

OVERALL GOAL CALCULATION

The process used by the City of Conroe (Conroe) to establish its DBE goal for fiscal year (FY) 2019 through 2021 is summarized below. Conroe 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 Conroe's FTA assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects Conroe's expected level of participation by DBEs.

Step 1 – Establish Base Goal

Conroe considered all the possible FTA assisted contracting opportunities for award in FY 2019 through 2021 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. Conroe 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, Fort Bend, Galveston, Harris, Montgomery and Waller Counties. Conroe reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2016 US Census County Business Patterns. The firms that have physical addresses within the Houston Work District are listed in **Attachment 5**.

Conroe anticipates the following contracting opportunities to occur within the next three fiscal years: operations contract for turnkey fixed route and complementary ADA paratransit service; transportation planning contract; and a sidewalk construction project.

Conroe used the suggested calculation tables to determine the weighted base goal. There are two pedestrian construction projects 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
541611	Administrative management and general management consulting services
485113	Bus and other motor vehicle transit systems
8111	Automotive repair and maintenance

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	Pedestrian-Transit Construction Project	\$750,000.00	0.0819
2)	237310	Pedestrian-Transit Construction Project	\$500,000.00	0.0546
3)	238210	Pedestrian-Transit Construction Project	\$1,000,000.00	0.1092
4)	238910	Pedestrian-Transit Construction Project	\$500,000.00	0.0546
5)	238990	Pedestrian-Transit Construction Project	\$2,250,000.00	0.2458
6)	541611	Transit Planning Consultants	\$750,000.00	0.0819
7)	485113	Operations Contract for Fixed Route Bus and ADA Paratransit Services	\$2,892,011.00	0.3159
8)	8111	Operations Contract for Fixed Route Bus and ADA Paratransit Services	\$511,413.00	0.0559
Total FTA-Assisted Contract Funds			\$9,153,424.00	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	Pedestrian-Transit Construction Project	0	73	0.0000
2)	237310	Pedestrian-Transit Construction Project	58	127	0.4567
3)	238210	Pedestrian-Transit Construction Project	37	1029	0.0360
4)	238910	Pedestrian-Transit Construction Project	37	349	0.1060
5)	238990	Pedestrian-Transit Construction Project	26	530	0.0491
6)	541611	Transit Planning Consultants	0	9	0.0000
7)	485113	Operations Contract for Fixed Route Bus and ADA Paratransit Services	21	1804	0.0116
8)	8111	Operations Contract for Fixed Route Bus and ADA Paratransit Services	13	2603	0.0050
Combined Totals			255	7377	0.0346

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	221310	Pedestrian-Transit Construction Project	0.08194	x	0.00000	0.0000
2)	237310	Pedestrian-Transit Construction Project	0.05462	x	0.45669	0.0249
3)	238210	Pedestrian-Transit Construction Project	0.10925	x	0.03596	0.0039
4)	238910	Pedestrian-Transit Construction Project	0.05462	x	0.10602	0.0058
5)	238990	Pedestrian-Transit Construction Project	0.24581	x	0.04906	0.0121
6)	541611	Transit Planning Consultants	0.08194	x	0.00000	0.0000
7)	485113	Operations Contract for Fixed Route Bus and ADA Paratransit Services	0.31595	x	0.01164	0.0037
8)	8111	Operations Contract for Fixed Route Bus and ADA Paratransit Services	0.05587	x	0.00499	0.0003
Total						0.0507
Expressed as a % (*100)						5.07%
Rounded, Weighted Base Figure:						5%

Step 2 – Base Goal Adjustment

Previously, Conroe had an FTA-approved DBE goal of 3.88%. This DBE goal was 2.21% from race-neutral and 1.67% from race-conscious participation. Based on the statistical analysis conducted under Step 1, Establish Base Goal, Conroe will use the 5% goal as the established rounded, weighted base goal. For the past four fiscal years, Conroe has awarded \$2,273,632 in contracting opportunities. Conroe awarded \$400,455, or 17.6%, to DBE subcontractors over the past three fiscal years. There were no contracting opportunities in FY 2016 or FY 2017.

	Past Participation
FY 2015	2.8%
FY 2016	0.0%
FY 2017	0.0%
FY 2018	22.9%
Median	12.9%

Conroe took the median of the two years that had federal procurements (FY 2015 and FY 2018). Conroe 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	5%
Rounded Median Past Performance Percentage	13%
Total	18%
Adjusted DBE Goal	
9%	

Conroe had both race-conscious and race-neutral participation over the past four fiscal years. Conroe obtained 1.6% of race-conscious DBE participation and 16.0% of race-neutral DBE participation. Race-conscious DBE participation made up 9.1% of the overall DBE participation. Race-neutral DBE participation made up 90.9% of the overall DBE participation. Conroe will strive to obtain those same percentages in the new adjusted DBE Goal, or 0.8% by race-conscious means and 8.2% by race-neutral means.

Conroe will set the DBE goal at 9.0% based on past performance and monitor how much DBE participation occurs over the next three (3) years. Conroe will obtain 8.2% from race-neutral participation and 0.8% from race-conscious participation. This adjusted goal is Conroe's overall program goal for the next three fiscal years.