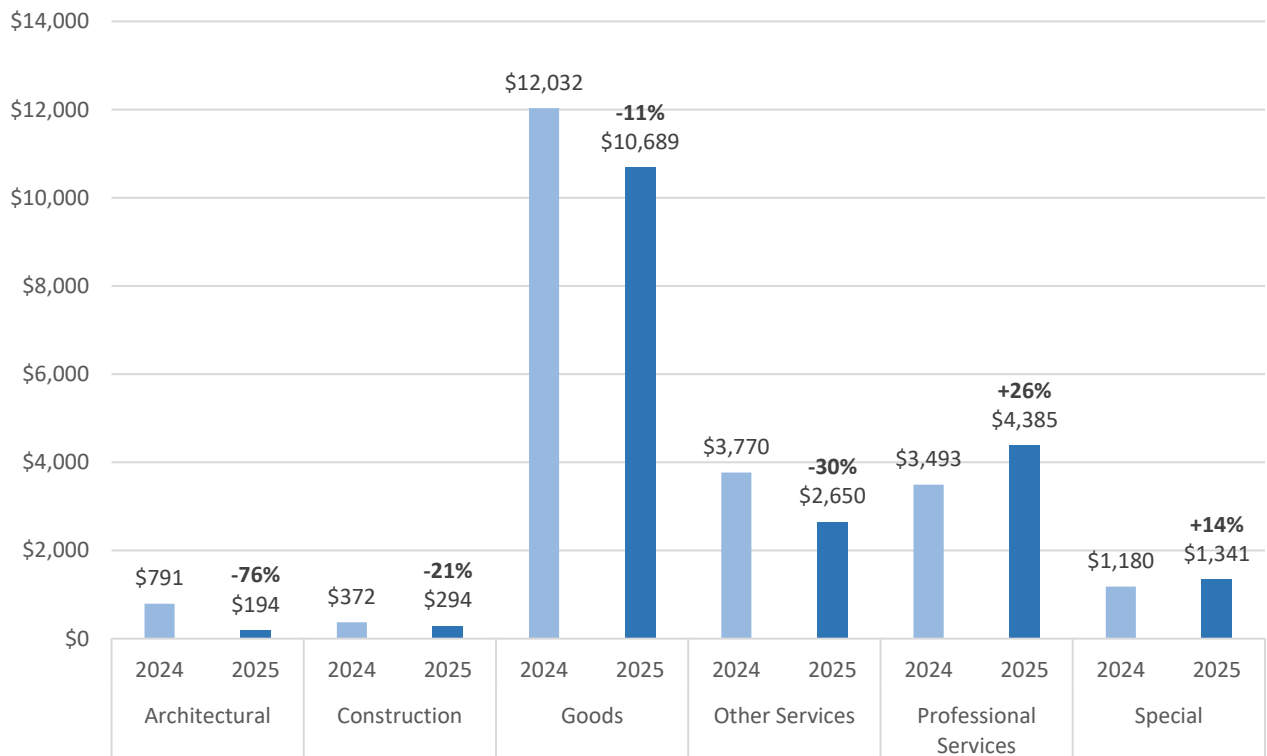
\*Formal awards are commission-approved items greater than \$100,000; Informal awards are projects of \$100,000 and less

## Figure 2: Obligated by Category

### Formal Obligated by Industry Category (000's)



### Informal Obligated by Industry Category (000's)

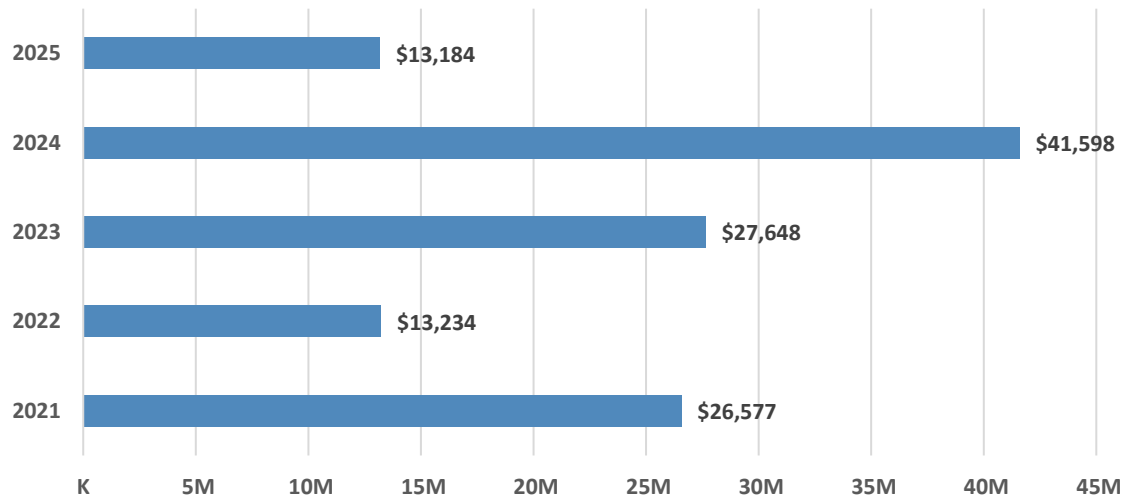


(Figure 2)

- **Architects, Engineering:** Include Land Surveyors, Construction Material Testing and Bond Counsel
- **Professional Services:** Include Consulting other than Engineering, Personal and Technology Services
- **Construction Services**
- **Goods:** Include Commodities (i.e. Fuel, Tires, Spare parts), Materials, Supplies and Equipment
- **Other Services:** Services other than those listed above
- **Special:** Donations, Settlements, Sponsorships and Financing Agreements

### Figure 3: Closed Purchase Orders

Closed Purchase Orders (000's)

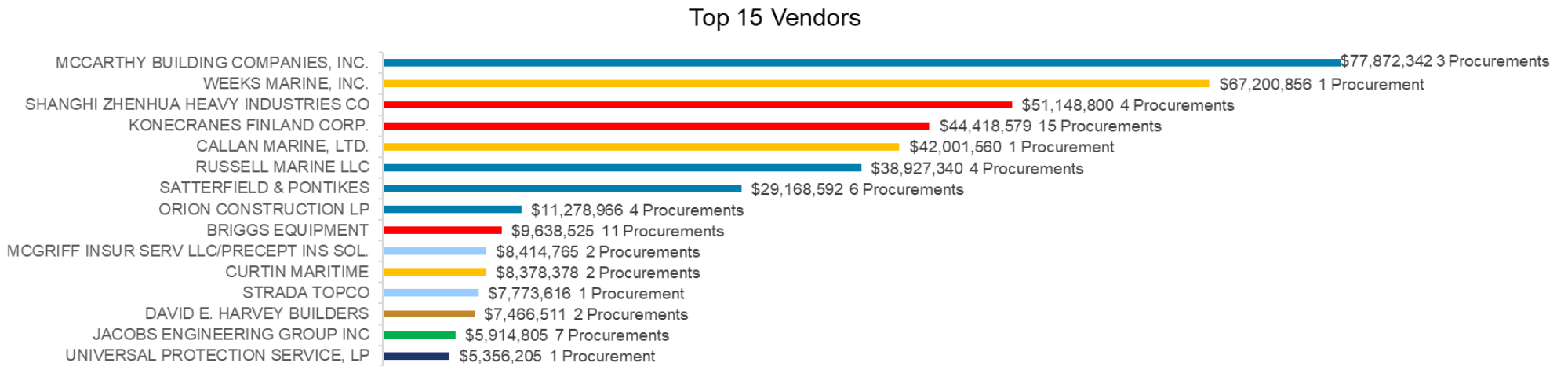
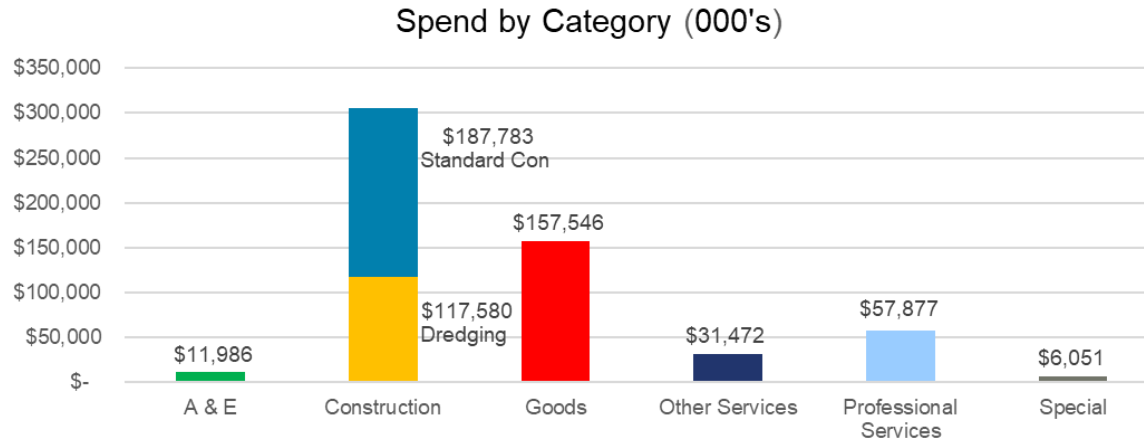


(Figure 3)

During 2025 up to December 15th, the department closed \$13.2 million of purchase orders due to project completion, stale or aged POs, etc. This is a collaborative effort between Procurement Services, Accounts Payables and all the Requesting Departments to close all Purchase Orders that are no longer needed or have expired with a special emphasis on Purchase Orders associated with Capital Projects as they affect the liquidity of the organization. Keeping Purchase Orders organized is important to maintain orderly operations.

**Figure 4: Total Procurements 2025**

In 2025, Port Houston’s total spend totaled \$570.3 million. The charts below illustrate the distribution of expenditures across industry categories and identify the top 15 vendors by spend.



(Figure 4)

**Figure 5: FY2025 Awards Summary by Contract & Industry Category**

The chart provides an overview of S/MWBE participation across different contract types and industry categories. In 2025, a total of \$386.8M was awarded to firms in architect and engineering services, construction, goods, professional services, and other services. This includes \$119.5M in eligible contracts, \$75.4M in excluded contracts, \$164.0M in exempt contracts, \$2.8M in Project 11 contracts, and \$25.1M in non-goal oriented contracts.

Contract Type	Industry Category	SBE	MBE	WBE	Non-SMWBE	TOTAL
<b>Eligible</b>	A&E Services	-	-	-	-	-
	Construction	17,095,370	5,585,974	1,794,958	79,651,701	104,128,003
	Professional	25,000	76,390	497,773	371,791	970,954
	Goods	639,364	572,236	482,909	2,170,012	3,864,522
	Other Services	1,080,334	1,182,090	294,467	7,943,578	10,500,469
	<b>Total</b>	<b>\$ 18,840,068</b>	<b>\$ 7,416,690</b>	<b>\$3,070,107</b>	<b>\$ 90,137,083</b>	<b>\$119,463,947</b>
	%	15.8%	6.2%	2.6%	75.5%	100.0%
<b>Excluded</b>	A&E Services	959,667	2,816,175	636,079	16,800,113	21,212,034
	Construction				2,800,000	2,800,000
	Professional		95,900	25,000	4,292,769	4,413,669
	Goods	910,576	374,414	64,253	9,395,881	10,745,123
	Other Services	366,000	1,344,550	1,993,697	32,488,440	36,192,686
	<b>Total</b>	<b>\$ 2,236,243</b>	<b>\$ 4,631,039</b>	<b>\$2,719,029</b>	<b>\$ 65,777,202</b>	<b>\$ 75,363,512</b>
	%	3.0%	6.1%	3.6%	87.3%	100.0%
<b>Exempt</b>	A&E Services				-	-
	Construction				1,471,288	1,471,288
	Professional	125,163	574,638	706,531	7,123,470	8,529,802
	Goods	93,007	828,612	2,880,866	82,560,114	86,362,599
	Other Services	443,294	17,350	165,835	67,051,100	67,677,579
	<b>Total</b>	<b>\$ 661,464</b>	<b>\$ 1,420,599</b>	<b>\$3,753,232</b>	<b>\$158,205,972</b>	<b>\$164,041,267</b>
	%	0.4%	0.9%	2.3%	96.4%	100.0%
<b>Project 11</b>	A&E Services				2,845,521	2,845,521
	Construction	-	-	-	-	-
	Professional	-	-	-	-	-
	Goods	-	-	-	-	-
	Other Services	-	-	-	-	-
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,845,521</b>	<b>\$ 2,845,521</b>
	%	0.0%	0.0%	0.0%	100.0%	100.0%
<b>Total Awards</b>		<b>\$ 21,737,775</b>	<b>\$ 13,468,328</b>	<b>\$9,542,367</b>	<b>\$316,965,778</b>	<b>\$361,714,248</b>
<b>Non-Goal Oriented</b>		6.0%	3.7%	2.6%	87.6%	100%
	A&E Services	-	-	-	-	-
	Construction	-	-	-	-	-
	Professional	-	-	-	9,686,770	9,686,770
	Goods	-	-	-	10,210,648	10,210,648
	Other Services	-	-	-	5,184,787	5,184,787
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,082,204</b>	<b>\$ 25,082,204</b>	
	%	0.0%	0.0%	0.0%	100.0%	100.0%
<b>Grand Total</b>		<b>\$ 21,737,775</b>	<b>\$ 13,468,328</b>	<b>\$9,542,367</b>	<b>\$342,047,982</b>	<b>\$386,796,452</b>

(Figure 5)

**Figure 6: FY2025 Awards and Commitments by Industry Category**

Below is an overview of the participation of S/MWBEs across different service categories.

- SBE participation is \$21.7M (6.0%), with the highest share in construction services (15.8%).
- MBE participation is \$13.5M (3.7%), with the highest share in A&E services (11.7%).
- WBE participation is \$3.5M (9.4%), with the highest in professional services (8.8%).

Certification	A&E Services	SMWBE %	Construction Services	SMWBE %	Goods	SMWBE %	Other Services	SMWBE %	Professional Services	SMWBE %	Grand Total	SMWBE %
SBE	\$ 959,667	4.0%	\$ 17,095,370	15.8%	\$ 1,642,947	1.6%	\$ 1,889,628	1.7%	\$ 150,163	1.1%	\$ 21,737,775	6.0%
MBE	2,816,175	11.7%	5,585,974	5.2%	1,775,262	1.8%	2,543,990	2.2%	746,928	5.4%	\$ 13,468,328	3.7%
WBE	636,079	2.6%	1,794,958	1.7%	3,428,028	3.4%	2,453,999	2.1%	1,229,303	8.8%	\$ 9,542,367	2.6%
Non- S/MWBE	19,645,634	81.7%	83,922,989	77.4%	94,126,007	93.2%	107,483,118	94.0%	11,788,030	84.7%	\$316,965,778	87.6%
<b>Grand Total</b>	<b>\$ 24,057,555</b>	<b>100.0%</b>	<b>\$ 108,399,291</b>	<b>100.0%</b>	<b>\$ 100,972,244</b>	<b>100.0%</b>	<b>\$ 114,370,734</b>	<b>100.0%</b>	<b>\$ 13,914,424</b>	<b>100.0%</b>	<b>\$361,714,248</b>	<b>100.0%</b>

(Figure 6)

Note: This does not include \$25.1M in Non-goal oriented contracts.

**Figure 7: FY2025 Vendor Utilization**

Figure four provides an overview of procurement activity by Industry Type, highlighting that Port Houston facilitated a total of 1294 procurements valued at a total of \$386.8M in awards. Of these, 358 contracts were awarded to S/MWBE primes, while 454 S/MWBE vendors were utilized overall. The total amount awarded and committed to S/MWBEs was \$44.7M.

Industry Type	# of Procurements	Total Amount Awarded	Total SMWBE Vendors Utilized	Amount Awarded & Committed to SMWBE
A&E Services	38	24,057,555	45	4,411,921
Construction Services	42	108,399,291	65	24,476,302
Goods & Other Services	1079	230,738,412	316	13,733,853
Professional Services	135	23,601,194	28	2,126,394
<b>Total</b>	<b>1294</b>	<b>\$386,796,452</b>	<b>454</b>	<b>\$ 44,748,470</b>

(Figure 7)

Note: There were 454 SMWBE vendors utilized on procurements in 2025, of that 358 were prime contractors and direct sourced. Additionally, the total amount awarded for 2025 is reported as \$386.7 million in Figure 6, while Figure 5 shows a total of \$361.7 million. This difference occurs because Figure 5 does not account for \$25.1 million in non-goal-oriented contracts, which include sponsorships, membership fees, and utilities.

**Figure 8: Total Awards and Commitments by Ethnicity**

The table below illustrates the distribution of total awards by ethnicity. Non-Minority recipients accounted for the largest identifiable allocation, receiving \$34.5 million, representing 8.91% of total awards. Awards distributed to Asian, Black, Hispanic, and Native American recipients totaled \$5.6 million (1.44%), \$3.5 million (0.91%), \$8.6 million (2.24%), and \$0.383 million (0.10%), respectively.

<b>Cert(s)</b>	<b>Asian</b>	<b>Black</b>	<b>Hispanic</b>	<b>Native American</b>	<b>Non-Minority</b>	<b>Not Available</b>	<b>Grand Total</b>
SBE	\$ 127,351	\$ 477,281	\$2,632,502	\$ -	\$ 18,496,997	\$ 3,645	\$ 21,737,775
MBE	5,036,522	2,729,306	5,188,490	323,500	28,252	162,258	\$ 13,468,328
WBE	14,868	-	-	-	9,527,499	-	\$ 9,542,367
Non-SMWBE	379,692	294,429	826,010	60,000	6,412,381	334,075,470	\$ 342,047,982
<b>Grand Total</b>	<b>\$ 5,558,433</b>	<b>\$3,501,016</b>	<b>\$8,647,002</b>	<b>\$ 383,500</b>	<b>\$ 34,465,129</b>	<b>\$ 334,241,373</b>	<b>\$ 386,796,452</b>
<b>Grand Total Percentage</b>	<b>1.44%</b>	<b>0.91%</b>	<b>2.24%</b>	<b>0.10%</b>	<b>8.91%</b>	<b>86.41%</b>	<b>100.00%</b>

(Figure 8)

\*Ethnicity is based on self-identification by S/MWBE's, where no data was found vendors were classified as Not Available

\*Asian consists of Asian Pacific and Sub-Continent Asian

\*Non-Minority consists of Caucasian and other Non-Minority groups

### Figure 9: Port-Wide Awards FY2024 vs FY2025 Year over Year Analysis

In 2025, the total amount awarded and committed by the port was \$386.8 million, compared to \$763.1 million in 2024. This represents a decrease of \$376.3 million (49%). Total awards were \$361.7 million, excluding \$25.1 million in non-goal-oriented contracts. The decline in total awards in 2025 is largely due to two major contracts awarded in 2024: the \$136.4 million Project 11 dredging contract in Q1 2024 and the \$152.7 million Container Yards 6 and 7 construction project at Barbours Cut. These large awards increased overall totals and SBE participation in 2024 and were not repeated in 2025.

Total dollars (\$) awards contract types:

- **Eligible:** \$119.5M (down from \$333.9M)
- **Excluded:** \$75.4M (down from \$94.8M)
- **Exempt:** \$164.0M (up from \$139.6M)

Total dollars (\$) awards by certification types:

- **SBE** awards decreased to \$21.7M (from \$124.3M)
- **MBE** awards decreased to \$13.5M (from \$37.6M)
- **WBE** awards decreased to \$9.5M (from \$19.3M)

#### Year over Year Comparison

##### Port-Wide Dollars Awarded and Committed by Contract Type

January - December	2024	2025
Eligible	333,894,711	119,463,947
Excluded	94,847,032	75,363,512
Exempt	139,572,487	164,041,267
Project 11 (Exempt)	136,432,817	2,845,521
<b>Total Awards</b>	<b>704,747,048</b>	<b>361,714,248</b>
Non-Goal Oriented	58,394,444	25,082,204
<b>Grand Total Awards</b>	<b>\$ 763,141,493</b>	<b>\$ 386,796,452</b>

##### Port-Wide Dollars Awards and Committed by Certification Type

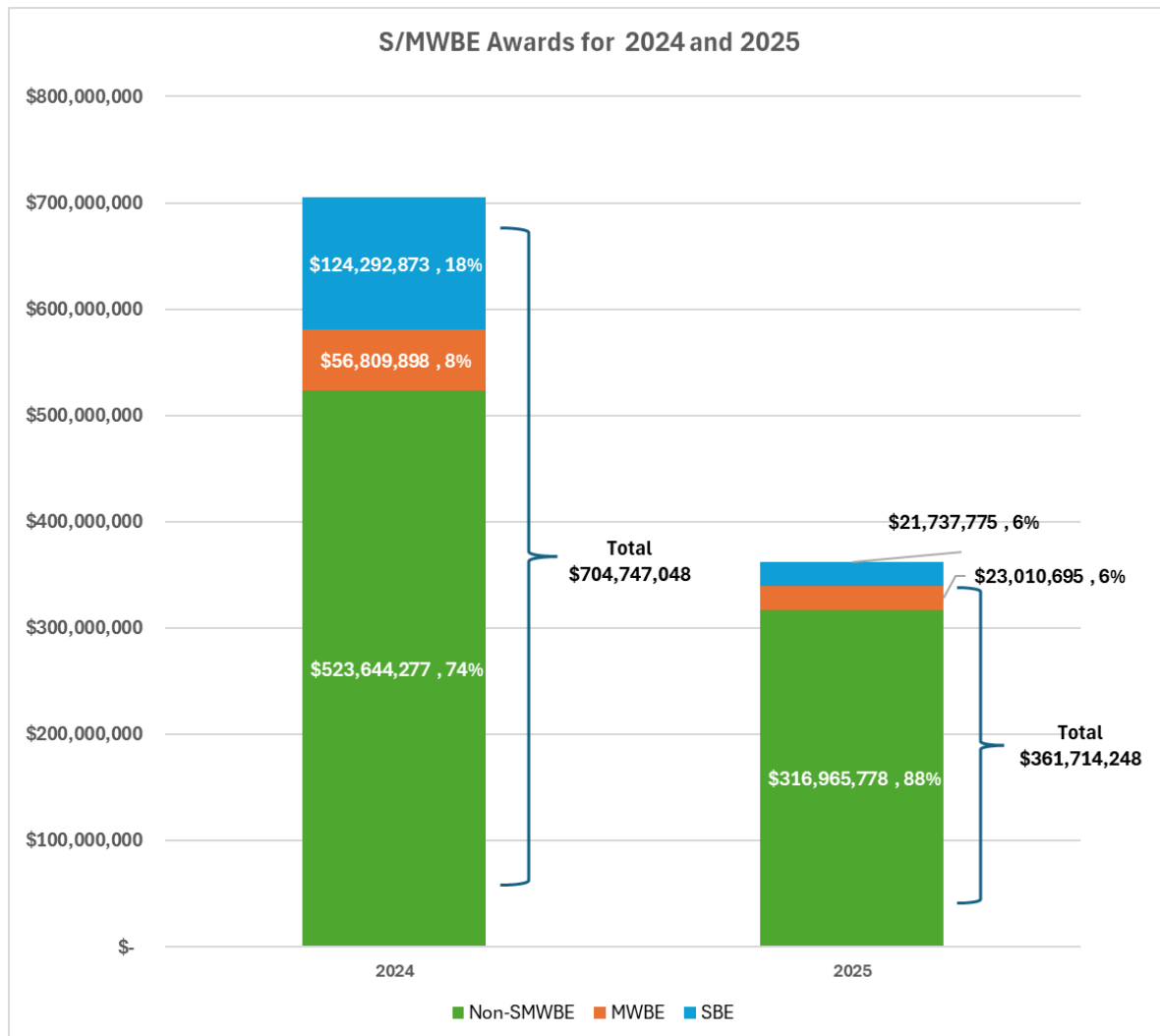
January - December	2024	2025
<b>Certification(s)</b>		
SBE	124,292,873	21,737,775
MBE	37,550,051	13,468,328
WBE	19,259,847	9,542,367
<b>Total S/MWBE</b>	<b>181,102,772</b>	<b>44,748,470</b>
Non-S/MWBE	582,038,721	342,047,982
<b>Grand Total</b>	<b>763,141,493</b>	<b>386,796,452</b>

	2024	2025
SBE Participation	17.6%	6.0%
MWBE Participation	8.1%	6.4%

(Figure 9)

**Figure 10: S/MWBE Awards for FY2024 and FY2025**

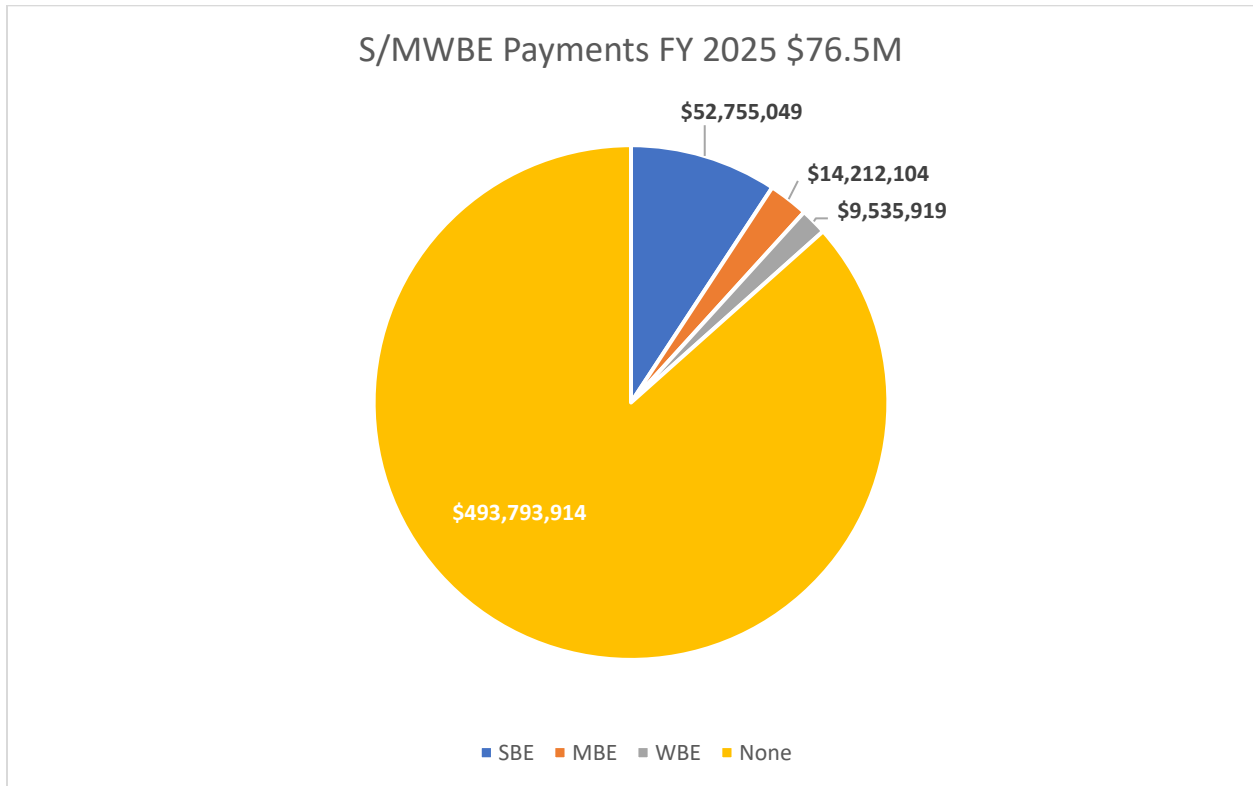
The chart compares the S/MWBE awards for 2024 and 2025. In 2025, total contract spend decreased by \$343 million to \$361.7 million. The decline in 2025 can be attributed to the \$136.4 million P11 dredging project award in Q1 2024, and a \$152.7 million construction project of Container Yard 6 & 7 at Barbours Cut in Q2 2024 which contributed to the higher total in 2024. S/MWBE awards totaled \$44.7 million, or 12.4%, down from \$181.1 million, or 26%, in 2024.



(Figure 10) Note: In 2025, total awards decreased by \$343 million to \$361.7 million, excluding \$25.1 million in non-goal-oriented contracts. The decline in 2025 can be attributed to a \$136.4 million P11 dredging project award and a \$152.7 million construction project of CY 6 & 7 at BCT which contributed to the higher total in 2024.

### Figure 11: FY 2025 S/MWBE Payments

The graph below shows total payments on Port Houston open contracts amounted to \$570.3 million in FY 2025. Of this \$76.5 million (13%), was paid to enrolled S/MWBE firms. It's important to note that these payments are on a rolling basis and include amounts from contracts awarded in prior years.



(Figure 11)

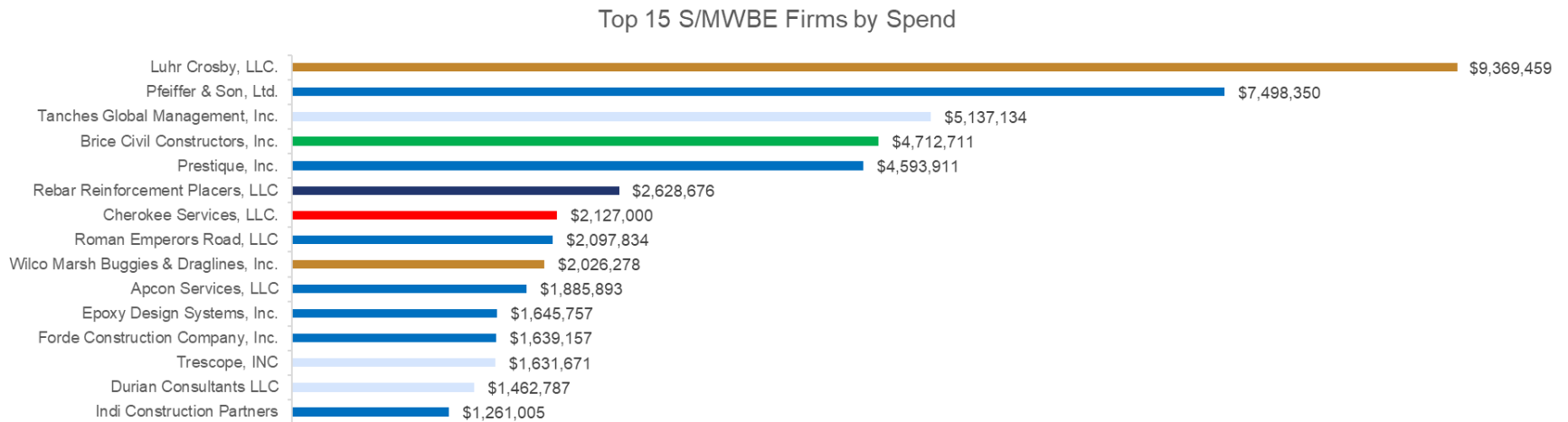
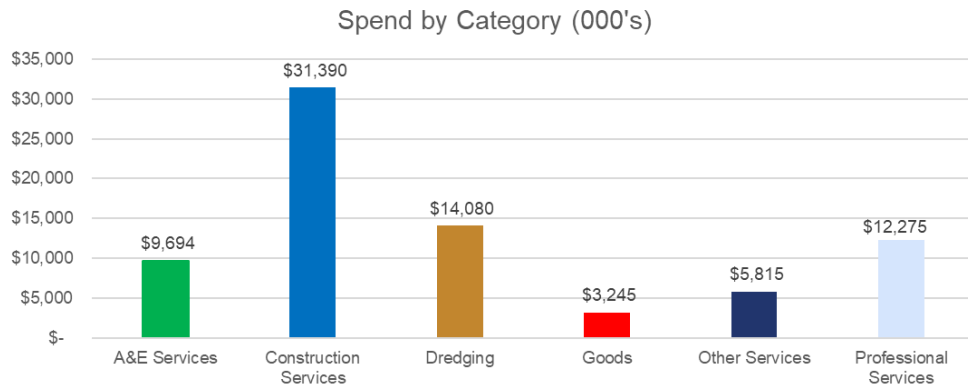
\*Payments to subcontractors are reported by Prime Contractors within the B2Gnow Reporting system. Subcontractors verify payments by Prime Contractors.

\*There are time lags in payment reporting due to subcontractor payment verification delays.

\*Payments are through Dec. 15, 2025.

**Figure 12: FY 2025 S/MWBE Payments by Industry Category**

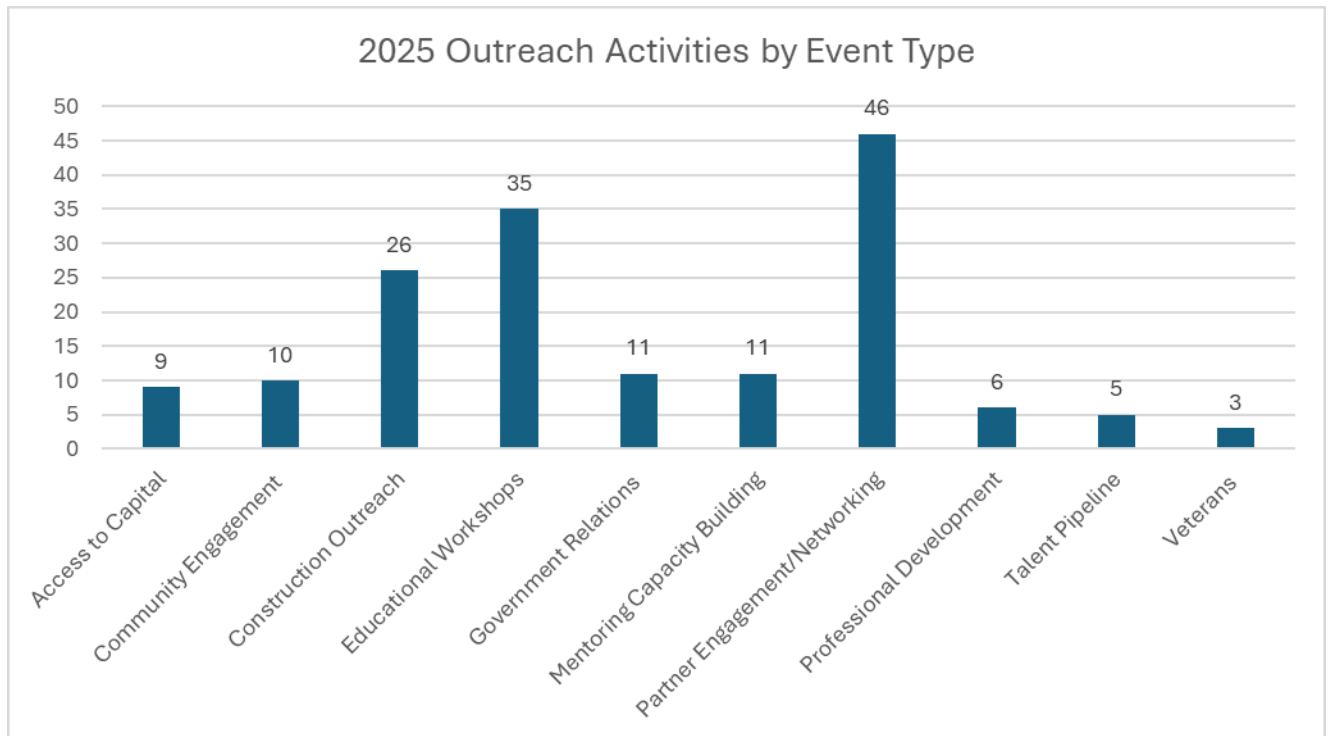
In 2025, Port Houston’s total spend totaled \$570.3 million. The charts below illustrate the distribution of S/MWBE spend across industry categories and identify the top 15 S/MWBE vendors by spend.



(Figure 12)

## Strategic Sourcing Outreach

Strategic Sourcing strengthened the Port’s community and economic impact by collaborating with governmental agencies and chambers of commerce to deliver educational workshops, access-to-capital resources, professional development opportunities, and diverse community engagement initiatives.



Event Type	2025
Access to Capital	9
Community Engagement	10
Construction Outreach	26
Educational Workshops	35
Government Relations	11
Mentoring Capacity Building	11
Partner Engagement/Networking	46
Professional Development	6
Talent Pipeline	5
Veterans	3
<b>Grand Total</b>	<b>162</b>

## Certification

### Certification Highlights

- Total S/MWBE enrollments are 1,931 as of December 31, 2025.
- Of the 1,931 firms enrolled S/MWBEs, 1,425 firms are MWBEs which is 73% of total enrollments.
- During January – December 31, 2025 there were a total of 200 new enrollments with 495 re-enrollments processed as well as 80 firms delisted.

Figure 14 below gives a breakdown of our S/MWBE Directory by ethnicity and gender.

Ethnicity	Number Firms	%
Asian	207	11%
Black	781	40%
Non-Minority	390	20%
Hispanic	462	24%
Not Disclosed	9	0%
Native American	17	1%
Other Minority	65	3%
<b>Total Firms</b>	<b>1931</b>	<b>100%</b>

Gender	Number Firms	%
Female	936	48%
Male	995	52%
<b>Total Firms</b>	<b>1931</b>	<b>100%</b>

(Figure 14)

## Definitions

**Architectural & Engineering Services (A&E)** for the purposes of the Port Authority Diversity Study refers specifically to the professional services the solely qualifications- based procurement of which is governed by Texas Government Code 2254.004 [i.e., architectural, engineering, land surveying services, and certain inspection and testing services (mechanical, structural, geotechnical, construction materials)]. Architectural & Engineering Services is one of the Port Authority's Industry Categories.

**Aspirational Goal** - means Port Houston's overall total target for the participation of MWBEs in Eligible Contracts, as determined by the Port Commission from time to time, expressed as the percentage that Port Houston strives to achieve, of Contract amounts awarded and committed to MWBEs compared to total amounts awarded in Eligible Contracts. Aspirational Goal is a term used in the MWBE Policy and Program.

**Availability** - is a term of art used in Disparity Studies that means the pool of Businesses willing and able to perform the applicable Contract or Contract task, including, where special qualifications are necessary, qualified to undertake the particular portion of the work of the Contract or Contract task. Availability as a defined term is a term used in the MWBE Policy and Program to means the calculated percentage estimate of qualified MWBEs in a particular trade and/or profession. When the word is not capitalized (i.e., availability), it has its usual meaning.

**B2GNow** means Port Houston's web-based software program used to collect, verify, and manage payment information for prime Contractors and Subcontractors working on Port Houston projects

**Certified** means an SBE, MBE, WBE, or DBE (as each such group is defined herein) that has the applicable certification from an authorized certifying agency as recognized and approved by Port Houston from time to time.

**Compliance** means that the Business, or the applicable Port Houston department, properly implements the requirements of the applicable Policy and Program.

**Construction Services** for the purposes of the Port Authority Disparity Study means the construction, erection, repair, renovation, or demolition of a public structure, building, street, road, wharf, and other public improvements. Construction Services is one of Port Authority's Industry Categories.

**Contract** means a mutually binding legal relationship, or any modification thereof, obligating the vendor to furnish services and/or goods to Port Houston and Port Houston to pay for them, and excluding any lease of real property, agreement with or payment to other governmental entity (including any cooperative purchase program purchase), employer/employee relationship, utility agreement, settlement agreement, or agreement with any not-for-profit entity.

**Contract Goal in the MWBE Program**, means the goal for participation of MBEs and/or WBEs on a specific solicitation, which shall be based on the percentage Availability of MBEs and/or WBEs to perform the specific weighted scopes of work of the entire Contract, Port Houston's Utilization of MBEs and WBEs to date, Port Houston's progress towards meeting the Aspirational Goal, and other relevant factors.

**Contract Goal in the SBDP**, means the goal for participation of SBEs applicable on a specific solicitation, which shall be based on Port Houston's Utilization of SBEs to date, Port Houston's progress towards meeting the Organizational Program Goal, and other relevant factors.

**Directory** means the online Directory of Enrolled S/MWBE certified companies.

**Disadvantaged Business Enterprise or DBE** means a for-profit small business concern as defined in the regulations governing the federal DBE program at 49 C.F.R. Part 26, as amended.

**Eligible Contract** means a Contract, in an amount expected to exceed \$50,000 (or any other amount as currently authorized under Texas Water Code Section 60.403(a) for routine purchases or Contracts) (i) subject to the requirements of the applicable Program and to which a Contract Goal may be applied, and (ii) not including Excluded Contracts and Exempted Contracts, as defined herein.

**Enrolled S/MWBE** means a Certified SBE, MBE, WBE, or DBE that has completed Port Houston's Enrollment Process and has received a confirmation from Port Houston of its status as an Enrolled S/MWBE (as applicable) in the applicable Program.

**Enrollment Process** means the process by which a Certified SBE, MBE, WBE, or DBE becomes an Enrolled S/MWBE, permitting its participation in an Eligible Contract to be counted toward the Aspirational Goal or Organizational Goal (as applicable) and a Contract Goal.

**Excluded Contract** is a Contract not subject to the applicable Policy because it is:

- Purchase of an item that can be obtained only from one source, as provided under the Texas Water Code Section 60.412(a)(7).
- All or partially state- or federally funded, and may be subject to other requirements in connection with such funding;
- Awarded pursuant to a procurement for which consideration of such status is prohibited by law; or
- Not a Contract as defined herein.

S/MWBEs are encouraged to Bid on an Excluded Contract, but there is no individual participation Contract Goal for such Excluded Contract.

**Exempted Contract** is a Contract for which the owner's status as an SBE, MBE, WBE, or DBE is not considered as a selection criterion because Business Equity, in consultation with the User Department, has determined that it meets one or more of the following criteria:

- A public or administrative emergency exists that requires the goods or services to be provided with unusual immediacy;
- The goods or services are of such a specialized, technical, or unique nature that the pool of qualified Contractors is so limited (and there is not reasonable opportunity for subcontracting) that a selection process that formally considers the Bidder's status as an SBE, MBE, WBE, or DBE (as applicable) is not reasonable;
- A selection process that considers the Bidder's status as an SBE, MBE, WBE, or DBE (as applicable) would:
- Impose an unwarranted economic burden or risk on Port Houston;
- Unduly delay acquisition of the goods or services; or
- Otherwise not be in the best interest of Port Houston (e.g., purchases for which Port Houston intends to seek reimbursement from a third party); or
- Market research, past experience, or the Availability of local, qualified MBEs, WBEs, or DBEs for providing the goods or services indicate that negligible or no such Bidder participation would be obtained; or
- Market research, past experience, or the availability of local, qualified SBEs for providing the goods or services indicate that negligible or no such Bidder participation would be obtained.

S/MWBEs are encouraged to Bid on an Exempted Contract, but there is no individual participation Contract Goal for such Exempted Contract.

**Goal Credit** means the value of S/MWBE participation on a project that qualifies towards the SBE or MWBE Contract Goal.

**Industry Categories** means, collectively, the industry categories included in the Port Authority's Disparity Study, which are: Construction Services, Architectural & Engineering Services (A&E), Professional Services, Other Services, and Goods, as those Industry Categories may be further defined in the Study Report.

**Local** means a business that is located in Harris, Fort Bend, Montgomery, Brazoria, Chambers, Galveston, Liberty, and/or Waller Counties, Texas. Local is a term used in the SBDP Policy and Program.

**Minority Business Enterprise** or **MBE** is a Business defined as such by one of the certifying entities accepted by Port Houston, and which has Significant Local Presence. Therefore, throughout this document when MBE is used it includes the certifications referenced here. MBE means a Business that is at least 51% Owned by one or more Minority Individuals, or for which at least 51% of the equity is Owned by one or more Minority Individuals, and both the management and daily business operations are carried out and controlled by one or more of the Minority Individuals who own it.



**Professional Services** for the purposes of the Port Authority's Diversity Study means services which are performed competently only by a person or persons having a special skill, expertise, education, or knowledge which is primarily mental or intellectual in nature rather than physical or manual. The Industry Category of Professional Services does not include those services the procurement of which is governed by Texas Government Code 2254.004, but may include those services the procurement of which is governed by Texas Government Code 2254.003. Professional Services includes, but is not limited to, accounting, landscape architecture, medicine, optometry, real estate appraising, professional nursing, attorney services, technical services, research planning services, consulting services, computer programming services, computer maintenance services, auditing services, financial advisory services, instructional services provided by trained educators, appraisal services, mapping services, microfilm and microfiche service, and other personal services exempt from the requirements of statutory competitive bidding. Professional Services is one of the Port Authority's Industry Categories.

**Small Business Development Program (SBDP)** - The Port Authority's race- and gender-neutral program created in 2001 to help implement the Port Authority's objectives of promoting economic development and business opportunities for all sectors of the local economy. The SBDP establishes Small Business (SB) participation goals on eligible contracts.

**SMWDBE**, for the purpose of this Study, means, (collectively unless the context indicates otherwise), the following groups, each group as further defined herein: Small Business Enterprise (SBE), Minority Business Enterprise (MBE), Women Owned Enterprise (WBE), and Disadvantaged Business Enterprise (DBE). A business in any of these groups will have a certification designation as a small, minority, woman, and/or disadvantaged business enterprise from an authorized certification agency recognized and approved by the City of Houston, Houston Minority Supplier Development Council, Metropolitan Transit Authority of Harris County (METRO), South Central Regional Certification Agency (SCTRCA), State of Texas, Texas Comptroller of Public Accounts, Texas Department of Transportation, United States Small Business Administration 8(a), and/or Women's Business Enterprise Alliance.

**Subcontractor** – A business who has entered into a direct contractual relationship with a Prime Contractor to either provide a good or service or perform a full scope, or portion of a scope of services.

**Small Business Enterprise or SBE (Small Business Enterprise)** means a firm whose gross revenues or number of employees, averaged over the past three years, inclusive of any affiliates as defined by 13 CFR Section 121.103, does not exceed the size standards for both size of business and owner net worth defined in Section 3 of the Federal Small Business Act and applicable Small Business Administration regulations related to the size standards found in 13 CFR Part 121. For purposes of Port Houston's SBDP, an SBE must have a Significant Local Presence, and the owner must be a citizen or lawful permanent resident of the United States.

**S/MWBEs** means, collectively, SBEs, MBEs, and/or WBEs, and additionally, depending on context, may also include HUBs and DBEs.

**Woman-Owned Business Enterprise or WBE** is a Business defined as such by one of the certifying entities accepted by Port Houston, and which has a Significant Local Presence. WBE means a Business that is at least 51% Owned by one or more Women, or for which at least 51% of the equity is Owned by one or more Women, and both the management and daily business operations are carried out and controlled by one or more woman