A. **Introduction.**

1. The Port Commission, by action taken on December 12, 2017, as evidenced by Minute No. 2017-1212-10, adopted the Amended Local Preference Program and Policy (“Program”).

2. The Program directs staff to prepare and from time to time update standards and procedures consistent with the Program for staff’s administration of Program activities.

3. Accordingly, these Local Preference Program Standards and Procedures (“Standards”) are hereby established.

B. **Definitions.** As used in the Local Preference Program, the terms below have meanings as shown. Words used or defined in one tense or form shall include other tenses and derivative forms.

- **“BuySpeed”**
  The Port Authority’s electronic procurement system and vendor database.

- **“Certification”**
  The process or the designation of a business, by the City of Houston in the Hire Houston First Program, as a City Business or a Local Business.

- **“Certified Local Business”**
  A business that is listed on the City of Houston’s Hire Houston First Program website with an unexpired Certification as a City Business or a Local Business.

- **“Eligible Local Business”**
  A business that is Registered in BuySpeed, and that holds an unexpired Certification.

- **“Enrolled Local Business”**
  An Eligible Local Business, the status of which as a Certified Local Business has been verified by Port Houston staff through the Enrollment Process.

- **“Enrollment Process”**
  The process by which an Eligible Local Business is determined to be an Enrolled Local Business for participation in the Port Authority’s Local Preference Program. During the Enrollment Process, Port Houston staff verifies that:
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- An applicant has received Certification from the City of Houston’s Hire Houston First Program, and such Certification has not expired (by checking the City of Houston’s Hire Houston First Program website); and
- An applicant has successfully completed BuySpeed Registration.

“Hire Houston First Program” The City of Houston’s “Hire Houston First Program,” currently administered by the City of Houston’s Office of Business Opportunity.

“Registration” The process by which a business enters its company information into the Port Authority’s BuySpeed system.

C. **Program Scope.**

1. The Program shall apply to formal procurement contracts awarded based on a “best value” evaluation, excluding sole-source contracts, federally-funded contracts, contracts with other governmental entities, and those contracts for which participation in the Program is otherwise prohibited by applicable law or exempted by the Port Authority.

2. The Program does not apply to any contract:
   a. In which the federal government participates in the form of a grant or loan, or the Port Authority acts as a conduit for federal money;
   b. For the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. Section 153; or
   c. In which the contracting department has determined that it would unduly interfere with contract needs, as set forth in writing and approved by the applicable Division Officer.

3. In procuring architectural, engineering, or land surveying services under the Professional Services Procurement Act as provided in Texas Government Code Sec. 2254.004, the contracting department shall, when appropriate, consider knowledge of local conditions as part of the qualifications determination.
D. **Eligibility and Enrollment.**

1. To become an Eligible Local Business, and thereby eligible for the Port Authority’s Local Preference Program, a vendor must: (a) hold an unexpired Certification from the City of Houston’s “Hire Houston First Program” as a City Business or a Local Business (as those terms are defined in the Hire Houston First Program), and (b) successfully complete Registration in the Port Authority’s BuySpeed system. A business must be Registered in order to receive email notifications of procurement opportunities at the Port Authority and to participate in the procurement process.

2. An Eligible Local Business becomes an Enrolled Local Business at such time as a Port Houston staff member verifies that status by carrying out the Enrollment Process. The Enrollment Process shall be performed for all proposing vendors after responses are opened and before evaluation, for procurement solicitations for which Local Preference status is an evaluation criteria.

E. **Program Purchases and Preference Points.**

1. In evaluating procurements that fall within the Program scope as set forth above, and for which the published selection criteria include a Local Preference category, the designated weight (or points) for that category shall be given to an Enrolled Local Business which:

   a. Is a prime vendor/contractor (i.e., not a sub-contractor); and

   b. Has proposed a price within 3% of the lowest proposed price.

2. **Three (3) points is the designated weight that the Port Authority has established for the Local Preference status criteria;** therefore a prime vendor/contract meeting the above requirements will receive the three (3) points available for the Local Preference status criteria.

F. **Reporting.** The Executive Director or his or her designee shall periodically report to the Procurement and Small Business Task Force and the Port Commission regarding Local Preference program activities and results.
G. **Program Responsibilities.** The Small Business and Education Outreach Department is responsible for the Program’s implementation, including but not limited to the following activities:

1. Program management, including evaluation of Program activities.

2. Determining, for applicable procurements, whether Local Business status is appropriate as a selection criteria.

3. Reviewing Certifications and determining whether vendors meet Program requirements.

4. Acting as the primary point of control and coordination for Program data collection and reporting.

5. Providing training on the Local Preference Program, as needed.

H. **Standards Authorization.** These Standards have been authorized by the Executive Director. The Senior Director of Small Business and Education Outreach, or such other person as may be designated by the Executive Director, is responsible for interpretation and resolution of issues related to these Standards, and may take actions that are necessary or appropriate in carrying out these Standards.

I. **Effective Date.** These Standards shall apply to procurement solicitations published on or after the date of adoption noted below.

APPROVED BY:   

[Signature]

Executive Director

Effective Date: December 14, 2017

Policy Owner: Finance Division
Policy Version: Original Amended