

## PUBLIC NOTICE

### PUBLIC NOTICE

East End District

**Disadvantage Business Enterprise (DBE) Goals**

**Fiscal Years 2024 - 2026**

East End District (EED) has set its Disadvantage Business Enterprise (“DBE”) goal for federally funded contracts for fiscal years 2024 - 2026.

A copy of the goal calculation is available for view on the EED website at <https://www.eastenddistrict.com/news/public-notices/>.

EED will accept comments on its overall annual DBE goal, which is proposed at **8.27%** through race-neutral means. Public comments can be addressed to:

East End District  
DBE Liaison Officer  
3211 Harrisburg Boulevard  
Houston, TX 77003  
[hello@eastenddistrict.com](mailto:hello@eastenddistrict.com)

### AVISO PÚBLICO

East End District

**Meta del Programa de Empresas Comerciales en Desventaja (DBE)**

**Años Fiscales 2024 – 2026**

East End District (EED) 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 2024-2026.

Para leer los cálculos referentes a la meta fijada, visite la página web de EED, <https://www.eastenddistrict.com/news/public-notices/>.

EED aceptará comentarios sobre la meta anual DBE, actualmente propuesta en **8.27%**—neutral en términos raciales. Por favor dirigir sus comentarios a:

East End District  
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**OVERALL GOAL CALCULATION  
FISCAL YEAR (FY) 2024-2026**

*The process used by East End District (EED) to establish its Disadvantaged Business Enterprise (DBE) goal for fiscal year (FY) 2024 through 2026 is summarized below. EED 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 EED's FTA assisted contracts, which is referred to as relative availability of DBEs and establishes the base goal. The goal reflects EED's expected level of participation by DBEs.*

**STEP 1 – ESTABLISH BASE GOAL**

EED 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. EED 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. EED established this market area due to the availability of contractors in the area and the size and cost of the projects projected. EED reviewed the total firms in the same counties in the TxDOT Houston Work District in the 2021 US Census County Business Patterns.

EED does not provide transit operations but does receive federal funding through grants for pedestrian improvements to support access to transit. EED has two federally funded design and construction projects expected within the next three years.

EED used the suggested calculation tables to determine the weighted base goal. There are two pedestrian design and construction projects programmed within the next three years. Tasks involved in this project include engineering services, sidewalk construction, curb construction, electrical installation, site preparation, construction management, and other construction items.

Each NAICS Code is defined in the table below.

NAICS Code	Definition	Sample Activities
541330	Engineering Services	Sidewalk Design
237310	Highway, Street, and Bridge Construction	Public sidewalk, curbs and street gutters, highway, road and street construction; Concrete paving (i.e., highway, road, street, public sidewalk)
237990	Other Heavy and Civil Engineering Construction	Construction and Project Management
238210	Electrical Contractors and Other Wiring Installation Contractors	Highway, street and bridge lighting and electrical signal installation, Traffic signal installation, Lighting system installation
238910	Site Preparation Contractors	Grading construction sites, Dirt moving for construction, Concrete breaking and cutting for demolition, Culvert or bridge removal
238990	All Other Specialty Trade Contractors	Concrete paving, residential and commercial driveway and parking area, Culvert, concrete, residential and commercial paved area, Sidewalk construction, residential and commercial

EED does not have any subrecipients of federal funding.

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

Weighted NAICS Codes			
NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
541330	Lockwood Intermodal Sidewalks	\$136,896.00	0.0897
237310	Lockwood Intermodal Sidewalks	\$313,200.00	0.2052
237990	Lockwood Intermodal Sidewalks	\$84,932.00	0.0556
238210	Lockwood Intermodal Sidewalks	\$62,640.00	0.0410
238910	Lockwood Intermodal Sidewalks	\$93,960.00	0.0616
238990	Lockwood Intermodal Sidewalks	\$156,600.00	0.1026
541330	FY21-22 5310 Sidewalk	\$94,934.00	0.0622
237310	FY21-22 5310 Sidewalk	\$206,143.60	0.1351
237990	FY21-22 5310 Sidewalk	\$67,810.00	0.0444
238210	FY21-22 5310 Sidewalk	\$77,303.85	0.0506
238910	FY21-22 5310 Sidewalk	\$77,303.85	0.0506
238990	FY21-22 5310 Sidewalk	\$154,607.70	0.1013
<b>Total FTA-Assisted Contract Funds</b>		<b>\$1,526,331.00</b>	<b>1.0000</b>

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

<b>Firm Relative Availability</b>				
<b>NAICS Code</b>	<b>Project</b>	<b>Number of DBEs available to perform this work</b>	<b>Number of all firms available (including DBEs)</b>	<b>Relative Availability</b>
541330	Lockwood Intermodal Sidewalks	90	1,959	0.0459
237310	Lockwood Intermodal Sidewalks	24	158	0.1519
237990	Lockwood Intermodal Sidewalks	8	91	0.0879
238210	Lockwood Intermodal Sidewalks	9	1,170	0.0077
238910	Lockwood Intermodal Sidewalks	20	390	0.0513
238990	Lockwood Intermodal Sidewalks	25	583	0.0429
541330	FY21-22 5310 Sidewalk	90	1,959	0.0459
237310	FY21-22 5310 Sidewalk	24	158	0.1519
237990	FY21-22 5310 Sidewalk	8	91	0.0879
238210	FY21-22 5310 Sidewalk	9	1,170	0.0077
238910	FY21-22 5310 Sidewalk	20	390	0.0513
238990	FY21-22 5310 Sidewalk	25	583	0.0429
<b>Combined Totals</b>		<b>350</b>	<b>8,702</b>	<b>0.0405</b>

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

<b>Weighted Base Figure</b>					
<b>NAICS Code</b>	<b>Project</b>	<b>Weight</b>	<b>x</b>	<b>Availability</b>	<b>Weighted Base Figure</b>
541330	Lockwood Intermodal Sidewalks	0.0897	x	0.0459	0.0041
237310	Lockwood Intermodal Sidewalks	0.2052	x	0.1519	0.0312
237990	Lockwood Intermodal Sidewalks	0.0556	x	0.0879	0.0049
238210	Lockwood Intermodal Sidewalks	0.0410	x	0.0077	0.0003
238910	Lockwood Intermodal Sidewalks	0.0616	x	0.0513	0.0032
238990	Lockwood Intermodal Sidewalks	0.1026	x	0.0429	0.0044
541330	FY21-22 5310 Sidewalk	0.0622	x	0.0459	0.0029
237310	FY21-22 5310 Sidewalk	0.1351	x	0.1519	0.0205
237990	FY21-22 5310 Sidewalk	0.0444	x	0.0879	0.0039
238210	FY21-22 5310 Sidewalk	0.0506	x	0.0077	0.0004
238910	FY21-22 5310 Sidewalk	0.0506	x	0.0513	0.0026
238990	FY21-22 5310 Sidewalk	0.1013	x	0.0429	0.0043
<b>Total</b>					<b>0.0827</b>
<b>Rounded Percentage</b>					<b>8.27%</b>

## STEP 2 – BASE GOAL ADJUSTMENT

### ***Past Participation***

EED had a DBE Goal from 2010 to 2012. EED submitted a DBE FY 2010 - 2012 annual goal for construction services of 22% to the Federal Transit Administration, Region VI. Two-thirds of the goal (14% of total FTA-related construction projects) was met through race-neutral methods and the remaining one-third (8% of total FTA-related construction projects) of the goal was met through race-conscious methods. EED set a DBE goal of 24% for professional services in FY 2010 – 2012. Two-thirds of the goal (17% of total FTA-related professional services) of the goal was met through race-neutral methods and the remaining one-third (7% of total FTA-related professional services) of the goal was met through race-conscious methods. The previous goal was developed by researching the DBE policies/goals for several DOT-assistance recipients in the Houston region including the City of Houston, Houston-Galveston Area Council (H-GAC) and other management districts and not through the weighting process since developed by the FTA.

### ***Market Studies***

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

<b>City of Houston</b>	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.
<b>Metropolitan Transit Authority of Harris County (METRO)</b>	<p>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.</p> <p>The Study provided both race-neutral and race-conscious recommendations. For race-neutral recommendations, the Study promotes 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 M/WBEs, developing quarterly participation report, assessing penalties to nonattainment, and providing more training to staff.</p>

<p><b>Harris County</b></p>	<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> <p>The first recommendation is to implement more race neutral measures, including increased vendor communication and outreach to M/WBEs and small firms. EED will notify minority business organizations, such as Houston Minority Business Development Agency or the Houston Minority Supplier Development Council, about potential contracting, or subcontracting opportunities. Another recommendation is to set race-conscious goals, due to the demonstrated disparity, if participation is not received in the first contract.</p>
<p><b>Port of Houston</b></p>	<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, 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**

EED will keep the DBE goal at 8.27% based on the lack of past performance in the last decade and will monitor how much DBE participation occurs over the next three (3) years. Based on the information from the disparity studies, EED feels confident that the District can meet the DBE Goal with the two projected design and construction contract. As such, EED believes that they can meet this DBE Goal 100% race neutrally.

## **BREAKDOWN OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION**

EED will meet the maximum feasible portion of its overall goal by using both race-neutral and race-conscious means of facilitating DBE participation. EED uses race-neutral means, including but not limited to contacting 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.

*EED estimates that, in meeting our overall goal of **8.27%**, EED will obtain 100.0% from race-neutral participation and 0.0% from race-conscious participation.*

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

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

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

*If EED revises its program and uses contract goals, EED 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.*