

Overall Goal Calculation

The process used by Midtown Management District (Midtown) to establish its DBE goal for fiscal year (FY) 2017 through 2019 is summarized below. Midtown 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 Midtown's FTA assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects Midtown's expected level of participation by DBEs.

Step 1 – Establish Base Goal

Midtown considered all the possible FTA assisted contracting opportunities for award in FY 2017 through 2019 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. Midtown established a market area of Harris County to determine the total number of DBE ready, willing, and able businesses and all ready, willing, and able businesses available to perform work in the same NAICS codes.

- **Column 1** shows the possible NAICS codes for ready, willing, and able DBEs.
- **Column 2** shows the type of industry the NAICS codes represent.
- **Column 3** shows the dollar amount of the potential contracting opportunities by industry code.
- **Column 4** shows the percentage of contracting opportunities by industry code.
- **Column 5** lists the total number of firms, which is based on U.S. Census Data, in each NAICS code. Midtown used the 2014 County Business Patterns (CBP) data from the U.S. Census.
- **Column 6** lists the total number of DBE firms, which is based on the Texas Unified Certification Program DBE database, in each NAICS code. Midtown used related NAICS codes from the Texas Unified Certification Program, downloaded April 20, 2016.
- **Column 7** calculates the base figure for relative availability of DBEs for each industry code, which is the total number of ready, willing, and able DBE firms (**Column 6**) divided by the total number of ready, willing and able Firms (**Column 5**).
- **Column 8** is the result of multiplying the Base Goal percentage (**Column 7**) by the Possible Contracting Opportunities (**Column 3**).
- **Column 9** is the result of dividing the total Expected DBE Dollars (**Column 8**) by the total Possible Contracting Opportunities (**Column 3**).

1	2	3	4	5	6	7	8	9
NAICS	Industry Code	Possible Contracting Opportunities	% of the Budget	Total Firms	DBEs	Base Goal	Expected DBE Dollars	DBE Goal
221310 237310 237990 238210 238910 238990	Construction	\$9,000,000	100%	8,965	665	7.42%	\$667,800	
		\$9,000,000	100%				\$667,800	7.42%

Step 2 – Base Goal Adjustment

Previously, Midtown had a FTA-approved DBE goal of 8.94%. This DBE goal was 100% race-neutral. Based on the statistical analysis conducted under Step 1, Establish Base Goal, Midtown will use the base goal of 7.42% as the overall goal. In the past five years, Midtown has awarded two contracts, totaling \$4,307,859. There was 52.2% participation of TUCP certified DBEs on the two contracts. All previous contracts were for construction contracts and all future contracts are for construction services.

Due to this significant participation in construction contracts, Midtown decided to adjust the overall program goal. Midtown used its consultative reviews of the program goal to discuss an appropriate goal adjustment. Mark Praigg of the Houston Minority Business Development Agency (MDBA) recommended using a 20.0% overall program goal, which is the minimum percentage on purchases over \$50,000 for Minority/Women-owned Business Enterprises for the Houston Independent School District (ISD). Midtown will set the DBE goal at 20.0% and monitor how much DBE participation occurs over the next three (3) years.

This adjusted goal is Midtown's overall program goal for the next three fiscal years.

Attachment 1

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

Midtown will meet the maximum feasible portion of its overall goal by using both race-neutral and race-conscious means of facilitating DBE participation. Midtown 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.

*Midtown estimates that, in meeting our overall goal of **20.0%**, Midtown will obtain 100.0% from race-neutral participation and 0.0% from race-conscious participation (through construction services).*

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

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

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

If Midtown revise its program and use contract goals, Midtown 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.