

FFY 2014 – 2016 Proposed DBE Goal for George Bush IAH

Presented by

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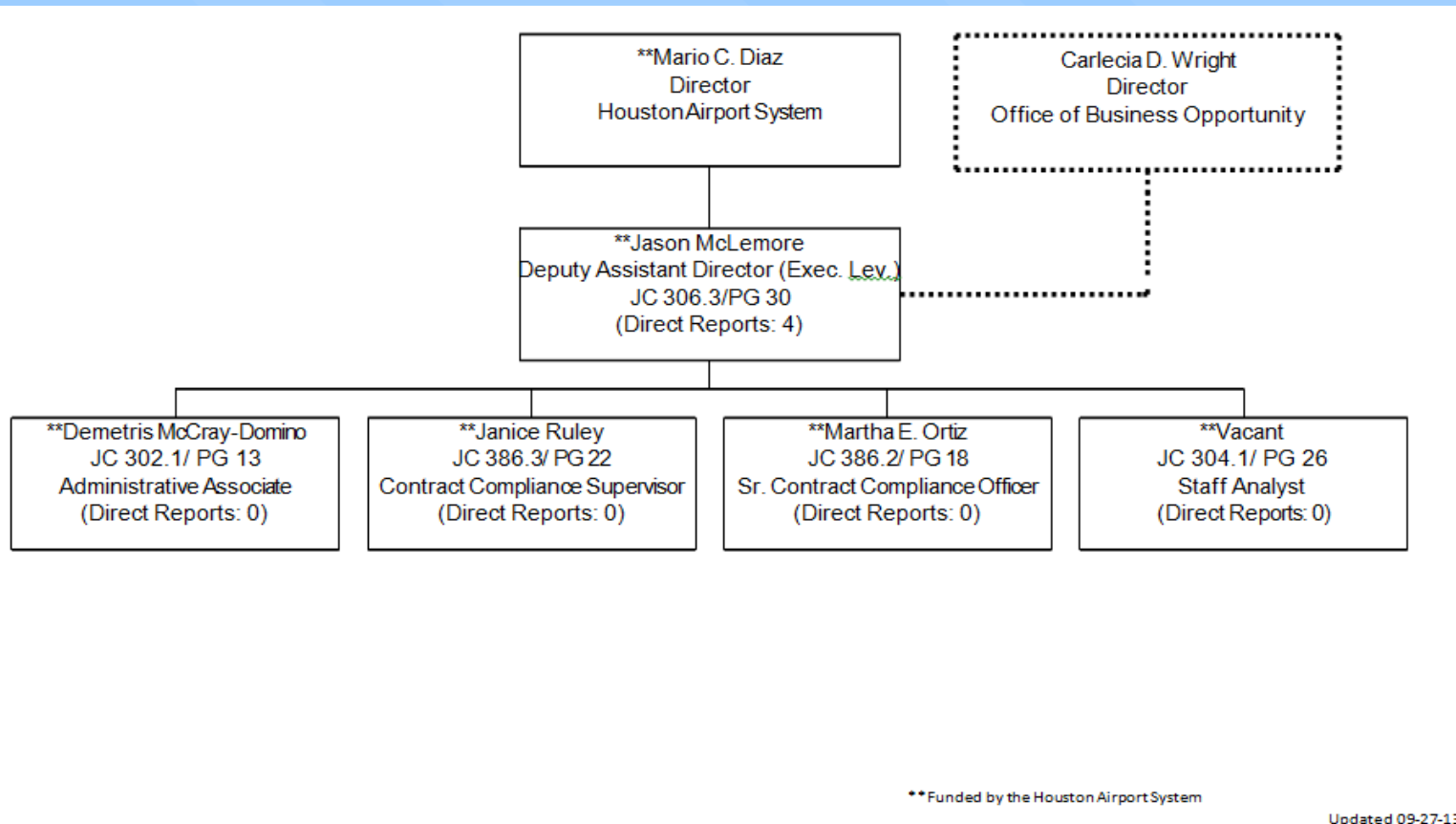
Houston Airport System Office of Business Opportunity Mission

The Houston Airport System's Office of Business Opportunity (HAS-OBO) is committed to creating a competitive and diverse business environment in the City of Houston by promoting the growth and success of local small businesses, with special emphasis on historical underutilized groups by ensuring their meaningful participation in the government procurement process.

- Fosters DBEs' and M/W/S/PDBEs' participation in the procurement process.
- Creates an environment that removes barriers for contracting opportunities.
- Eliminates discrimination.
- Provides tools necessary for DBEs and M/W/S/PDBEs to successfully compete for contracts within the Houston Airport System.



HAS-OBO Organizational Structure



Current DBE Goal

The United States Department of Transportation requires recipients who receive more than \$250,000 in federal funds to establish a Disadvantaged Business Enterprise Plan and set triennial goals for all federally-assisted projects.

On July 28, 2010, the Houston City Council approved the DBE Triennial Goal for HAS of 24.74% for the participation of Disadvantaged Business Enterprises (DBEs) on its Houston Airport System contracts; funded (wholly or in part) by the U.S. Department of Transportation (DOT). This goal is effective October 1, 2010 thru September 30, 2013.

Of the 24.74% overall goal, 1.0% is race/gender neutral.



Proposed FFY 2014 - 2016 DBE Goal

Title 49 of the Code of Federal Regulations (49 CFR), Part 26, requires the calculation of separate goals for George Bush IAH, William P. Hobby, and Ellington Field Airports.

HAS anticipates that it will receive AIP funds from the Federal Aviation Administration (FAA) in excess of \$250,000 for IAH during FFY 2014 – 2016.

HAS does not anticipate receiving any federal funds for William P. Hobby or Ellington Field Airports during FFY 2014 – 2016.



Proposed FFY 2014 - 2016 DBE Goal

Pursuant to 49 CFR, Part 26, the City of Houston's Office of Business Opportunity and Houston Airport System have analyzed the criteria required by the federal authorities to determine the following proposed DBE goal for the period of October 1, 2013 to September 30, 2016 for George Bush IAH.

29%

Of the 29% overall goal, it is anticipated that 3.7% will be achieved by race/gender neutral means, respectively.



Methodology for Setting Goals FFY 2014 – FY 2016

Step I: Determine the number of ready, willing, and able DBEs in your market that perform work (Base Figure).

Base
Figure



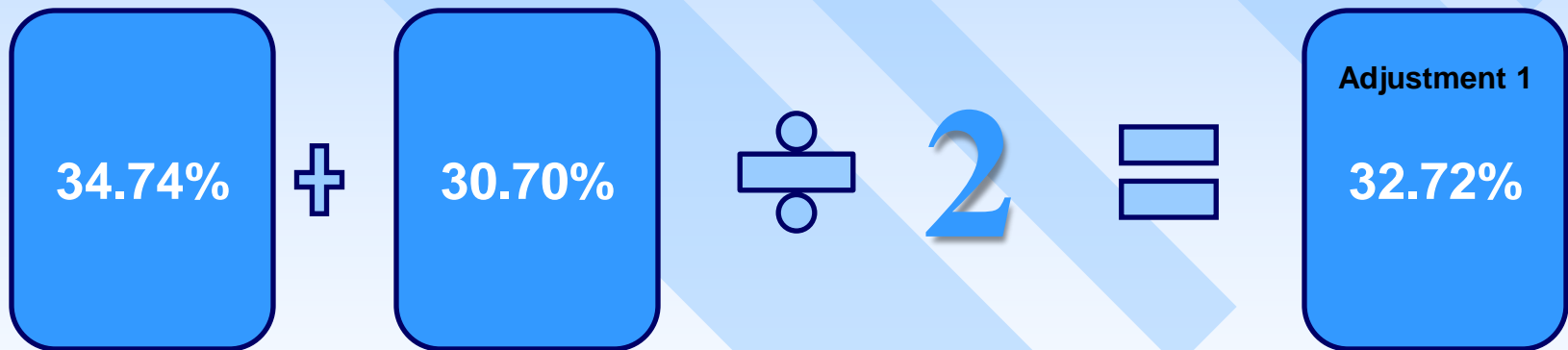
HAS used the City of Houston Disparity Study published in April, 2012 as the Base Figure of ready, willing, and able DBEs in this market. The Study determined that this market has an availability of 34.7% M/WBEs.



Methodology for Setting Goals FFY 2014 – FY 2016

Step 2: Examine all of the evidence available in your jurisdiction to determine what adjustment, if any, is needed to the base figure.

(Base Figure 34.74% + Weighted Availability 30.70%)/2 = 32.72%



Methodology for Setting Goals FFY 2014 – FY 2016

Step 2 (Adjustment 1): Weighted Availability

**Weighted
Availability**

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To determine weighted availability the Percent (%) of Work for each NAICS Codes on IAH federally assisted contracts is multiplied with the percentage of available DBEs (Texas Unified Certification Program Database of Certified DBEs)



Methodology for Setting Goals FFY 2014 – FY 2016

Step 2: Adjustment 1 Raw Data and Calculation

NAICS Codes	Description	% of Work	Budget Amounts	DBEs	All Firms	DBE Availability	Weighted Availability
237310, 238110	Airport Runway Construction, poured concrete/ demolition Structural Foundataion	40%	\$ 48,610,957	0	335	0.00%	0.00%
238,910	Site Preparation Contractors including Concrete breaking and cutting for demolition	33%	\$ 40,355,430	188	303	62.05%	20.40%
238210	Electrical Contractors including runway lighting, Electrical Fiber Cabling	10%	\$ 12,095,383	140	918	15.25%	1.50%
236220	General Conditions	3%	\$ 3,550,385	325	742	43.80%	1.27%
237110	Water and Sewer Line and Related Structures Construction	9%	\$ 10,809,460	151	180	83.89%	7.39%
541330, 541370, 518210, 514330, 541360, 541512	Engineering Services, Civil Engineering, Surveying and Mapping Services, Topgraphic, Mapping Services	1%	\$ 750,000	699	2,988	23.39%	0.14%
486910	Gasoline Pepeline Transportation	5%	\$ 6,577,623	0	47	0.00%	0.00%
TOTAL		100%	\$ 122,749,237				30.70%
$[0.4 (0/335) + 0.33 (188/303) + 0.10 (140/918) + 0.03 (325/742) + 0.09 (151/180) + 0.01(699/2988) + 0.05 (0/47)] \times 100$							
$[(.4 * 0) + (.33 * .6205) + (.1 * .1525) + (.03 * .4480) + (.09 * .8389) + (.01 * .2339) + (.05*0)] * 100$							
$[0 + .2023 + .0148 + .0131 + .0743 + .0014 + 0] * 100$							
$.3070 * 100 = 30.70\%$							

**Weighted
Availability**

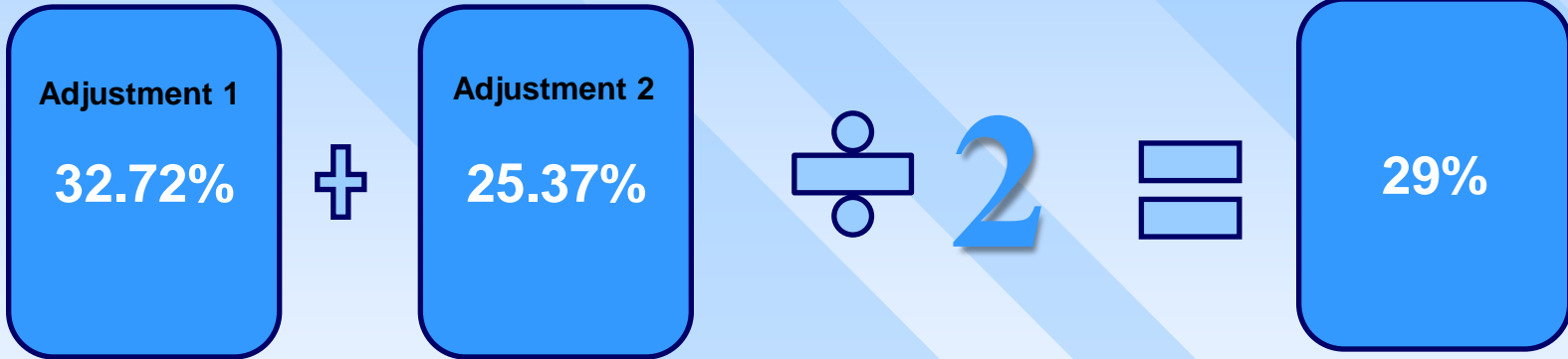
30.70%



Methodology for Setting Goals FFY 2014 – FY 2016

Step 2: Adjustment 2

(Base Figure/Weighted Availability 32.72% + Average Past Participation 25.37%) /2= 29%



Establishing a Race/Gender Neutral Goal FFY 2014 – FY 2016

Minority participation for Federal Fiscal Years 2006 – 2012 were reviewed and the average was used to determine how much the overall DBE goals were exceeded in the past.

Based on this data, the proposed FFY 2014 – 2016 Race/Gender Neutral Goal has been established at 3.7%.



Establishing a Race/Gender Neutral Goal FFY 2014 – FY 2016

Past Performances
Federal Fiscal Years 2006 – 2012

Fiscal Year	Actual Participation	Overall DBE Goal	Differences
2006	33.10%	19.00%	14.10%
2007	18.10%	20.80%	-2.70%
2008	21.20%	21.80%	-0.60%
2009	18.50%	20.30%	-1.80%
2010	25.40%	20.28%	5.12%
2011	23.53%	24.74%	-1.21%
2012	37.74%	24.74%	13.00%
Average	25.37%	21.67%	3.70%



Stakeholders Opportunity

Two public informational meetings were held to provide an overview of HAS DBE program and DBE goals.

- On May 7, 2013 at the Humble Civic Center a public meeting was held to allow stakeholders and interested parties an opportunity to ask questions about the HAS DBE program and provide feedback on HAS goal setting process.
- On September 6, 2013 at the Hobby Double Tree Hilton Hotel to allow stakeholders and interested parties a chance to opine on opportunities and the proposed FFY 2014 – 2016 goal.



Questions



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