

NEAR NORTHWEST MANAGEMENT DISTRICT OVERALL GOAL CALCULATION

The process used by Near Northwest Management District (NNMD) to establish its DBE goal for fiscal year (FY) 2021 through 2023 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 2021 through 2023 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. NNMD established the counties of the TxDOT Houston Work District as the market area to determine the total number of DBE businesses ready, willing, and able to perform work in the same NAICS codes, which includes Brazoria, Fort Bend, Galveston, Harris, Montgomery and Waller Counties. NNMD established this market area due to the availability of contractors in the area and the size and cost of the projects projected. NNMD reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2017 US Census County Business Patterns.

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 construction 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. Each NAICS Code is defined in the table below.

| NAICS Code | Definition |
|-------------------|--|
| 221310 | Water Supply and Irrigation Systems |
| 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 |
| 561730 | Landscaping Services |

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 | \$19,941.61 | 0.0100 |
| 237310 | W. Little York Pedestrian-Transit Improvements | \$678,014.67 | 0.3400 |
| 238210 | W. Little York Pedestrian-Transit Improvements | \$299,124.12 | 0.1500 |
| 238910 | W. Little York Pedestrian-Transit Improvements | \$199,416.08 | 0.1000 |
| 238990 | W. Little York Pedestrian-Transit Improvements | \$598,248.24 | 0.3000 |
| 561730 | W. Little York Pedestrian-Transit Improvements | \$199,416.08 | 0.1000 |
| Total FTA-Assisted Contract Funds | | \$1,994,160.80 | 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 |
| 221310 | W. Little York Pedestrian-Transit Improvements | 1 | 69 | 0.0145 |
| 237310 | W. Little York Pedestrian-Transit Improvements | 22 | 135 | 0.1630 |
| 238210 | W. Little York Pedestrian-Transit Improvements | 3 | 992 | 0.0030 |
| 238910 | W. Little York Pedestrian-Transit Improvements | 22 | 341 | 0.0645 |
| 238990 | W. Little York Pedestrian-Transit Improvements | 28 | 524 | 0.0534 |
| 567130 | W. Little York Pedestrian-Transit Improvements | 4 | 980 | 0.0041 |
| Combined Totals | | 80 | 3041 | 0.0263 |

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 | 0.01000 | x | 0.01449 | 0.0001 |
| 237310 | W. Little York Pedestrian-Transit Improvements | 0.34000 | x | 0.16296 | 0.0554 |
| 238210 | W. Little York Pedestrian-Transit Improvements | 0.15000 | x | 0.00302 | 0.0005 |
| 238910 | W. Little York Pedestrian-Transit Improvements | 0.10000 | x | 0.06452 | 0.0065 |
| 238990 | W. Little York Pedestrian-Transit Improvements | 0.30000 | x | 0.05344 | 0.0160 |
| 561730 | W. Little York Pedestrian-Transit Improvements | 0.10000 | x | 0.00408 | 0.0004 |
| Total | | | | | 0.0789 |
| Rounded Percentage | | | | | 8.0% |

Step 2 – Base Goal Adjustment

Previously, NNMD had an FTA-approved DBE program goal of 20%. This DBE program goal was 100% race neutral. Based on the statistical analysis conducted under Step 1, Establish Base Goal, NNMD will use

the 8% goal as the established, rounded, weighted base goal. For the past three fiscal years, NNMD has awarded one engineering contract with 20% DBE participation through race neutral means.

| | Past Participation |
|-----------------------|---------------------------|
| FY 2018 | N/A |
| FY 2019 | 20.0% |
| FY 2020 | N/A |
| Overall Participation | 20.0% |

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

| Adjusted DBE Goal | |
|-------------------------------------|------------|
| Rounded Weighted Base Goal | 8% |
| Rounded Past Performance Percentage | 20% |
| Total | 28% |
| Adjusted DBE Goal | 14% |

NNMD will set the DBE goal at 14% 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 NNMD’s overall program goal for the next three fiscal years.

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, 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.

*NNMD estimates that, in meeting our overall goal of **14.0%**, NNMD will obtain 100.0% compliance 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 Code of Federal Regulation (CFR) 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 a 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.