

**The Woodlands Township**  
**Overall Goal Calculation**  
**Fiscal Year (FY) 2024-2026**

**Introduction**

The process used by The Township to establish its DBE goal for FY 2024 through 2026 is summarized below. The Township 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 The Township's Federal Transit Administration ("FTA") assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects The Township's expected level of participation by DBEs. After the public comment period was concluded, The Township evaluated the comments to determine if any further adjustments needed to be made to the established DBE Goal.

The Township does not have any subrecipients of federal funding.

**Description of Projects**

The Township is currently anticipating the following projects with remaining FTA funding over the next three years:

- Wi-Fi Services
- Water Reclamation Unit & Installation
- Transit Software Application
- Facility Improvements
- LED Lighting Upgrade at Park and Rides
- Janitorial Contract
- Transit Operations Contract
- Transit Consultant
- Landscaping Services
- Heavy-Duty Towing
- Propane Fuel Services
- HVAC Services
- Security Guard Services
- Plumbing Services
- Mobile Ticketing Software
- Trolley Body Work & Repairs

**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**

The Township considered all the possible FTA assisted contracting opportunities for award in FY 2024 through 2026 and compiled the North American Industry Classification System (NAICS) codes for the work

included in the contracting opportunities. The Township established the counties of the Texas Department of Transportation (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. The Township established this market area due to the availability of contractors in the area and the size and cost of the projects projected. The Township reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2021 US Census County Business Patterns.

### **Step 1 – Establish Base Goal**

The Township used the suggested calculation tables to determine the weighted base goal. There are a variety of NAICS codes associated with the projects listed above. Each NAICS Code is defined in the table below.

<b>NAICS Code</b>	<b>Definition</b>
488410	Motor Vehicle Towing
517810	All Other Telecommunications
237110	Water and Sewer Line and Related Structures Construction
511210	Software Publishers
332323	Ornamental and Architectural Metal Work Manufacturing
238990	All Other Specialty Trade Contractors - Sidewalk construction, residential and commercial, concrete paving
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)
238210	Electrical Contractors and Other Wiring Installation Contractors
485113	Bus and Other Motor Vehicle Transit Systems
541611	Administrative Management and General Management Consulting Services
561720	Janitorial Services
238220	Plumbing, Heating, and Air-Conditioning Contractors
561612	Security Guards and Patrol Services
561730	Landscaping Services

#### **1 - Determine the weight of each type of work by NAICS Code**

	<b>NAICS Code</b>	<b>Project</b>	<b>Amount of DOT funds on project:</b>	<b>% of total DOT funds (weight)</b>
1)	488410	Towing	\$6,000.00	0.0010
2)	517810	Wi-Fi for Commuter Buses	\$149,126.40	0.0261
3)	237110	TOF Water Reclamation	\$85,000.00	0.0149
4)	511210	Transit App/Software	\$96,000.00	0.0168
5)	238990	Facility Improvements	\$176,000.00	0.0308
6)	424720	Propane	\$85,000.00	0.0149
7)	238210	LED Lighting Upgrade	\$25,000.00	0.0044
8)	485113	Operations Contract	\$4,500,000.00	0.7864
9)	541611	Transit Consultant	\$175,000.00	0.0306

10)	561720	Janitorial Contract	\$20,400.00	0.0036
11)	238220	HVAC Services	\$30,000.00	0.0052
12)	561612	Security Guards	\$230,000.00	0.0402
13)	238220	Plumbing Services	\$30,000.00	0.0052
14)	511210	Mobile Ticketing Services	\$80,000.00	0.0140
15)	561730	Landscaping Services	\$35,000.00	0.0061
<b>Total FTA-Assisted Contract Funds</b>			<b>\$5,722,526.40</b>	<b>1.0000</b>

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

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	488410	Towing	0	131	0.0000
2)	517810	Wi-Fi for Commuter Buses	3	24	0.1250
3)	237110	TOF Water Reclamation	19	216	0.0880
4)	511210	Transit App/Software	2	232	0.0086
5)	238990	Facility Improvements	22	583	0.0377
6)	424720	Propane	7	156	0.0449
7)	238210	LED Lighting Upgrade	6	1170	0.0051
8)	485113	Operations Contract	0	3	0.0000
9)	541611	Transit Consultant	55	2383	0.0231
10)	561720	Janitorial Contract	4	852	0.0047
11)	238220	HVAC Services	5	1795	0.0028
12)	561612	Security Guards	5	301	0.0166
13)	238220	Plumbing Services	5	1795	0.0028
14)	511210	Mobile Ticketing Services	2	232	0.0086
15)	561730	Landscaping Services	7	1052	0.0067
<b>Combined Totals</b>			<b>142</b>	<b>10925</b>	<b>0.0130</b>

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	488410	Towing	0.0010	x	0.0000	0.0000
2)	517810	Wi-Fi for Commuter Buses	0.0261	x	0.1250	0.0033
3)	237110	TOF Water Reclamation	0.0149	x	0.0880	0.0013
4)	511210	Transit App/Software	0.0168	x	0.0086	0.0001
5)	238990	Facility Improvements	0.0308	x	0.0377	0.0012
6)	424720	Propane	0.0149	x	0.0449	0.0007
7)	238210	LED Lighting Upgrade	0.0044	x	0.0051	0.0000
8)	485113	Operations Contract	0.7864	x	0.0000	0.0000
9)	541611	Transit Consultant	0.0306	x	0.0231	0.0007
10)	561720	Janitorial Contract	0.0036	x	0.0047	0.0000
11)	238220	HVAC Services	0.0052	x	0.0028	0.0000

<b>12)</b>	561612	Security Guards	0.0402	0.0166	0.0007
<b>13)</b>	238220	Plumbing Services	0.0052	0.0028	0.0000
<b>14)</b>	511210	Mobile Ticketing Services	0.0140	0.0086	0.0001
<b>15)</b>	561730	Landscaping Services	0.0061	0.0067	0.0000
<b>Total</b>					0.0081
Expressed as a % (*100)					0.81%
<b>Rounded, Weighted Base Figure:</b>					<b>1%</b>

## Step 2 – Base Goal Adjustment

### *Past Participation*

Previously, The Township had an FTA-approved DBE program goal of 2.61%, which was to be obtained 0.94% from race-neutral participation and 1.67% from race-conscious participation. Based on the statistical analysis conducted under Step 1, Establish Base Goal, The Township will use the 0.78% goal as the established, FY 2024-2026 weighted base goal. For the past three fiscal years, The Township has awarded \$1,024,869 in contracts and had participation in three race neutral contracts – two prime contractors and one subcontractor on a transit planning contract.

	<b>Awarded Amount</b>	<b>Past Participation</b>
FY 2020	\$545,382	18.69%
FY 2021	\$220,863	0.00%
FY 2022	\$258,624	0.00%
<b>Average Participation</b>	<b>\$1,024,869</b>	<b>6.23%</b>

### *Market Studies*

In researching disparity analysis within the Houston metropolitan area, there are several disparity studies located within the service area.

City of Houston	The City of Houston released an RFP in 2022 for a new review of its minority and women business enterprise program at least every five years as required by Chapter 15 of the City Code of Ordinances. No disparity study has been available since 2012.
Montgomery County	Montgomery County has not conducted a disparity study.
Metropolitan Transit Authority of Harris County (METRO)	METRO's study examined prime contract awards in construction, professional services, and goods and services from October 1, 2013, to September 30, 2018. The Study found that there were disparities in different contract types in both the prime contracts and subcontracts METRO awarded during the study period.  For Professional Services Prime Contracts, the Study stated, "Disparity was found for African American, Subcontinent Asian American, Caucasian female, minority-owned, and woman-owned businesses on professional services prime contracts valued \$10,001 to \$15,000. Disparity was found for African American, Subcontinent Asian American, Hispanic American, Caucasian female, minority-owned, and woman-owned businesses on professional services prime contracts valued \$15,001 to \$50,000. Disparity was also found for African

	<p>American, Caucasian female, minority-owned, and woman-owned businesses on professional services prime contracts valued \$50,000 and under \$1,560,000.”</p> <p>For Goods and Services Contracts, the Study states, “Disparity was found for African American, Subcontinent Asian American, Hispanic American, Caucasian female, minority-owned, and woman-owned businesses on goods and services prime contracts valued \$10,001 to \$15,000. Disparity was found for African American, Subcontinent Asian American, Hispanic American, Caucasian female, minority-owned, and woman-owned businesses on goods and services prime contracts valued \$15,001 to \$50,000. Disparity was also found for African American, Subcontinent Asian American, Caucasian female, and woman-owned businesses on goods and services prime contracts valued over \$50,000 and under \$670,000.”</p>
Harris County	<p>The Harris County Disparity Study (2020) compared county contracts awarded to minority- and women-owned businesses to the number of such businesses that were available. While white male-owned businesses made up 72.0% of the marketplace, those businesses received 90.9% of the third-party contracts; black-owned businesses made up 8.4% of the marketplace yet received 0.5% of third-party contracts. While the gap for Black-owned businesses was proportionately largest, all minorities and women were underrepresented in third-party contracts. Asian-owned businesses accounted for 3.0% of the marketplace but only 0.6% of third-party contracts; Native American-owned businesses made up 0.4% of the marketplace but only 0.1% of third-party contracts; Hispanic-owned businesses made up 11.0% of the marketplace but only 4.6% of third-party contracts; and businesses owned by white women made up 6.0% of the marketplace but only 3.2% of third-party contracts. As a whole, minority DBE firms made up 28.4% of the marketplace, but only received 9.1% of the third-party contracts.</p>
Port of Houston	<p>The Port of Houston Authority 2020 Disparity Study reviewed FY2015-2019 contracting for the industry categories of Construction, Architectural &amp; Engineering, Professional Service, Other Services, and Goods. The study set their market area as Harris, Montgomery, and Fort Bend Counties. The study found statistically significant underutilization of minority and woman owned firms in all five (5) industry categories except Asian American and Hispanic American owned firms as prime contractors in Professional Services.</p>

The disparity studies provided both race-neutral and race-conscious recommendations. For race-neutral recommendations that the Township can implement, the studies promote increased vendor communication, providing adequate lead time, expanding marketing, and unbundling large procurements into smaller contracts for prime participation. For race-conscious recommendations that the Township can implement, the Study recommends requiring goal attainment at the bid opening instead of five (5) days after the bid opening, expanding marketing, requiring certification and verification of M/WBEs in the bid packages, assessing penalties to nonattainment, and providing more training to staff and prime contractors.

### ***Adjustment***

The Township took the past participation percentage and the weighted base goal and averaged them together to create the adjusted DBE Goal.

<b>Adjusted DBE Goal</b>	
Weighted Base Goal	0.81%
Average Past Performance Percentage	6.23%
<b>Adjusted DBE Goal</b>	<b>3.52%</b>

The Township will set the DBE goal at 3.52% based on past performance, the demonstrated disparity in Montgomery County, and monitor how much DBE participation occurs over the next three (3) years. Since The Township did not have DBE Participation in two of the last three (3) years and based on the evidence provided in the two disparity studies reviewed, the Township will set a race-conscious goal. Of all of the potential contracts upcoming in the next three (3) years, there are minimal subcontracting opportunities and available DBEs in the associated NAICS Codes. As such, the Township will utilize the weighted base goal as the race conscious percentage of the DBE Program Goal.

The Township will use the percentage of the weighted base goal to determine the Race Conscious goal.

	<b>Project Amount</b>	<b>Percentage of Total Amount</b>	<b>Percentage of DBE Goal</b>
Race Conscious Goal	\$1,316,753.32	23.01%	0.81%
Race Neutral Goal	\$4,405,773.08	76.99%	2.71%

The Township estimates that, in meeting the overall goal of 3.52%, The Township will obtain 2.71% from race-neutral participation and 0.81% from race-conscious participation. This adjusted goal is The Township's overall program goal for the next three fiscal years.

### **SECTION 26.51: BREAKOUT OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION**

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

*The Township estimates that, in meeting our overall goal of 3.52%, The Township will obtain 2.71% from race-neutral participation and 0.81% from race-conscious participation.*

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

*In order to ensure that the Township's DBE Goal will be narrowly tailored to overcome the effects of discrimination, the Township will use contract goals on some contracts to obtain DBE participation and 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 that 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.*