

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3 (UPPER KIRBY) OVERALL GOAL CALCULATION – FY 2025-2027

Introduction

The process used by Harris County Improvement District No. 3 (Upper Kirby) to establish its Disadvantaged Business Enterprise (DBE) goal for fiscal year (FY) 2025 through 2027 is summarized below. Upper Kirby 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 Upper Kirby's Federal Transit Administration (FTA) assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects Upper Kirby's expected level of participation by DBEs.

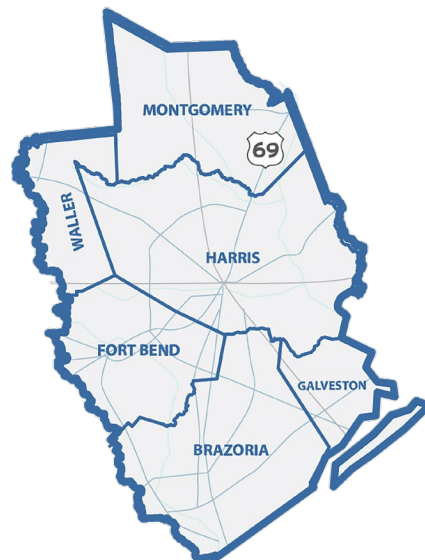
Subrecipients

Upper Kirby does not have any subrecipients of federal funding.

Service Area

Upper Kirby established the 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 County
- Fort Bend County
- Galveston County
- Harris County
- Montgomery County
- Waller County



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.

Description of Projects

Upper Kirby does not provide transit operations but does receive federal funding through grants for pedestrian improvements to support access to transit. Upper Kirby only has one federally funded construction project expected 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

Upper Kirby used the suggested calculation tables to determine the weighted base goal. There is one pedestrian construction project programmed within the next three years.

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

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	221310	West Alabama Pedestrian-Transit Improvements	\$1,119,578.55	0.1500
2)	237310	West Alabama Pedestrian-Transit Improvements	\$1,492,771.40	0.2000
3)	238210	West Alabama Pedestrian-Transit Improvements	\$1,119,578.55	0.1500
4)	238910	West Alabama Pedestrian-Transit Improvements	\$1,119,578.55	0.1500
5)	238990	West Alabama Pedestrian-Transit Improvements	\$2,612,349.95	0.3500
	Total FTA-Assisted Contract Funds		\$7,463,857.00	1.0000

Step 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)	221310	West Alabama Pedestrian-Transit Improvements	3	70	0.0429
2)	237310	West Alabama Pedestrian-Transit Improvements	25	158	0.1582
3)	238210	West Alabama Pedestrian-Transit Improvements	10	1170	0.0085
4)	238910	West Alabama Pedestrian-Transit Improvements	20	390	0.0513
5)	238990	West Alabama Pedestrian-Transit Improvements	25	583	0.0429
Combined Totals			83	2371	0.0350

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	221310	West Alabama Pedestrian-Transit Improvements	0.1500	x	0.0429	0.0000
2)	237310	West Alabama Pedestrian-Transit Improvements	0.2000	x	0.1582	0.0316
3)	238210	West Alabama Pedestrian-Transit Improvements	0.1500	x	0.0085	0.0013
4)	238910	West Alabama Pedestrian-Transit Improvements	0.1500	x	0.0513	0.0077
5)	238990	West Alabama Pedestrian-Transit Improvements	0.3500	x	0.0429	0.0150
Total						0.0556
Expressed as a % (*100)						5.56%
Rounded, Weighted Base Figure:						6%

Step 2 – Base Goal Adjustment

Past Performance

Previously, Upper Kirby had an FTA-approved DBE goal of 7.5%. This DBE goal was 100% race neutral. Based on the statistical analysis conducted under Step 1, Establish Base Goal, Upper Kirby will use the 6% goal as the established rounded, weighted base goal. For the past five fiscal years, Upper Kirby has awarded \$18,769,657.26 in contracting opportunities. Upper Kirby awarded \$1,148,099.22, or 6.1%, to DBE subcontractors over the past five fiscal years. In FY 2022 through 2024, Upper Kirby did not award any contracts. Since Upper Kirby does not receive formula funding, there are less opportunities for third-party contracts.

In the past five years, Upper Kirby has executed similar projects to those projected for the next three fiscal years, such as construction.

	Past Participation
FY 2020	N/A
FY 2021	6.1%
FY 2022	N/A
FY 2023	N/A
FY 2024	N/A

Disparity 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 has 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.
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 Construction Prime Contracts, the Study stated that there were disparities found for most DBE categories. No disparities were found for Subcontinent Asian Americans and Hispanic Americans for construction contracts larger than \$15,000. For subcontracts, the Study found disparities for African Americans and Caucasian Females were underutilized in Construction contacts.
Harris County	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.
Port of Houston	The Port of Houston Authority 2020 Disparity Study reviewed FY2015-2019 contracting for the industry categories of Construction, Architectural & 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.

The disparity studies provided both race-neutral and race-conscious recommendations. For race-neutral recommendations, the studies promote increased vendor communication, revising bonding and insurance requirements, providing adequate lead time, expanding marketing, and unbundling large procurements into smaller contracts. For race-conscious recommendations, the Study recommends requiring goal attainment at the bid opening, expanding marketing, requiring certification and verification of Minority/Women Business Enterprises (M/WBEs), developing quarterly participation report, assessing penalties to nonattainment, and providing more training to staff.

Adjustment

Upper Kirby took the median of the past five fiscal years. Upper Kirby took the rounded median, past performance percentage and the rounded, weighted base goal and averaged them together to create the adjusted DBE Goal.

Adjusted DBE Goal	
Rounded Weighted Base Goal	6%
Rounded Median Past Performance Percentage	6%
Total	12%
Adjusted DBE Goal	6%

This adjustment looks reasonable based on a recently awarded construction contract for the district. Upper Kirby will set the DBE goal at 6% based on past performance and monitor how

much DBE participation occurs over the next three (3) years. Since there is currently only one procurement planned and based on the information provided by the disparity studies, Upper Kirby will set a 100% race neutral program to assure that the DBE Goal is reached. This adjusted goal is Upper Kirby's overall program goal for the next three fiscal years.

Public Participation

Upper Kirby conducted a stakeholder feedback consultation with a similar management district in the City of Houston. Upper Kirby reached out to Anibeth Turcios, the DBELO of the Greater Northside Management District. Ms. Turcios is well versed in the DBE program and the relative availability of DBEs in the Houston area. Upper Kirby walked through the entire DBE goal setting with Ms. Turcios, who provided feedback as a knowledgeable contemporary. Ms. Turcios stated that the goal setting seemed reasonable, especially since it is just one construction project. Since Upper Kirby was able to obtain 6.1% in their last construction contract, she believed that Upper Kirby is good to round up the weighted base goal based on the past participation and performance. Ms. Turcios states that she believes that the 6% DBE Goal completed race neutrally is appropriate for Upper Kirby.

Upper Kirby posted the DBE Goal Setting and Public Notice to its website. Upper Kirby did not receive any comments from the online public notice.

ATTACHMENT 1

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

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

Upper Kirby estimates that, in meeting our overall goal of 6.0%, Upper Kirby will obtain 100.0% from race-neutral participation.

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

Upper Kirby's program will be implemented with entirely race-neutral means due to only one planned project. If Upper Kirby plans another third-party contract, Upper Kirby will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and Upper Kirby will communicate this change to the program to FTA.

When Upper Kirby uses contract goals, Upper Kirby 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.

**ATTACHMENT 2
PUBLIC NOTICE**

PUBLIC NOTICE

**Upper Kirby Management District
Disadvantage Business Enterprise (DBE) Goals
Fiscal Years 2025 - 2027**

Upper Kirby Management District (Upper Kirby) has set its Disadvantage Business Enterprise ("DBE") goal for federally funded contracts for fiscal years 2025 - 2027.

A copy of the goal calculation is available for view on the Upper Kirby website at <http://www.upperkirbydistrict.org/index.php/about/organizations/documents> and at the offices of Upper Kirby during normal business hours.

Upper Kirby will accept comments on its overall annual DBE goal, which is proposed at **6.0%** through race neutral means. Public comment will be accepted. Public comments can be addressed to:

Upper Kirby Management District
DBE Liaison Officer
3120 Southwest Freeway, Suite 102
Houston, Texas 77098

AVISO PÚBLICO

**Upper Kirby Management District
Meta del Programa de Empresas Comerciales en Desventaja (DBE)
Años Fiscales 2025 – 2027**

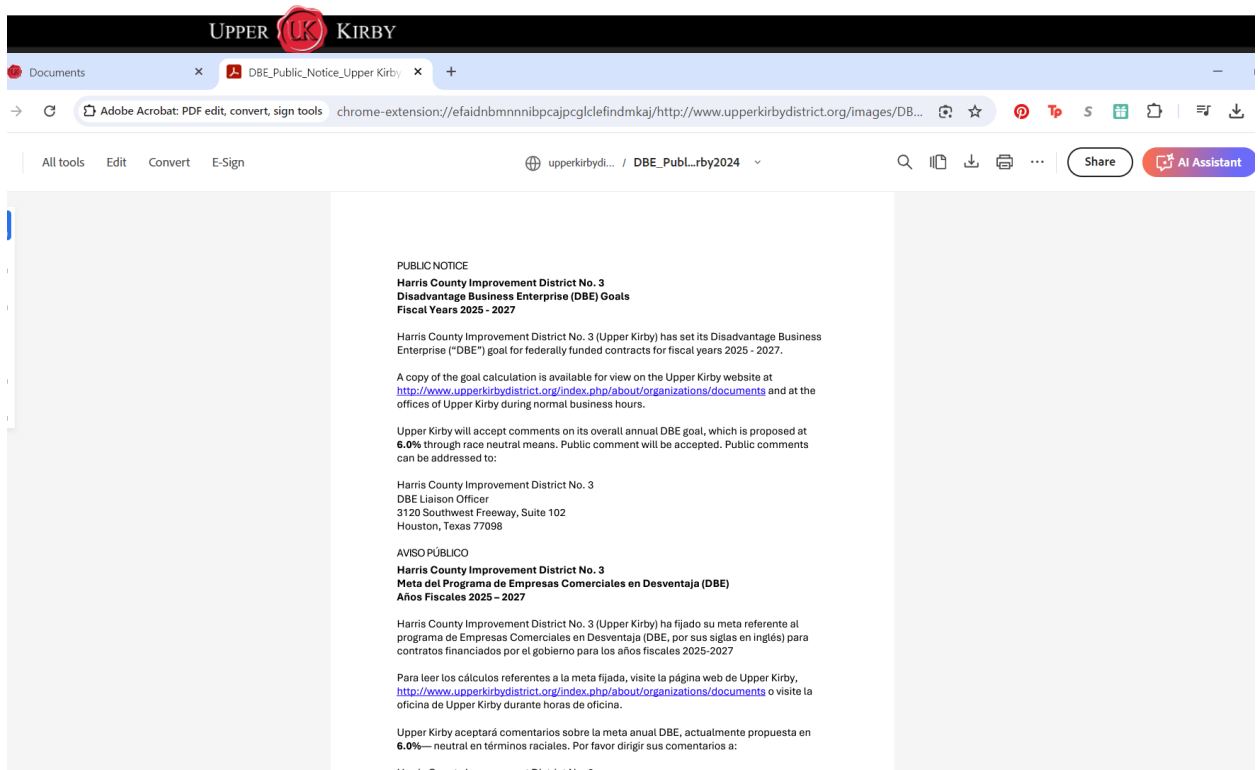
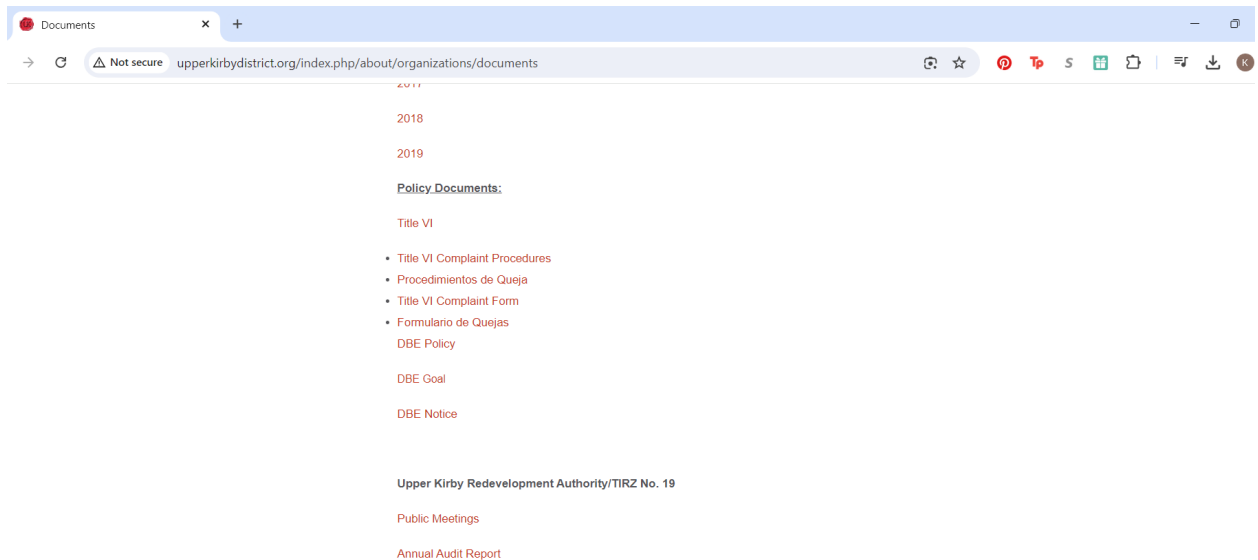
Upper Kirby Management District (Upper Kirby) ha fijado su meta referente al programa de Empresas Comerciales en Desventaja (DBE, por sus siglas en inglés) para contratos financiados por el gobierno para los años fiscales 2025-2027

Para leer los cálculos referentes a la meta fijada, visite la página web de Upper Kirby, <http://www.upperkirbydistrict.org/index.php/about/organizations/documents> o visite la oficina de Upper Kirby durante horas de oficina.

Upper Kirby aceptará comentarios sobre la meta anual DBE, actualmente propuesta en **6.0%**—neutral en términos raciales. Por favor dirigir sus comentarios a:

Upper Kirby Management District
DBE Liaison Officer
3120 Southwest Freeway, Suite 102
Houston, Texas 77098

ATTACHMENT 3 WEBSITE NOTICE



DBE_Goal_Setting_Upper Kirby

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Harris County Improvement District No. 3 (Upper Kirby)

Overall Goal Calculation – FY 2025-2027

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