

# M/WBE Utilization SFY22 Annual Report

*Transmitted to Commissioners Court on January 31, 2023*

Diana Ramirez Executive Director

Jack Thomas Director, Inclusive Procurements



# ABOUT THIS REPORT

This report is the County's third M/WBE Utilization report to include contract dollars awarded to Minority- and Women-owned Business Enterprises (M/WBE) by Harris County. This report serves as a benchmarking and monitoring tool in assessing M/WBE participation and identifying areas for greater inclusion. It is based on program data available after the program's first year.

This report is divided into six sections:

- I. Preliminary Observations
- II. M/WBE Utilization in Contract Awards (March 2022 - September 2022)
- III. Action Items for Harris County's M/WBE Program
- IV. Appendices
  - 1. Overview of Harris County's M/WBE Program
  - 2. Methodology

# Preliminary Observations

- Utilization of M/WBEs in County procurements is stable at approximately 19.5% over the program's first 16 months of operation.
- While utilization of Black-Owned Firms increased for Subcontracts during the Short Fiscal Year, their utilization as Prime Contractors declined.
- The stability in the overall utilization of M/WBEs means that if one M/WBE type increases its share of county contract awards, it is at the expense of another type of M/WBE firm.
- The work of goal-setting, while important, is insufficient to get us to our aspirational goal of 30% of contracts being awarded to qualified M/WBEs.
- Growing the pool of certified M/WBE firms and expanding their capacity to compete for County work is critical.
- There is a need to add enforcement mechanisms to the M/WBE policy to ensure accountability.

# M/WBE Utilization in Contract Awards

(March - September 2022)

# Total Contracts Awarded to M/WBE

During Short Fiscal Year 2022, certified M/WBEs received 19.5% of all contract dollars awarded. It is virtually the same rate as reported during last period (19.7%)

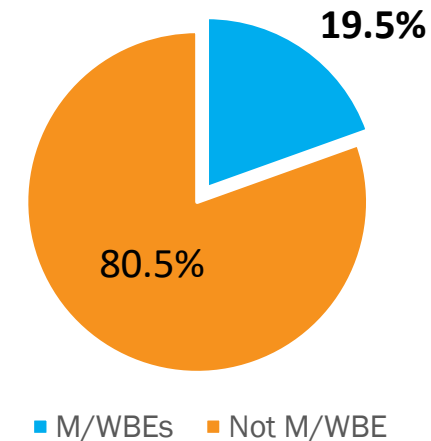
This is a 115% increase from the 2020 Disparity Study findings

\* See exclusions in the methodology notes.

## Total Contract Awards

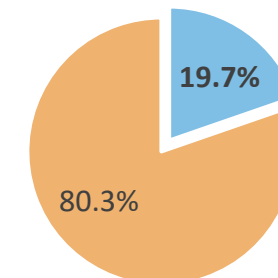
March - September 2022

Total: \$885M\*



June 2021 - February 2022

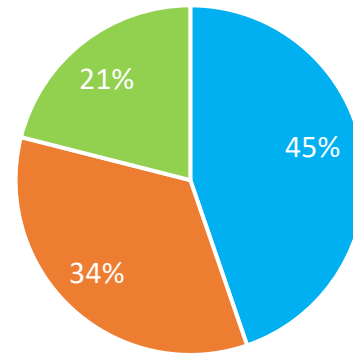
Total: \$966M\*



# Total Contracts Awarded by Type

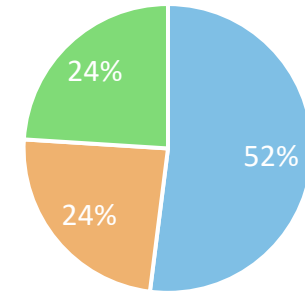
*March – September 2022  
(SFY22)*

Total Contracts Awarded  
March - September 2022  
\$885M



- Construction (\$396M)
- Goods and Services (\$303M)
- Professional Services (\$186M)

June 2021 - February 2022  
\$966M



- Construction (\$505M)
- Goods and Services (\$233.8M)
- Professional Services (\$227.3M)

566 Prime Contracts – 119 M/WBE Primes  
254 Subcontracts – 193 M/WBE Subcontractors  
820 Total Contracts - 312 have M/WBE participation

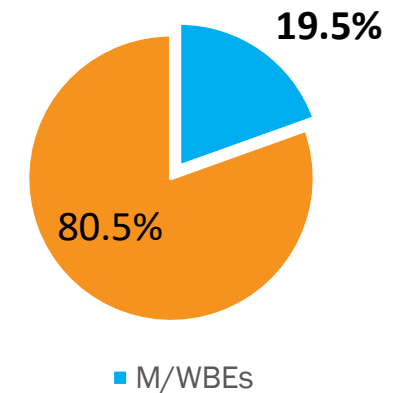
The County awarded most of its contract dollars in construction related projects (45%).

# Total Contract Awards by M/WBE Type

## Total Contract Awards

March - September 2022

Total: \$885M



Certified M/WBE contractors received 19.5% of the contract dollars awarded during this period. This is about the same as the rate reported last period.

This represented approximately \$173M\* awarded to M/WBEs and \$712M awarded to firms not certified as M/WBE.

\*The M/WBE award amount does not account for subcontractors under M/WBE Prime contract awards.

Year	M/WBE						Total M/WBE	Non-M/WBE
	Black	Hispanic	Asian	Native American	White Women	Disabled Veteran <sup>1</sup>		
2020 <i>Disparity Study</i>	0.50%	4.60%	0.60%	0.10%	3.20%	-	9.1%	90.9%
FY21 - 22 <i>(JUN - FEB)</i>	1.95%	11.47%	3.92%	0.10%	2.04%	0.29%	19.7%	80.3%
SFY22 <i>(MAR - SEP 2022)</i>	4.96%	6.06%	5.68%	0.03%	2.74%	-	19.5%	80.5%
Change	+	-	+		+			

<sup>1</sup>Service-Disabled Veteran is a type of HUB for white male veteran-owned firms.

# Total Prime Contractor Awards to M/WBE

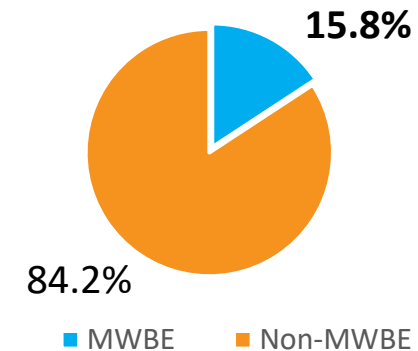
Certified M/WBE prime contractors received 15.8% of the contract dollars awarded during this period. This represented \$131M awarded to M/WBEs and \$698M awarded to firms not certified as M/WBE .

Certified M/WBE prime contractors can count the portion of work they expect to deliver as self-performance towards their M/WBE goals. They may also subcontract with M/WBE and non-M/WBE firms. Regardless of the team structure, there are many economic benefits to winning a contract as a prime contractor.

## Prime Contractor Awards

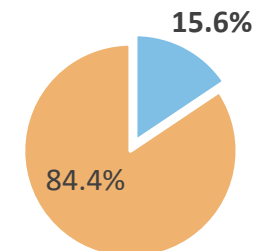
March - September 2022

Total Prime: \$828M



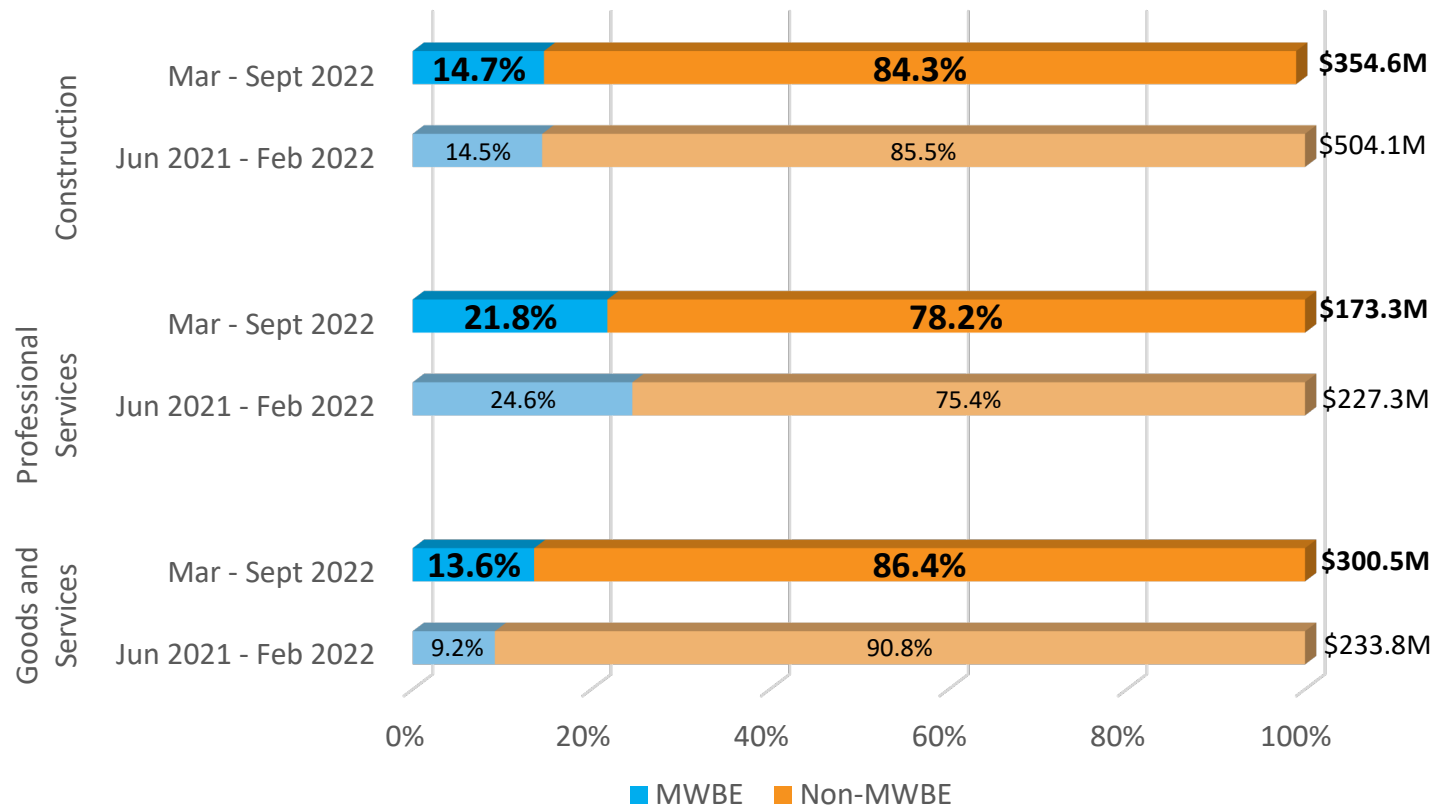
June 2021 - February 2022

Total: \$908M





# Prime Contractor Awards – By Contract Type



Over the two reporting periods

Prime contractor awards to M/WBE firms for:

- Construction contracts remained stable
- Professional Services dropped by 11.4%
- Goods & Services increased by 48%

DEEO is conducting further research into the data to determine why the awards shifted as they did.

# Prime Contractor Awards by M/WBE Type (%)

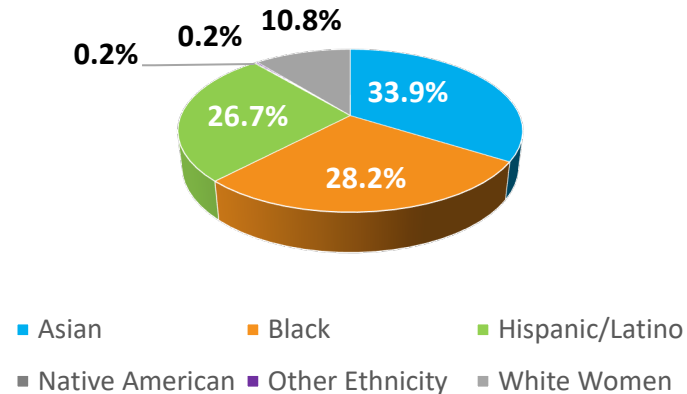
Asian-owned firms received about 1/3 of contracts awarded to M/WBE Primes. These firms were awarded the most contract dollars related to professional services and goods and non-professional services contracts.

Black-owned M/WBE firms were awarded the second most overall (28.2%) and second highest dollar amount related to construction and goods and non-professional services contracts.

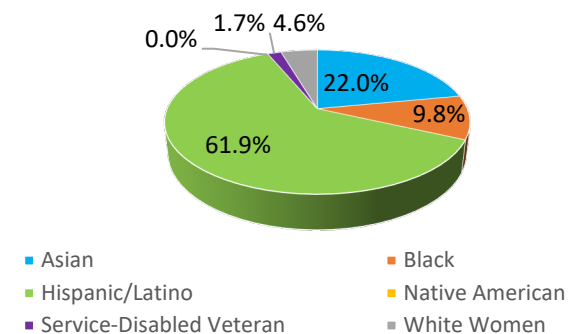
Hispanic-owned M/WBE firms were awarded the highest dollar amount related to construction contracts, and second highest dollar amount related to professional services contracts.

## M/WBE Businesses Awarded Total: \$131M

March - September 2022



Jun 2021 - Feb 2022



# Prime Contractor Awards by M/WBE Type (\$)

Contract Type	<i>Asian</i> (42 Contracts)	<i>Black</i> (29 Contracts)	<i>Hispanic</i> (24 Contracts)	<i>Native American</i> (1 Contracts)	<i>Other Ethnicity</i> (2 Contracts)	<i>White Women</i> (21 Contracts)
<b>Construction</b> (15 Contracts)	\$6,355,542	\$22,319,095	\$23,358,481	-	-	-
<b>Professional Services</b> (65 Contracts)	\$20,247,646	\$5,061,593	\$9,279,442	-	\$269,653	\$2,827,636
<b>Goods and Services</b> (39 Contracts)	\$17,720,265	\$9,394,421	\$2,266,129	\$232,000	-	\$11,296,932
<b>Total</b> (Mar- Sep 2022) (119 Contracts)	<b>\$44,323,453</b>	<b>\$36,775,109</b>	<b>\$34,904,052</b>	<b>\$232,000</b>	<b>\$269,653</b>	<b>\$14,124,568</b>
Total (Jun 2021 – Feb 2022)	\$33,102,810	\$14,725,236	\$93,142,998	-	-	\$6,965,109

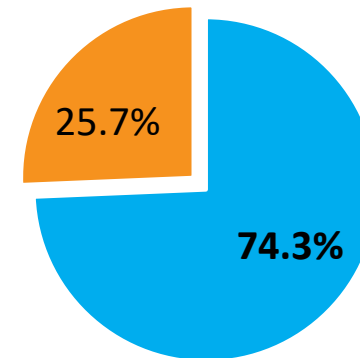
# Total Subcontractor Awards to M/WBE

The \$56.8M awarded to subcontractors represents 6.4% of the County's total awarded contracts of \$885M.

Certified M/WBE subcontractors received 74.3% of the total subcontract dollars awarded during this period. This represented \$42.2M awarded to M/WBEs and \$14.6M awarded to firms not certified as M/WBE.

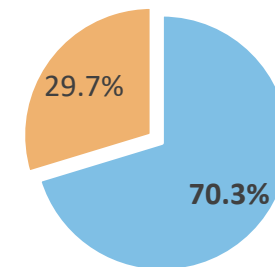
Since the County renews contracts annually, this M/WBE participation is likely to rise as contracts initially awarded prior to M/WBE goal setting expire.

Subcontractor Awards  
March - September 2022  
Total: \$56.8M



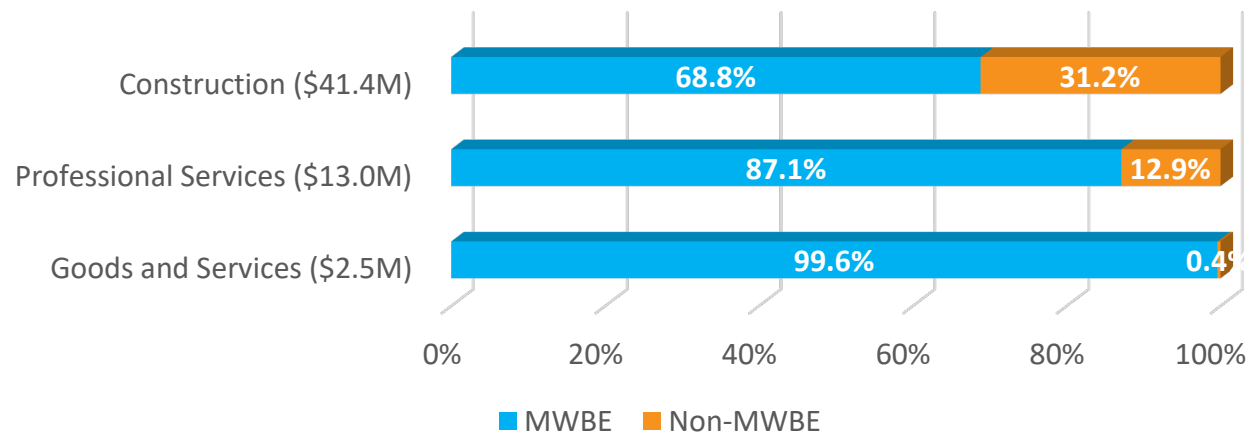
■ MWBE ■ Non-MWBE

June 2021 - February 2022  
Total: \$57.6M



# Subcontractor Awards - by Contract Type

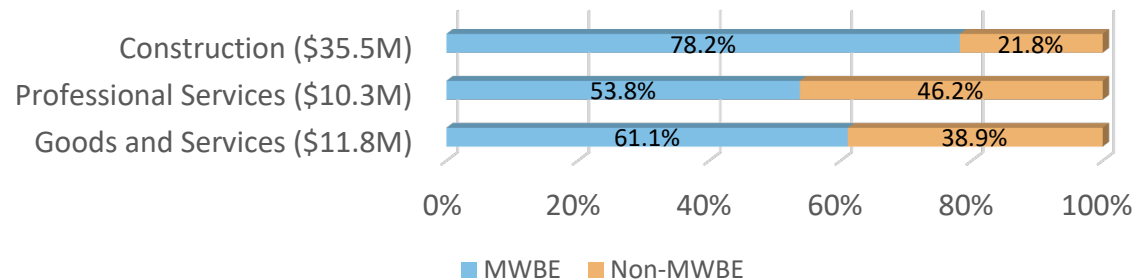
March - September 2022



This chart illustrates the awarded contracts to M/WBE subcontractors versus the contracts awarded to firms not certified.

During this report period, there were fewer goods and non-professional services contracts. Almost all goods and non-professional services contracts went to M/WBE subcontractors.

Jun 2021 - Feb 2022



# Subcontractor Awards by Contract Type (\$)

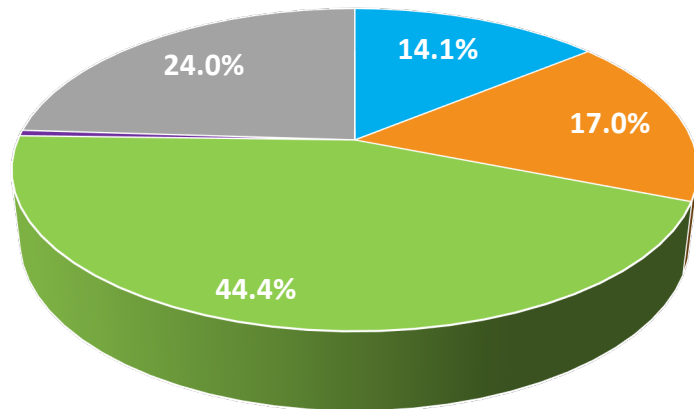
Contract Type	M/WBE (193 contracts)	Non-M/WBE (61 contracts)	Total Subcontract Award	% of Total Award	Total Award
Construction (91 contracts)	\$28,455,747	\$12,895,583	\$41,351,330	10.4%	\$395,997,656
Professional Services (133 subcontracts)	\$11,312,607	\$1,673,890	\$12,986,497	7.0%	\$186,252,578
Goods and Services (30 contracts)	\$2,462,361	\$9,839	\$2,472,200	0.8%	\$303,018,361
<b>Total by Certification</b>	<b>\$42,230,715</b>	<b>\$14,579,312</b>	<b>\$56,810,027</b>	<b>6.4%</b>	<b>\$885,268,595</b>

Data is for contracts awarded between March - September 2022.

# Subcontractor Awards by M/WBE Type (%)

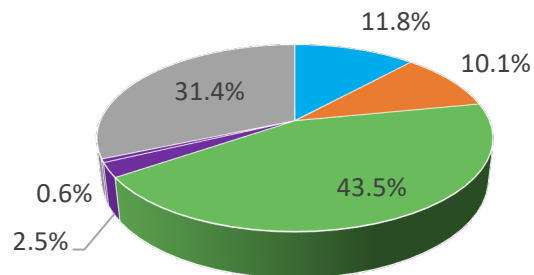
M/WBE Total Subcontractor Awards (\$56.8M)

March - September 2022



■ Asian ■ Black ■ Hispanic/Latino ■ Other Ethnicity ■ White Women

Jun 2021 - Feb 2022



Hispanic-owned firms received the bulk of contracts awarded to M/WBE Subcontractors (44.4%). These firms were awarded the most contract dollars related to construction contracts and second highest related to professional services contracts.

White Woman-owned firms were awarded the second most overall (24%). These firms had second highest dollar amount related to construction and highest dollar amount for goods and nonprofessional services contracts.

Asian-owned M/WBE firms were awarded the highest dollar amount related to professional services contracts.

# Subcontractor Awards by M/WBE Type (\$)

Contract Type	<i>Asian</i> (46 contracts)	<i>Black</i> (32 Contracts)	<i>Hispanic</i> (66 contracts)	<i>Other Ethnicity</i> (2 contracts)	<i>White Women</i> (47 contracts)
<b>Construction</b> (69 contracts)	\$204,640	\$4,834,570	\$15,229,293	\$217,000	\$7,970,244
<b>Professional Services</b> (96 contracts)	\$5,734,036	\$1,694,719	\$2,787,246	\$23,745	\$1,072,861
<b>Goods and Services</b> (28 contracts)	-	\$632,102	\$736,311	-	\$1,093,948
<b>Total</b>	\$5,938,676	\$7,161,391	\$18,752,850	\$240,745	\$10,137,052

Data is for contracts awarded between March – September 2022.



# Challenges & Action Items

# CHALLENGES & ACTION ITEMS

## Clarifying Roles & Responsibilities

DEEO is preparing a significant revision to the program's procedures manual to set clear roles, responsibilities and timelines for each part of the M/WBE Program: Goal setting, identifying NAICS codes, advising departments on unbundling contracts, utilization plan review, denial and appeals process, and review of RCAs.

## Improving Transparency and Reporting

DEEO is working with Universal Services and procuring departments to ensure all procurement data is entered into electronic systems and integrated to ensure Quality Assurance and Quality Control and allow for live dashboards to be created. A long-term solution is being pursued via the Procure2Pay project; Universal Services will support DEEO in an interim solution.

## Building M/WBE Capacity

DEEO is pursuing partnering opportunities to leverage limited resources to offer training to M/WBE firms; mailing the "Business Opportunity Weekly" to all M/WBEs registered in the County's procurement portal, Bonfire; working with legal counsel to identify alternatives to payment bonds and irrevocable letters of credit which are often unattainable for M/WBE firms.



[deeo.harriscountytexas.gov](http://deeo.harriscountytexas.gov)

## Bid Opportunities

### Weekly Notice of Competitive Bids

This is a joint effort between Harris County Purchasing and DEEO. Businesses are encouraged to register as vendors through the Harris County portal [harriscountytexas.bonfirehub.com](http://harriscountytexas.bonfirehub.com).



DEPARTMENT OF **ECONOMIC EQUITY** AND OPPORTUNITY

Harris County is requesting offers for the projects listed below. Offer requirements, including item description(s), submission due dates and times, type of pricing, payment method, and any bonding requirements, may be obtained online at [purchasing.harriscountytexas.gov](http://purchasing.harriscountytexas.gov), or in the Purchasing Agent's office. Return offers through the online system or to Harris County Purchasing Agent, 1111 Fannin, 12th Floor, Houston, Texas 77002, no later than 2:00 p.m. local time in Houston, Texas, on specified due dates.

## UPCOMING PROJECTS

M/WBE Goal	Job	Bids/Proposals Due January 30, 2023
0%	22/0404	Bad Debt Collection Services
0%	22/0407	Electric Vehicle Consulting Services and Installation of Charging Infrastructure
34%	22/0409	Early Out Collection Services
0%	22/0411	Drug and Alcohol Testing
17%	22/0424	Restoration and Mitigation Project at the Baldwin Boettcher Library, Precinct 3
★ 32%	22/0440	Asphalt Subdivision Roadway Rehabilitation for Aldine-Westfield Area, Precinct 1
0%	22/0450	Animal Feed and Related Items
0%	22/0451	Street Sweeping Services in Wade Camp, Precinct 2
★ 18.3%	22/0454	Renovations of the County Clerk's Office at the Civil Courthouse, Precinct 1
10%	22/0436	Turf Establishment, Vegetation Promotion, Mowing and Irrigation for Capital Projects (Mandatory Pre-Bid Conference on Tuesday, January 17, 2023)

M/WBE Goal	Job	Bids/Proposals Due February 6, 2023
★ 10%	23/0001	Construction of Prefabricated Pedestrian Bridge Replacement, Precinct
0%	23/0005	Sports Utility Vehicles
0%	23/0007	Uniforms and Related Items
★ 34%	23/0017	Outdoor Shade Structure Replacement Services and Related Items, Precinct 1
★ see RFP	23/0018	Professional Engineering Services for Lyndon B. Johnson Hospital Expansion Project

M/WBE Goal	Job	Bids/Proposals Due February 13, 2023
★ 9%	22/0340	Job Order Contracting for Small and/or Large Roofing Projects (Mandatory Pre-Proposal Conference on Tuesday, January 31, 2023)
0%	22/0418	Repair Parts, Labor and Related Items for Toyota Automobiles and Light Duty Trucks
17%	22/0420	Printing and Distribution Services for Patient Billing

★ See Construction Projects section for more details on projects marked with an asterisk.

1

M/WBE Goal	Job	Bids/Proposals Due February 13, 2023
0%	23/0002	COVID-19 Specimen Laboratory Services (Please note that this solicitation is still in draft and not yet released)
0%	23/0006	Vegetation Management Services of Mitigation Banks
0%	23/0009	Repair Parts, Labor and Related Items for Chrysler Group LLC Automobiles and Trucks
★ 24%	23/0012	Construction of a New Water Distribution System for West Nelda Road and West Mierianne Street, Precinct 2
5%	23/0013	Automotive Appraisal Services of Body Damages and Related Items
★ 15%	23/0019	Construction of Sidewalks along both Sides of Freeport St from IH10 to North of Alderson, Precinct 2
★ 20%	23/0020	Drainage Improvements for Westfield Pines and Westfield Village Subdivisions, Precinct 4
★ 15%	23/0022	Renovation and Expansion of the Hockley Service Center, Precinct 4

M/WBE Goal	Job	Bids/Proposals Due February 20, 2023
0%	22/0343	Content Management System
★ 34%	22/0437	Demolition Services and Related Items
0%	23/0011	Sign Material and Related Items
★ 31%	23/0027	Drainage Improvements within the Tower Oaks Plaza Subdivision (2018), Precinct 3

M/WBE Goal	Job	Bids/Proposals Due February 27, 2023
★ 10%	23/0004	Maintenance of Wetland Habitat and Other Sensitive Areas (Mandatory Pre-Bid Conference on Tuesday, February)

M/WBE Goal	Job	Bids/Proposals Due March 6, 2023
0%	23/0003	Life and Accidental Death and Dismemberment Insurance

M/WBE Goal	Job	Bids/Proposals Due March 13, 2023
0%	23/0021	Basic and Optional Long Term Disability Insurance

★ See Construction Projects section for more details on projects marked with an asterisk.

## CONSTRUCTION PROJECTS

The North American Industry Classification System (NAICS) is used by the County to classify business establishments for the purpose of categorizing contracting disciplines, and is utilized in goal setting based on the number of firms available and relative availability of the discipline related to the scope of work for the subject Bid opportunity. For more information about NAICS codes that describe your kind of business visit; [www.census.gov/naics](http://www.census.gov/naics).

The summaries on this document are not all encompassing. For a complete description, please visit [harriscountytexas.bonfirehub.com](http://harriscountytexas.bonfirehub.com).

22/0440	Asphalt Subdivision Roadway Rehabilitation for Aldine-Westfield Area for Harris County Precinct 1	NAICS Code
	Highway, Street, and Bridge Construction	237310
	Landscaping Services	561730
	Poured Concrete Foundation and Structure Contractors	238110
	Security Guards and Patrol Services	561612
	Site Preparation Contractors	238910
	Structural Steel and Precast Concrete Contractors	238120
	Water and Sewer Line and Related Structures Construction	237110

2

HARRIS COUNTY



DEPARTMENT OF **ECONOMIC EQUITY** AND OPPORTUNITY

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<b>23/0454</b>	<b>Renovations of the County Clerk's Office at the Civil Courthouse, Precinct 1</b>	NAICS Code
	Commercial and Institutional Building Construction	236220
	Drywall and Insulation Contractors	238310
	Electrical Contractors and Other Wiring Installation Contractors	238210
	Finish Carpentry Contractors	238350
	Flooring Contractors	238330
	Plumbing, Heating, and Air-Conditioning Contractors	238220
	Site Preparation Contractors	238910

<b>23/0001</b>	<b>Construction of Prefabricated Pedestrian Bridge Replacement, Precinct 4</b>	NAICS Code
	All Other Specialty Trade Contractors	238990
	Highway, Street, and Bridge Construction	237310
	Landscaping Services	561730
	Site Preparation Contractors	238910
	Water and Sewer Line and Related Structures Construction	237110

<b>23/0017</b>	<b>Outdoor Shade Structure Replacement Services and Related Items, Precinct 1</b>	NAICS Code
	Site Preparation Contractors	238910

<b>23/0018</b>	<b>Professional Engineering Services for Lyndon B. Johnson Hospital Expansion Project on the 2022 HHS Disparity Study</b>	NAICS Code
	Geotechnical Engineering	541380
	Soil/Material Testing	541380
	Environmental Testing	541380
	Commissioning	542330
	Land Surveying	541370

<b>22/0340</b>	<b>Job Order Contracting for Small and/or Large Roofing Projects (Mandatory Pre-Proposal Conference on Tuesday, January 31, 2023)</b>	NAICS Code
	Roofing Contractors	238160

<b>23/0012</b>	<b>Construction of a New Water Distribution System for West Nelda Road and West Mierlanne Street, Precinct 2</b>	NAICS Code
	Highway, Street, and Bridge Construction	237310
	Site Preparation Contractors	238910
	Water and Sewer Line and Related Structures Construction	237110
	Construction of a New Water Distribution System for West Nelda Road and West Mierlanne Street for Harris County Precinct 2 - UPIN 21289MF1Z601	NAICS Code

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<b>23/0019</b>	<b>Construction of Sidewalks along both Sides of Freeport St from IH10 to North of Alderson, Precinct 2</b>	NAICS Code
	Construction of Sidewalks along both Sides of Freeport St from IH10 to North of Alderson for Harris County Precinct 2 - UPIN 21102MFQJ01	NAICS Code
	All Other Specialty Trade Contractors	238990
	Highway, Street, and Bridge Construction	237310
	Landscaping Services	561730
	Site Preparation Contractors	238910
	Sign Manufacturing	339950
	Site Preparation Contractors	238910
	Water and Sewer Line and Related Structures Construction	237110

<b>23/0020</b>	<b>Drainage Improvements for Westfield Pines and Westfield Village Subdivisions, Precinct 4 — UPIN 20090MF0H001</b>	NAICS Code
	Highway, Street, and Bridge Construction	237310
	Landscaping Services	561730
	Other Heavy and Civil Engineering Construction	237990
	Security Guards and Patrol Services	561612
	Sign Manufacturing	339950
	Site Preparation Contractors	238910
	Water and Sewer Line and Related Structures Construction	237110

<b>23/0022</b>	<b>Renovation and Expansion of the Hockley Service Center for Harris County Precinct 4 — UPIN 22035MF2HE01</b>	NAICS Code
	All Other Specialty Trade Contractors	238990
	Electrical Contractors and Other Wiring Installation Contractors	238210
	Finish Carpentry Contractors	238350
	Framing Contractors	238130
	Other Building Finishing Contractors	238390
	Painting and Wall Covering Contractors	238320
	Plumbing, Heating, and Air-Conditioning Contractors	238220
	Poured Concrete Foundation and Structure Contractors	238110
	Power and Communication Line and Related Structures Construction	237130
	Site Preparation Contractors	238910

<b>22/0437</b>	<b>Demolition Services and Related Items</b>	NAICS Code
	Demolition Services and Related Items for Harris County and the Harris County Flood Control District (For one (1) year beginning March 1, 2023)	NAICS Code
	Remediation Services	562910
	Site Preparation Contractors	238910
	Water and Sewer Line and Related Structures Construction	237110

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23/0027

Drainage Improvements within the Tower Oaks Plaza Subdivision	
Drainage Improvements within the Tower Oaks Plaza Subdivision (2018) for Harris County Precinct 3 - UPIIN9103MF14801	
	NAICS Code
All Other Specialty Trade Contractors	238990
Highway, Street, and Bridge Construction	237310
Landscaping Services	561730
Poured Concrete Foundation and Structure Contractors	238110
Site Preparation Contractors	238910
Water and Sewer Line and Related Structures Construction	237110

23/0004

Maintenance of Wetland Habitat and Other Sensitive Areas	
	NAICS Code
Landscaping Services	561730

## COMMUNITY PARTNERS EVENTS

### Join us in celebrating 5,000 City of Houston Certified Firms!



The Office of Business Opportunity is proud to commemorate this historic milestone, which reflects the City of Houston's commitment to the advancement of equitable access, economic opportunity, and the success of historically underutilized small businesses in the Greater Houston region. Certification can be used for contracting opportunities with the City of Houston, as well as with numerous agencies in the public and private sectors. Certified firms also have access to OBO's signature business development programs and numerous networking opportunities. With this milestone, the City of Houston now has more certified businesses than any regional certifying agency in Texas, second only to the State of Texas HUB Certification Program.

TUESDAY  
JAN. 31,  
2023



11:30 A.M. LUNCHEON  
Garden Level Auditorium  
611 Walker Street

1:45 P.M. PROCLAMATION  
Mayor Sylvester Turner  
Houston City Hall  
901 Bagby Street

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EQUITY, ENGAGEMENT & TRANSPARENCY

### HARRIS COUNTY TOLL ROAD AUTHORITY

Come see us at our first  
Roadway to Success

Business Session covering upcoming 2023  
contract opportunities with Keynote Speaker  
HCTRA Executive Director Roberto Treviño, P.E.

When:

Wednesday, February 1, 2023  
10am - 12pm

Where:

The Grand Tuscan Hotel  
12801 Northwest Fwy, Houston, TX 77040

Free Event Parking & Light Breakfast starting at  
9:30am

RSVP at  
[outreach@hctra.org](mailto:outreach@hctra.org)

CONSTRUCTION  
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HARRIS COUNTY



DEEO  
DEPARTMENT OF  
ECONOMIC EQUITY  
AND OPPORTUNITY

# Program Reporting Calendar

February 21, 2023	SFY 2022 Payment Report
June 27, 2023	Utilization Report for Oct 2022 – Mar 2023
December 19, 2023	Utilization Report for Apr 2023 – Sep 2023



# Appendices

# 1. Overview of Harris County's M/WBE Program



# 1. Overview: BACKGROUND

In 2018, the Harris County Commissioners Court conducted its first Disparity Study prompting the start of the County's M/WBE Program.

Completed in June 2020, the Disparity Study estimated a 28% availability of Minority- and Women-owned businesses in the Harris County market area. However, only 9% of contract dollars spent by Harris County went to Minority- and Women-owned businesses. The Study provided recommendations for program enhancements to ensure the County created and maintains a strong and defensible program.

The Harris County Commissioners Court made a commitment to foster greater participation and meet M/WBE goals to the greatest extent possible when it passed the County's Minority- and Women-Owned Business Enterprise Policy in November 2020. The policy follows the recommendations of the 2020 Disparity Study which requires a robust, narrowly-tailored program built upon solid constitutional footing.

With its M/WBE program, Harris County requires all contracts valued at \$50,000 and above to be reviewed for goal inclusion, where goals are set on a contract-by-contract basis. The County aspires to achieve a 30% M/WBE participation in its overall spend.

The County's M/WBE Policy, Disparity Study, and other resources related to the M/WBE program are available at <https://deeo.harriscountytexas.gov/Vendor-Diversity>.

# 1. Overview: PROGRAM ADMINISTRATION

The Department of Economic Equity and Opportunity (DEEO) is responsible for the implementation and administration of the M/WBE Program. The Executive Director of DEEO reports to the Commissioners Court through the County Administrator.

Per the Harris County M/WBE Policy, each County department that has or shares responsibility for the awarding or monitoring of County contracts is responsible for promoting, supporting, and assisting in carrying out the Program. Such departments are to be held accountable for exercising specific functions in support of the Program, as well as any other function(s) deemed necessary by DEEO to implement the goals and objectives of the Program.



# 1. Overview: PROGRAM ELIGIBILITY

Harris County accepts the following certifications:

- **City of Houston:** MBE and WBE certifications
- **State of Texas:** Historically Underutilized Business (HUB) certifications
- **Texas Unified Certification Program:** Disadvantaged Business Enterprise certifications
- **U.S. Small Business Administration:** 8(a) certifications

The firm must be certified at the time of bid submission; pending applications will not be accepted.

Only certified businesses that have ***Significant Local Presence*** can be counted towards the contract goal. To establish a Significant Local Presence, a firm without a location in the market area (the counties of Harris, Fort Bend, Montgomery, Brazoria, and Galveston, Texas) can provide documentation that it has performed at least three contracts or subcontracts in the market area in the last three years.

# 1. Overview: Goal-Oriented Contracts

There are three types of goal-oriented contract and non-contract projects that require MWBE utilization. They are:

- **Construction contracts** related to construction projects.
- **Professional Services contracts** that require a professional license e.g., architect, engineer, attorney, or accountant etc.
- **Goods & Services contracts** that provide for the supply of goods and non-personal or non-professional services.

The DEEO reviews all these contract types, including, renewals, valued at and above \$50,000 for M/WBE prime contracting and subcontracting opportunities.

# 1. Overview: Exempt and 0% Goal Contracts

Certain contracts are *exempted* from M/WBE goal-setting.

- **Sole Source** - Contracts awarded to meet a need that can be supplied only by one firm that provides specialized and/or unique products or services.
- **Emergency** - A public or administrative emergency exists which requires the goods or services being procured to be provided with unusual immediacy.
- **Funding Source** – Contracts with a funding source that has its own requirement or specifically states a M/WBE goal cannot be utilized.
- **Real Estate Purchases** – Contracts related to the purchase or lease of real property.

Certain contracts are reviewed but the result is DEEO is *unable to calculate a goal* or the *calculation is nil*.

- **Non-Divisible** - The contract cannot be divided to include the use of subcontractors.
- **Specialized** - The goods and services being procured are specialized, technical or of a unique nature as to require the contracting department to select its contractor without application of a goal.
- **Supply Contracts/Direct Shipment** - Contracts where the goods are directly shipped to the customer.
- **M/WBE Availability** - There are less than 3 MBEs and 3 WBEs available in the market to perform the work required in the contract or who possess the specialized license or certification required to do the work.

## 2. Methodology

# 2. METHODOLOGY FOR AWARDS REPORT

This report provides analysis for contracts awarded by Harris County from March 1<sup>st</sup> – September 30<sup>th</sup>, 2022.

- The data analyzed includes all formally procured, new contracts awarded by Harris County provided to DEEO. All contracts valued at \$50,000 or more are formally procured. Contracts under \$50,000 are considered small purchases and are below the threshold for M/WBE program contract compliance.
- Contracts were analyzed in three categories: (1) Goods and Services, (2) Construction, and (3) Professional Services.
- Contract data for this report was provided by the Purchasing Department, Engineering Department, Flood Control District and Toll Road Authority. It represents contracts awarded from all Harris County departments. The Purchasing Department manages formal procurements for all Harris County departments with the following exception. The Engineering Department, Flood Control District and Toll Road Authority manage professional services contracts independent of the Purchasing Department.
- Certified M/WBE subcontractor data was collected for all contracts with M/WBE contract goals via B2GNow. Subcontractor data for contracts without M/WBE goals is not collected.
- For Professional Services contracts, each department provided a list of the subcontractors utilized by the Prime contractors and DEEO verified their certification status using B2GNow.

## 2. METHODOLOGY FOR AWARDS REPORT

This report provides analysis for contracts awarded by Harris County from March 1<sup>st</sup> – September 30<sup>th</sup>, 2022.

- Certification, race, and gender were verified from the certification directory in the B2Gnow system.
- Procurements managed by the Purchasing Department were not assigned to the user department seeking the procurement. Data by user department is currently limited to professional services contracts managed by Engineering, Flood Control District and Toll Road Authority. Currently, this information is not entered into PeopleSoft; therefore, it is not automatically integrated into B2GNow.
- For the purposes of this report, M/WBEs are counted as defined by the M/WBE Policy and the approved M/WBE utilization plan.

### Exclusions:

- Purchases over \$50k not handled by the Purchasing Department, Engineering Department, Flood Control District and Toll Road Authority, if any exist.
- Direct purchases using Harris County purchasing cards.
- Interlocal agreements.



## 2. METHODOLOGY CHALLENGES

As result of the current status of the data infrastructure of Harris County, the DEEO experiences the following non-comprehensive list of challenges during the production of the periodic M/WBE Utilization Reports:

### 1. Contract types identification

**Problem:** The PeopleSoft system currently does not allow for contract records to list “Contract Types” (Goods & Services, Construction, Professional Services).

**Implication:** The DEEO team makes its best effort to classify every contract to its correct type as they are imported into our compliance system, B2GNow, based on the job description and contract title.

### 2. Award values identification

**Problem:** The award amount of every contract handled by the Purchasing Department is not entered into the PeopleSoft system as doing so would pose significant challenges to their regular operations.

**Implication:** The DEEO team makes its best effort to determine the awarded amounts based on the data manually extracted from Bonfire.

### 3. Professional Services vendor certifications

**Problem:** As a result of being exempt from being handled by the Purchasing Department, Professional Services contracts from HCED, HCTRA, HCFCD are not entered into the PeopleSoft system.

**Implication:** The DEEO team makes its best effort to determine the vendor certifications by manually matching the vendor names & location to the certified businesses’ database of our compliance system, B2GNow.

## 2. METHODOLOGY CHALLENGES (cont)

### 4. “Term Contracts” numbers

**Problem:** Term contracts maintain their contract number upon renewals, but the renewal dates cannot be recorded into PeopleSoft, as a result of a system limitation.

**Implication:** For the purposes of the M/WBE Utilization Reports, Term Contract renewals are considered new awards, and their renewal dates must be identified manually on our compliance system, B2GNow.

Program Webpage

<https://deeo.harriscountytexas.gov/Inclusive-Procurements/Vendor-Diversity>

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