

OVERALL GOAL CALCULATION

The process used by Near Northwest Management District (NNMD) to establish its DBE goal for fiscal year (FY) 2018 through 2020 is summarized below. NNMD 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 NNMD’s FTA assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects NNMD’s expected level of participation by DBEs.

Step 1 – Establish Base Goal

NNMD considered all the possible FTA assisted contracting opportunities for award in FY 2018 through 2020 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. NNMD established the TxDOT Houston Work District as the market area to determine the total number of DBE ready, willing, and able businesses and all statewide ready, willing, and able businesses available to perform work in the same NAICS codes. In the new Texas Unified Certification Program (TUCP), DBE Directories are searched by NAICS codes by TxDOT work districts instead of counties of residence like the past TUCP. The 2014 US Census County Business Patterns for the State of Texas were used to determine the total ready, willing and able firms. The majority of DBE Firms were physically located outside of the TxDOT Houston Work District, but all DBE Firms are considered ready, willing and able to perform the work. NNMD reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2014 US Census County Business Patterns, and for some NAICS codes, the number of DBE Firms outnumbered the total number of firms located within the work district. Because of this, NNMD used the State of Texas’s total ready, willing and able firms for each NAICS Category. The firms that have physical addresses within the Houston Work District are highlighted within **Attachment 5**.

NNMD does not provide transit operations, but does receive federal funding through grants for pedestrian improvements to support access to transit. NNMD only has one federally funded project expected within the next three years.

NNMD 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, site preparation, and landscaping.

Step 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)
221310	W. Little York Pedestrian-Transit Improvements	\$329,160.00	0.1500
237310	W. Little York Pedestrian-Transit Improvements	\$696,502.56	0.3174
237990	W. Little York Pedestrian-Transit Improvements	\$817,633.44	0.3726
238910	W. Little York Pedestrian-Transit Improvements	\$153,608.00	0.0700
541330	W. Little York Pedestrian-Transit Improvements	\$197,496.00	0.0900
Total FTA-Assisted Contract Funds		\$2,194,400.00	1.0000

Step 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
221310	W. Little York Pedestrian-Transit Improvements	10	642	0.0156
237310	W. Little York Pedestrian-Transit Improvements	237	699	0.3391
237990	W. Little York Pedestrian-Transit Improvements	59	312	0.1891
238910	W. Little York Pedestrian-Transit Improvements	126	2,088	0.0603
541330	W. Little York Pedestrian-Transit Improvements	324	5,087	0.0637
Combined Totals		756	8,828	0.0856

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

Weighted Base Figure					
NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
221310	W. Little York Pedestrian-Transit Improvements	0.15000	x	0.01558	0.0023
237310	W. Little York Pedestrian-Transit Improvements	0.31740	x	0.33906	0.1076
237990	W. Little York Pedestrian-Transit Improvements	0.37260	x	0.18910	0.0705
238910	W. Little York Pedestrian-Transit Improvements	0.07000	x	0.06034	0.0042
541330	W. Little York Pedestrian-Transit Improvements	0.09000	x	0.06369	0.0057
				Total	0.1904
				Percentage	19%

Step 2 – Base Goal Adjustment

NNMD has never had a DBE Program before and has never set a DBE Goal for participation. Due to the lack of past performance or prior experience, NNMD will not adjust the weighted goal. NNMD will set the DBE goal at 19% based on the weighted goal setting and monitor how much DBE participation occurs over the next three (3) years. The DBE participation for the next three years will be reflected in the next DBE goal setting.

**Section 26.51: Breakout of Estimated
Race-Neutral & Race-Conscious Participation**

NNMD will meet the maximum feasible portion of its overall goal by using both race-neutral and race-conscious means of facilitating DBE participation. NNMD uses race-neutral means, including but not limited to providing 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.

NNMD estimates that, in meeting our overall goal of 19.0%, NNMD 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:

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

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

If NNMD revises its program and uses contract goals, NNMD 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.