



## CITY OF HOUSTON

Office of Business Opportunity

# Interoffice Memorandum

**To:** Marsha E. Murray, OBO Deputy Director  
**From:** Barbara Fisher, Procurement Specialist  
**Date:** October 5, 2016  
**Subject:** Good Faith Effort Request  
Pre-Award, PWE, Sand Washed Gravel & Stabilized Cement

The Good Faith Effort Request submitted by 216 Resources for the above referenced project has been reviewed and evaluated. This solicitation involves the purchase of aggregate products (sand, washed gravel & stabilized cement) with a 6% MWBE goal.

**PWE Department provided the following information:**

Finance Department provided a Good Faith Effort Request for evaluation by OBO from 216 Resources. The contract was advertised on July 8, 2016 with a bid submission date of August 4, 2016.

**PWE furnished the Proposer's Good Faith Effort, which consists of the following:**

- Proposer's explanation of Good Faith Effort and goal reduction (On 216 Resources Letterhead)
- Emails to certified firms that demonstrates outreach
- Seven (7) Letters of Intent addressed to the listed certified firms on 216 Resources submitted letter. Two (2) of the Letters of Intent are signed by F.S. Garza Trucking & Tejas Office Products, Inc.

This solicitation involves the supply of sand, washed gravel and stabilized cement to be used for roadwork and repairs of water and wastewater lines, potholes on service roads and maintenance of road throughout the City. The contract will also include the elements of testing, inspection and sampling of delivered goods.

**Project Details:**

- Project Advertised Date: July 8, 2016
- Pre-Bid Meeting Date: July 20, 2016
- Bid Due Date: August 4, 2016
- Bidder's Bid Amount: \$493,000.00

**Proposer provided the following information:**

PWE selected 216 Resources to supply the aggregate products (sand, washed gravel & stabilized cement). However, 216 Resources was unable to comply with the advertised 6% MWBE Contract Goal and submitted a Good Faith Effort Request for review.

- A letter was submitted by 216 Resources, dated September 30, 2016, outlining explanation of decreased MWBE subcontracting participation percentage for this project.
- 216 Resources submitted several copies of emails that were sent to certified firms to demonstrate outreach.
- 216 Resources submitted seven (7) Letters of Intent addressed to the listed certified firms on 216 Resources submitted letter. Two (2) of the Letters of Intent are signed by the following certified firms:
  - F.S. Garza Trucking (Certified MBE & SBE), NAICS Code 484220, proposed 3%
  - Tejas Office Products, Inc. (Certified MBE), NAICS Code 424120, proposed 2%



- 216 Resources contacted certified firms and provided firms responses/findings, which are as follows:
  - **Tejas Office Products, Inc. (Certified MBE)**, NAICS Code 424120
    - Letter of Intent issued 9/9/2016
    - Letter of Intent signed 9/16/2016
  - **F.S. Garza Trucking (Certified MBE & SBE)**, NAICS Code 484220
    - Letter of Intent issued 9/9/2016
    - Letter of Intent signed 9/14/2016
  - **Aranda Trucking (Certified MBE)**, NAICS Code 484220
    - Letter of Intent issued 9/9/2016
    - Follow up conducted on 9/16/2016
  - **J.A. Gamez (Certified MBE)**, NAICS Code 484220
    - Follow up conducted 9/16/2016
  - **NOW Courier (Certified MBE)**, NAICS Code 492110
    - Letter of Intent issued 9/9/2016
    - Follow up conducted on 9/10/2016 & 9/16/2016
  - **Weatheron Cole Insurance (Certified WBE)**, NAICS Code 524210
    - Letter of Intent issued 9/9/2016
    - Follow up conducted on 9/10/2016, 9/15/2016 & 9/16/2016
  - **Protector Insurance & Financial (Certified MBE)**, NAICS Code 524210
    - Letter of Intent issued 9/15/2016
    - Follow up conducted on 9/15/2016 & 9/16/2016
  - **Kennedy Benefits (Certified WBE)**, NAICS Code 524210
    - Letter of Intent issued 9/15/2016 (letter not included with 216 Resources GFE submittal)
    - Follow up conducted on 9/15/2016 & 9/16/2016

216 Resources contacted eight (8) certified firms that include the following NAICS Codes 424120, 484220, 492110 & 524210 (office supply, trucking, courier service & insurance brokers).

#### **OBO - Department Services (DS) Findings:**

Department Services consulted the City's MWSBE Directory in search of additional certified firms that includes the identified NAICS Codes. Search concluded the following:

- NAICS Code: 484220 (Dump Trucking, Specialized Freight), sixty-one (61) certified MWBE firms
- NAICS Code: 424120 (Office Supplies), twenty (20) certified MWBE firms
- NAICS Code: 492110 (Courier Services), twelve (12) certified MWBE firms
- NAICS Code: 524210 (Insurance Broker), nineteen (19) certified MWBE firms

OBO – Department Services (DS) researched previous contracts and history for sand, washed gravel & stabilized cement:

- **Contract 4600011843**, Goal set at **11.00%**
  - Effective Dates: 10/17/2012 – 10/17/2016
  - Total contract amount \$130,807.00, current contract total paid \$28,316.00, \$1,151.00 for credit = **4.07%** credit
- **Contract 4600011842**, Goal Set at **11.00%**
  - Effective Dates: 10/12/2012 – 10/17/2017
  - Total contract amount \$207,345.00, contract total paid \$87,959.00, **0.00%** goal met
  - Contract closed on 6/17/2016

- **Contract 4600008269**, Goal set at **11.00%**
  - *Effective Dates: 8/15/2007 – 8/15/2012*
  - *Total contract amount \$148,413.00, contract total paid 39,949.00, \$2,212.00 for credit = **5.54%** credit*
  - *Contract closed on 12/31/2012*

On August 12, 2016, this solicitation was approved to proceed with a 6.00% goal after OBO analyzed a Contract Specific Goal Request submitted by PWE. Past contract history was taken into consideration in reducing the contract goal from 11.00% to 6.00%. Lastly, it was determined by OBO with the proper outreach as outlined in the City's Good Faith Effort Policy and open communication with OBO's Contract Compliance Department throughout the duration of the contract, that the 6.00% MWBE goal was achievable.

**OBO - Department Services (DS) Recommendations:**

216 Resources established that they made adequate good faith efforts in attempt to comply with the advertised goal. This was determined based on their outreach to a reasonable number of certified relevant firms that involves trucking, office supply and insurance broker companies.

Lastly, MWBE participation is being achieved at the prime level. 216 Resources is a certified MWSBE with the City.

Therefore; it is the recommendation to **APPROVE** this good faith effort request which results in a MWBE participation plan of **5.00%**.

Reviewed and Accepted

10/10/16  
Date

Marsha E. Murray  
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OBO Deputy Director