

GREATER SOUTHEAST MANAGEMENT DISTRICT OVERALL GOAL CALCULATION

Introduction

The process used by Greater Southeast Management District (“Houston Southeast”) to establish its Disadvantaged Business Enterprise (“DBE”) goal for fiscal year (FY) 2021 through 2023 is summarized below. Houston Southeast followed a two-step process based on documented evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing, and able to participate in Houston Southeast’s Federal Transit Administration (“FTA”) assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects Houston Southeast’s expected level of participation by DBEs. After the public comment period was concluded, Houston Southeast evaluated the comments to determine if any further adjustments needed to be made to the established DBE Goal.

Description of Projects

Houston Southeast is currently anticipating one construction project with remaining FTA funding over the next three years. Houston Southeast does not provide transit operations but does receive federal funding through grants for pedestrian improvements to support access to transit.

Goal Setting Process

The steps in the process to determine the DBE goals are: (1) establish the base goal and (2) adjust the base goal, if needed.

Data Sources and Market Area

Houston Southeast considered all the possible FTA assisted contracting opportunities for award in FY 2021 through 2023 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. Houston Southeast established the counties of the TxDOT Houston Work District as the market area to determine the total number of DBE ready, willing, and able businesses available to perform work in the same NAICS codes, which includes Brazoria, Fort Bend, Galveston, Harris, Montgomery and Waller Counties. Houston Southeast established this market area due to the availability of contractors in the area and the size and cost of the projects projected. Houston Southeast reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2017 US Census County Business Patterns.

Step 1 – Establish Base Goal

Houston Southeast used the suggested calculation tables to determine the weighted base goal. There is one pedestrian construction project programmed within the next three years. Tasks involved in this project include sidewalk construction, curb construction, electrical installation, and site preparation. Each NAICS Code is defined in the table below.

NAICS Code	Definition
237310	Highway, Street, and Bridge Construction – Curbs, gutters, culvert construction
238210	Electrical Contractors and Other Wiring Installation Contractors
238910	Site Preparation Contractors

238990	All Other Specialty Trade Contractors - Sidewalk construction, residential and commercial, concrete paving
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1 - Determine the weight of each type of work by NAICS Code

Weighted NAICS Codes			
NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
237310	Houston Southeast Greenways	\$28,399.76	0.4000
238210	Houston Southeast Greenways	\$7,099.94	0.1000
238910	Houston Southeast Greenways	\$10,649.91	0.1500
238990	Houston Southeast Greenways	\$24,849.79	0.3500
Total FTA-Assisted Contract Funds		\$70,999.40	1.0000

2 - Determine the relative availability of DBE's by NAICS Code

Firm Relative Availability				
NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
237310	Houston Southeast Greenways	22	135	0.1630
238210	Houston Southeast Greenways	3	992	0.0030
238910	Houston Southeast Greenways	22	341	0.0645
238990	Houston Southeast Greenways	28	524	0.0534
Combined Totals		75	1992	0.0377

3 - (Weight) x (Availability) = Weighted Base Figure

Weighted Base Figure					
NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
237310	Houston Southeast Greenways	0.40000	x	0.16296	0.0652
238210	Houston Southeast Greenways	0.10000	x	0.00302	0.0003
238910	Houston Southeast Greenways	0.15000	x	0.06452	0.0097
238990	Houston Southeast Greenways	0.35000	x	0.05344	0.0187
Total					0.0939
Rounded Percentage					9.0%

Step 2 – Base Goal Adjustment

Previously, Houston Southeast had an FTA-approved DBE program goal of 13.52%. This DBE program goal was 100% race neutral. Based on the statistical analysis conducted under Step 1, Establish Base Goal, Houston Southeast will use the 9% goal as the established, rounded, weighted base goal. For the past three fiscal years, Houston Southeast has awarded one engineering contract with 23% DBE participation and one construction with 100% DBE participation, both through race neutral means.

	Past Participation
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FY 2018	N/A
FY 2019	23.0%
FY 2020	100.0%
Average Participation	61.5%

Houston Southeast took the participation of the past three fiscal years. Houston Southeast took the past participation percentage and the rounded, weighted base goal and averaged them together to create the adjusted DBE Goal.

Adjusted DBE Goal	
Rounded Weighted Base Goal	9.0%
Average Past Performance Percentage	61.5%
Total	70.5%
Adjusted DBE Goal	35.25%

Houston Southeast will set the DBE goal at 35.25% based on past performance and monitor how much DBE participation occurs over the next three (3) years. This DBE Goal will be 100% Race Neutral, based on past performance. This adjusted goal is Houston Southeast's overall program goal for the next three fiscal years.

ATTACHMENT 1
SECTION 26.51: BREAKOUT OF ESTIMATED
RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION

Houston Southeast will meet the maximum feasible portion of its overall goal by using both race-neutral and race-conscious means of facilitating DBE participation. Houston Southeast uses race-neutral means, including but not limited to contacting DBE and SBE Directories, creating bidders' lists, proactive outreach events with DBE firms in the area, and advertising prime contracts to DBEs, to increase DBE participation.

Houston Southeast estimates that, in meeting our overall goal of 35.25%, Houston Southeast will obtain 100.0% from race-neutral participation and 0.0% from race-conscious participation.

The following is a summary of the estimated breakout of race-neutral and race-conscious DBE participation:

Houston Southeast's program will be implemented with entirely race-neutral means. If Houston Southeast uses contract goals, Houston Southeast will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and Houston Southeast will communicate this change to the program to FTA.

Houston Southeast does not intend to achieve any DBE participation by using contract goals.

If Houston Southeast revise its program and use contract goals, Houston Southeast will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.