

FY 2011- 2013
DBE Goal Update
OVERALL GOAL CALCULATION

Name of Recipient: Houston-Galveston Area Council (H-GAC)

Goal Period: FY-2011 – October 1, 2010 through September 30, 2013

DOT- assisted contract amount: \$5,808,961

DBE Goal: 22%

Total dollar amount to be expended on DBE's: \$1,277,971

Pursuant to Section 49 Code of Federal Regulations Part 26, the Houston-Galveston Area Council (H-GAC) has proposed an overall goal of 22% for the participation of Disadvantaged Business Enterprises (DBEs) in its Transportation Department contracts funded by the U.S. Department of Transportation (DOT), through the Federal Aviation Administration, Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), effective October 1, 2010 through September 30, 2013.

There are 30 anticipated DOT-assisted contracts for FY 11.

1. Public Involvement for RTP, TIP, UPWP
2. Public Involvement for Local Plans on Forecasted Growth
3. Expand project viewer capabilities
4. Develop state of the practice travel demand model set
5. Project readiness for TIP and short term projects and reviewing project budgets
6. Public Transportation Coordination of projects
7. Financial Plan revisions and enhancements to financial model
8. Implementation strategies to link RTP goals and objectives with expected outcomes
9. Development of RTP network with connected street grid for subareas
10. Develop recommendations for the integration of funding of transit services in the region
11. Regional State of Congestion Report with TTI
12. Collect traffic and transportation data to perform CMAs
13. Analyze emission benefits for VMEPs and TCMS and seek additional commitments
14. Analysis and implementation strategies to meet 8-hour ozone standards for the region
15. Solicitation of special districts for bike/pedestrian opportunities
16. Research, develop, design, produce a best practices manual for bike/pedestrian facilities
17. Bike and pedestrian counts and surveys
18. Livable Center Awareness program
19. Continue Sub regional Planning program funded through TIP
20. Research Peer MPO programs, journals, and other programs
21. Develop engineering design solutions for jurisdictions with multiple high crash locations involving vehicles, pedestrians, or bicycles in the eight county TMA
22. Safety education and outreach programs
23. Host regional safety conference or sponsor a statewide traffic safety conference

24. Access Management studies along SH 6/FM 1960 from I-10 W to SH 249 and along FM 529 from US 290 to Greenhouse Rd.
25. Travel demand modeling support to future projects for all member agencies and their consultants
26. Assistance to state and local governments to support hurricane evacuation and/or repatriation planning efforts
27. Hurricane evacuation planning
28. Conduct survey of intermodal facilities, truck owners, and drivers to assess need for safety improvements in the trucking distribution system
29. Develop a fully validated Cube Cargo model set
30. Commuter/Freight Rail Analysis

Source: (FY 2010-2011 UPWP)

MARKET AREA

The market area for the DBE analysis is the Houston-Baytown-Sugar Land MSA that includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller counties. The source of data for the market area is identified as the Houston District by the Texas Unified Certification Program (TUCP). Firms certified through the TUCP identify each district where they conduct business. Several firms do business in multiple districts throughout the State.

Determination of Market Area:

The Houston-Baytown-Sugar Land MSA was used as the market area because:

- a. A substantial majority of the bidders (contractors and subcontractors) come from this area, and
- b. A substantial majority of the contracting dollars will be spent in this area.

METHODOLOGY

STEP 1

In order to determine an overall goal, the following data sources were utilized to determine a base figure for the relative availability of DBEs:

- 2007 Houston-Baytown-Sugar Land MSA County Business Patterns (<http://censtats.census.gov/cgi-bin/msanaic/msasect.pl>)
- State of Texas – Texas Unified Certification Program (TUCP) DBE Directory (<http://www.dot.state.tx.us/business/tucp/tucp-cat-dist.htm?dist=HOU>)

After identifying the anticipated types of contracts that will be awarded in FY 2010, County Business Pattern (CBP) Data for all firms in the Houston-Baytown-Sugar Land MSA was identified for the applicable contracting areas. The Houston-Baytown-Sugar Land MSA was used as the local market area, since the majority of contractors and subcontractors that bid on H-GAC proposals are located in this area. Additionally, the data provided by the TUCP included firms working in the Houston region. The TUCP consolidates all DBE firms certified by six different agencies into one centralized DBE Directory for DOT funded contracts for Airport, Highways, and Public Transit.

The initial calculation of DBE availability was accomplished using data from the 2007 Houston-Baytown-Sugar Land MSA CBP and the 2010 TUCP. The North American Industry Standard

Classification (NAICS) code used in the calculation for the DOT-assisted contracts for FY 2011 include: 54133 – Engineering Services, 54181 – Advertising Agencies, and 54182 – Public Relations Agencies. Because the number of public relations agencies listed in the Houston-Baytown-Sugar Land MSA is the same as at the State level, the total of all firms at the State level was used for the calculation as shown in Table 1.

The total number of DBE firms (448) divided by the total number of firms (2,143) produced a base figure of 21%. See Table 1 below.

Table 1
DBE Availability Based on the 2007 County Business Patterns and
Texas Unified Certification Program Data

NAICS	Type of Work	Total DBEs	Total All Firms	Percent DBE
54133	Engineering Services	349	1,622	21.50%
54181	Advertising Agencies	34	191	17.80%
54182	Public Relations Agencies	65	330	19.70%
TOTAL		448	2,143	20.91%

STEP 2

The Step 2 analysis involved the consideration of two factors: 1) a 2006 disparity study by the City of Houston, and 2) analysis of H-GAC's DOT-assisted contracts for fiscal years 2008-2010. These factors were used to determine if adjusting the Step 1 availability figure was necessary. Three factors to consider in the adjustment of Step 1 base figure:

- a. First, H-GAC researched its market area for any disparity studies that may have been conducted in the last seven years and found the disparity study done by Mason Tillman Associates for the City of Houston Minority/Women Business Enterprise (MWBE) Program in 2006. After consideration, the study was not used to adjust the Step 1 availability figure. The study did not assess company availability by NAICS code and made the study unusable for DBE goal calculation for Step 1. Furthermore, the study estimates 49.9% availability for Architecture/Engineering, which is well above the TUCP/CBP percent availability of 21%.
- b. Second, H-GAC addressed other factors by researching information from the following agencies:
 1. Metropolitan Transit Authority of Harris County (METRO) – obtained their listing of DBE firms (by commodity code) that do business in the Houston region. The firms on the lists were used as contact lists for public participation.
 2. City of Houston – used the 2006 City of Houston Disparity Study for comparative purposes.

- c. Third, H-GAC examined its overall DBE participation for fiscal years 2008, 2009 and 2010. The median percentage of achievements for all similar projects over the past three years is 23%, as highlighted below in Table 2. Comparing the median to the proposed base figure of 21% for FY 2011, results in an overall goal of 22%.

Table 2
H-GAC Transportation Department DBE Accomplishments
for DOT-Assisted Contracts

Fiscal Year	Goal	Achieved	Type of Work
2010*	21%	22%	Engineering Services, Advertising, Public Relations
2009	19%	23%	Engineering Services, Advertising, Public Relations
2008	18%	25%	Engineering Services, Advertising, Public Relations

*Billings through March 2010

Breakout of Estimated Race Neutral (RN) and Race Conscious (RC) Participation

H-GAC will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation.

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE and other small business participation.
2. Carrying out information and communications programs on contracting procedures and specific contract opportunities.
3. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

H-GAC estimates that in meeting its overall goal of 22%, it will obtain 18% from RN participation and 4% through RC measures. This estimation is based on actual achievements from the 2009 median year, where H-GAC exceeded the 19% goal with 23% DBE participation.

H-GAC will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation (see Section 26.51(f)) and track and report RN and RC participation separately. For reporting purposes, RN DBE participation includes, but is not necessarily limited to, the following:

1. DBE participation through a prime contract obtained through customary competitive procurement procedures.
2. DBE participation through a subcontract on a prime contract that does not carry a DBE goal.

3. 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.