



SMALL CONTRACTOR ROTATION PROGRAM

DEPARTMENT
of
PUBLIC WORKS AND ENGINEERING
Small Business Development Group

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SMALL CONTRACTOR ROTATION PROGRAM



is

...a two-year *race and gender neutral* initiative designed to provide capacity building and assistance to small construction contractors and to help transition them from subcontractors into prime contractors.

PURPOSE

The purpose of the Rotation Program is to enable small construction contractors to compete for City business while strengthening their ability to obtain financing and bonding.

PROGRAM BACKGROUND

PWE's Small Business Development Group conducted in house research to determine the obstacles preventing small construction contractors from transitioning into prime contractor status. Three areas of concern were identified.

AREAS OF CONCERN

- Limited cash flow
- Contract sizes are too large to manage
- No bonding capability

SOLUTION

- Create cash flow through accelerated payment.
- Provide smaller, manageable work orders.
- Provide financial training and coaching at the onset and throughout program to help contractors become bondable.

CREATE CASH FLOW

- Department of Public Works & Engineering (PWE) identifies work order.
- Contractor completes work.
- PWE inspects and approves work.
- PWE authorizes payment to contractor for work order.
- Financial institution pays contractor (within 3 days).
- City Controller pays financial institution by assignment.

PROVIDE SMALL WORK ORDERS

- PWE identifies small, manageable work orders.
- PWE makes work order available to contractors in the rotation.
- Contractors bid on work order based upon best value bidding.
- Contractor successfully completes work order and moves to bottom of rotation.
- Contractor continues to perform well on work orders and continues to build reputable performance history.

IMPROVE BONDING CAPABILITIES

- Bonding company provides training at onset of Program discussing requirements for bonding eligibility.
- Bonding company coaches and monitors the progress of contractors over the two year period.
- Bonding company develops relationship with and acquires first-hand knowledge of the contractors business character and business practices.
- Bonding company becomes familiar with contractors credit history and performance history.
- Upon successful completion of the Program, the contractor becomes an attractive, limited risk, bonding candidate.

ADVERTISEMENT

- ✓ City will advertise a Request for Qualifications (RFQ)
- ✓ Interested contractors will submit Statement of Qualifications (SOQ)

SELECTION PROCESS

- An evaluation committee will review the statement of qualifications submitted by Respondents and will evaluate them based upon the specified criteria.
- Evaluation committee selects 10 most responsible and qualified contractors to participate in the Program.
- The contractors selected are deemed pre-qualified to bid on work orders as they become available.
- Contractors' initial position in the rotation depends upon the ranking by the evaluation committee.

CRITERIA

- ❖ Applicant must be certified as a Small Business Enterprise and listed in Office of Business Opportunity's directory of certified companies.
- ❖ Applicant must already work in the relevant trades.
- ❖ Applicant must have two years of relevant experience with the public sector or at least five years of experience in private sector work.
- ❖ Listed experience must be verifiable.

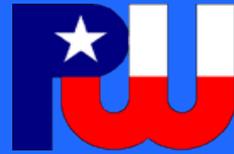
CATEGORIES OF WORK

- Asphalt repair
- Concrete panel replacement
- Curb and gutter repair
- Wheelchair ramps
(per Americans with Disabilities Act Standards)
- Sidewalk repairs
- Point repairs
- Restorations
- Small diameter waterline repairs

(This list is not all inclusive)

BENEFITS

- ❖ Contractors become prime contractors doing business with the City of Houston.
- ❖ Contractors attain reputable performance and credit history.
- ❖ Contractors establish relationships with surety thus creating increased opportunity for bonding upon successful completion of program.
- ❖ Contractors establish relationships with the financial institutions as well as a credit line for ongoing contracting opportunities.
- ❖ Contractors acquire partners who contribute to their long-term success.



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QUESTIONS

Dale A. Rudick, P.E., Director

Small Business Development Group

Tony Henshaw, CPM, MCA, Manager

Email: angela.aaron@houstontx.gov

Email: pwe.smallbusiness@houstontx.gov