

# **FY 2023-2025 FTA Disadvantaged Business Enterprises Goal Setting Public Meeting**

**Presented by  
METRO's Office of Small Business  
June 9, 2022**

# METRO Small Business Program Policy

- Promotes equal opportunity and non-discrimination in METRO's procurement activities
- Created to provide opportunities for small and disadvantaged businesses
- Race and gender neutral
- Small Business certification based on personal net worth and industry size standards

# OFFICE OF SMALL BUSINESS

- Serves as an advocate for small and disadvantaged businesses
- Supports activities to maximize participation in METRO's procurement and contracting activities
- Provides information, training and outreach regarding opportunities for SB/DBE participation on METRO contracts
- Monitors SB/DBE utilization on contracts with participation goals

# METRO Goals

- Small Business Goals
  - Established on a contract-by-contract basis
  - 35% small business annual commitment
  - No DBE goals on contracts
- DBE Triennial Goals
  - FTA mandated reporting only
  - Calculation in accordance with FTA regulations
  - Projection of Federally funded projects in FY23-FY25
  - Determined by available DBEs and total firms

# SB/DBE Participation on Contracts with SB Goals FY19 – FY21

Year	Total Awards		SB/DBE Commitment	% SB/DBE Commitment
FY19	\$	97,223,464	\$ 49,440,932	51%
FY20	\$	81,366,406	\$ 46,118,786	57%
FY21	\$	532,458,409	\$ 128,503,802	25%

# Purpose Of Public Meeting

- Section 49 Code of Federal Regulations Part 26 requires METRO to establish an overall goal for FY 2023-2025 for participation of Disadvantaged Business Enterprises (DBE's) in its contracts which are funded by the Federal Transit Administration.

# DBE GOAL SETTING PROCESS

# How is the DBE Triennial Goal Set?

Step One – Development of Base Figure

Step Two – Adjusting the Base Figure



# Step One – Development of Base Figure

1. Identified the anticipated fiscal year 2023 - 2025 federally funded projects.
2. Identified the applicable NAICS Codes from the anticipated projects.
3. Identified the applicable DBE firms based on NAICS Codes.
4. Identified the applicable firms available in our region based on NAICS Codes.
5. Calculated DBE availability based on above numbers.
6. Calculated weighted average of projects and DBE availability for each type of work.

# **Anticipated fiscal year 2023 –2025 federally funded projects**

**Budget: \$2,246,258,298**

# Projects FY2023 – FY2025

- Northline Transit Center and Parking Garage
- Maintenance of Way (MOW)
- West Bellfort Park & Ride Lot
- Southeast Line – EaDo/Elgin/MacGregor/ Palm
- Burnett Transit Center Elevator
- Bus Stop Accessibility/Site Improvements
- BOOST – Scott
- BOOST – Airline/Montrose
- BOOST – Westheimer
- Inner Katy BRT Line/Downtown to Northwest Mall
- University BRT Corridor
- General Planning Consultant

# Ratio of DBE Firms Availability

NAICS	Description	2019 Census Firms - 13 Counties	Certified TUCP DBE Firms – Houston District	Relative Availability
236220	Commercial and institutional building construction	848	89	10.50%
237110	Water and sewer line and related structures construction	223	65	29.15%
237310	Highway, street, and bridge construction	149	105	60.61%
238110	Pour concrete foundation and structural contractors	311	52	16.72%

# Ratio of DBE Firms Availability

NAICS	Description	2019 Census Firms - 13 Counties	Certified TUCP DBE Firms – Houston District	Relative Availability
238210	Electrical contractors and other wiring installation contractors	1,177	49	4.16%
238220	Plumbing, heating, and air-conditioning contractors	1,757	17	0.97%
238290	Other building equipment contractors	157	3	1.91%
238910	Site Preparation contractors	423	52	12.29%

# Ratio of DBE Firms Availability (cont.)

<b>NAICS</b>	<b>Description</b>	<b>2019 Census Firms - 13 Counties</b>	<b>Certified TUCP DBE Firms – Houston District</b>	<b>Relative Availability</b>
334292	Other communication equipment manufacturers	3	0	0.00%
531210	Offices of real estate agents and brokers	2,069	9	0.43%
541330	Engineering services	2,003	139	6.94%
561730	Landscaping services	1,049	37	3.53%
561990	All other support services	154	23	14.94%

# Ratio of Potential Projects to DBE Availability

Category	Projects	Weighted Project Value	Relative Availability of DBE Firms	Weighted %
Construction	\$1,761,929,381	78.4%	8.56%	6.71%
Engineering	\$292,815,313	13.0%	6.94%	0.90%
Professional Services	\$28,584,004	1.3%	4.99%	0.06%
Real Estate, Rental & Leasing	\$162,929,597	7.3%	0.43%	0.03%
<b>Totals</b>	<b>\$2,246,258,298</b>	<b>100.0%</b>		<b>7.71%</b>

# Step One – Base Figure

**7.71%**



# Step Two – Adjusting the Base Figure

## Evidence Considered

Calculate the MEDIAN of the METRO Historical DBE participation

Calculate the average of the Base Figure and Median

# Adjustment Factor – Historical DBE Participation

FY19	35%
FY20	24%
FY21	21%
<b>MEDIAN</b>	<b>24%</b>

# PROJECTED DBE GOAL FOR FY23 – FY25

$$(7.71\% + 24\%) / 2 = 16\%$$

# Comments

- METRO and the Federal Transit Administration will accept written comments on the established goal through July 29, 2022.
  - Metropolitan Transit Authority  
Office of Small Business  
Attention: Karen Hudson  
P. O. Box 61429  
Houston, Texas 77028-1429
  - Federal Transit Administration  
Attention: Gail Lyssy  
819 Taylor St., Room 14A02  
Fort Worth, TX 76102

# Notice of Proposed Goal for the Participation of Disadvantaged Business Enterprises in Federal Transit Administration Assisted Contracts

As required by Section 49 Code of Federal Regulations Part 26, the Metropolitan Transit Authority of Harris County has determined a proposed overall goal of 16% for the participation of Disadvantaged Business Enterprises (DBEs) in its FY23 – FY25 contracts which are funded by U.S. Department of Transportation.

The proposed goal and its rationale are available for inspection during normal business hours at the Metropolitan Transit Authority's Headquarters, 1900 Main Street, Houston, Texas 77002; in Room 2021 and at <https://www.ridemetro.org/Pages/SB-FormsTemplates.aspx>. The Metropolitan Transit Authority of Harris County and the Federal Transit Administration will accept written comments on the proposed goal through July 29, 2022.

Written comments may be directed to Metropolitan Transit Authority Office of Small Business, Attention: Karen Hudson, P.O. Box 61429, Houston, Texas 77208-1429 or Federal Transit Administration: Attention: Gail Lyssy, Regional Administrator, Region VI, Federal Transit Administration, 819 Taylor Street, Room 14A02, Fort Worth, TX 76102.