

HARRISHEALTH

Contractor Diversity Program

ANNUAL REPORT FISCAL YEAR 2023



Table of Contents

Contractor Diversity Director’s Letter3

Background4

Executive Summary8

Awards Summary11

Payment Summary15

Outreach and Training Summary17

M/WBE Capacity Building Summary19

Appendix A: Summary of 2023 Houston Regional Equity
and Inclusion Assessment20

Appendix B: Comparative Analysis of Supplier Diversity
Programs of Select Healthcare Organizations21

Appendix C: Award and Payment Reporting Methodology22

Contractor Diversity Director's Letter



In September 2022, Harris Health System successfully adopted its minority- and women-owned business enterprise (M/WBE) Policy and launched the Contractor Diversity Program. The Contractor Diversity Program played a pivotal role in facilitating awards to certified firms totaling more than \$58 million.

Unwavering support from Harris Health's senior leadership and Board of Trustees made these achievements possible. Although there is still much work ahead, I am exceptionally pleased with the program's establishment and the exciting initiatives on the horizon.

During this inaugural year, we accomplished several critical milestones:

- Achieved a 139% increase in M/WBE awards.
- Executed multiple outreach initiatives aimed at increasing awareness of and disseminating information about M/WBE opportunities.
- Launched a Contractor Diversity Program website to deliver resources to M/WBEs interested in participating.
- Established internal procedures to assess M/WBE opportunities for all solicitations exceeding \$50,000 through the Contractor Diversity Department.
- Implemented a contract database, B2Gnow, and formulated a comprehensive M/WBE reporting system to monitor contract awards and various essential metrics, evaluating the program's success and advancement.

The mission of our Contractor Diversity Program is to be an inclusive, impactful and innovative resource connecting M/WBEs to opportunities within Harris Health.

In 2022-23, we established a pathway to success for M/WBEs, including the following stages:

1. Register: Enroll on the Harris Health Contractor Diversity website.
2. Engage: Participate in Contractor Diversity Program events.
3. Pursue: Identify available opportunities with Harris Health and/or awarded Primes.
4. Expand: Execute current contracts and leverage experience to enhance your business.

Looking ahead to 2023-24, I am particularly excited about the upcoming Lyndon B. Johnson Hospital Campus Expansion Projects and the opportunity the projects will bring to the Contractor Diversity Program. The LBJ Hospital campus, with a rich history in northeast Harris County, is set to undergo significant growth with plans for a new hospital, central utility plant and a parking garage to enhance the provision of medical, social and mental healthcare and outpatient services.

Harris Health's programmatic goal for Fiscal Year 2024 is to ensure that qualified M/WBE firms are identified, informed and supported in pursuing opportunities associated with these projects and other relevant and eligible Harris Health solicitations. The expansion of this hospital, named after the President who enacted the 1964 Civil Rights Act, presents a unique opportunity to support minority- and women-owned businesses with contracting opportunities.

A handwritten signature in blue ink that reads "D. Holmes".

Derek J. Holmes, Administrative Director, Contractor Diversity Program



Background

The Harris County Hospital District d/b/a/ Harris Health System (“Harris Health”) recognizes minority- and women-owned business enterprises (M/WBEs) as key economic engines and major employers in Harris County and surrounding areas. Harris Health is committed to seeking out, identifying, assisting and utilizing business enterprises owned by minorities and women.

To this end, Harris Health will seek mutually beneficial business relationships with diverse businesses, provide equal access to Harris Health’s purchasing opportunities and promote M/WBE inclusion to reflect the business communities of Harris County and surrounding areas.

The M/WBE & Contractor Diversity Program serves as a conduit to facilitate business access within Harris Health. Committed to fostering contractor diversity, Harris Health collaborates with businesses and community partners eager to invest in M/WBEs, driven by a shared commitment to growth, collaboration and maintaining Harris Health’s status as a leading public healthcare system nationally.

Every success story begins with a vision. Harris Health aspires to script narratives that culminate in significant accolades, meaningful prospects, heightened diversity and the inclusion of businesses that have traditionally faced exclusion from such opportunities.

The program’s objective is to showcase success in the expansion of M/WBEs engaged in business with Harris Health by addressing market impediments through education, collaboration and innovation.

Spawning from the 2022 Disparity Study performed by Colette Holt & Associates, Harris Health established the Contractor Diversity Program (or M/WBE Program) in September 2022 after approval by its Board of Trustees. Aligned with Harris Health’s broader Diversity, Equity and Inclusion (DEI) strategic pillar, the M/WBE Program submits quarterly reports to the Harris Health Board of Trustees DEI Committee. Additionally, the M/WBE Program annually publishes a comprehensive report summarizing key metrics and accomplishments achieved throughout the year.

About this Report

This marks the inaugural annual report of the Harris Health Contractor Diversity Program. The report encapsulates Harris Health's contract awards and disbursements to M/WBE Sub- and Prime Contractors. The coverage spans October 2022 through September 2023. This report functions as a pivotal benchmarking and monitoring tool, facilitating the assessment of M/WBE payments and pinpointing areas for enhanced inclusion.

The report is structured into the following key sections:

- I. Executive Summary
- II. Awards Summary
- III. Payment Summary
- IV. Outreach and Training Summary
- V. M/WBE Capacity Building Summary

M/WBE Eligibility

M/WBE eligibility encompasses for-profit organizations certified as minority- or woman-owned business enterprises by an approved certification program with a business location within the defined marketplace. Harris Health recognizes the primary geographic market area as comprising five counties: Harris, Galveston, Montgomery, Fort Bend and Brazoria.

Harris Health's M/WBE Policy accepts certifications from the following:

- City of Houston's Minority-owned Business Enterprise (MBE)
- City of Houston's Women-owned Business Enterprise (WBE)
- Historically Underutilized Business (HUB) - State of Texas
- Disadvantaged Business Enterprise (DBE) - TX Unified Certification Program
- 8(a) from the U.S. Small Business Administration

M/WBE Contract Categories

Harris Health employs the North American Industry Classification System (NAICS) to categorize the entities from which it obtains business. An assigned NAICS code reflects the scope of work undertaken by a vendor within a specific contract. These codes are recorded in the digital archives of the contract or in files uploaded to contract management platforms. Individual NAICS codes are mapped to assigned contract categories for tracking.

As per the M/WBE Policy, the following M/WBE contract categories are established to identify covered contracting and procurement activities:

1. **Construction:** Encompassing contracts related to new construction, renovation and/or maintenance of buildings, facilities, underground utilities and non-building structures owned or leased by Harris Health.
2. **Goods:** Covering the purchase of products, equipment, office supplies, art, furniture and other tangible personal property.
3. **Services:** Including the purchase of services such as maintenance, printing, non-construction repairs, janitorial, training seminars, workshops, computer and information systems security-related services, shipping, courier, mailing, document copy, retention or destruction, consulting and other non-professional services (excluding Professional Services, as defined below).
4. **Professional Services:** Encompassing services requiring a license, certification or registration as defined by State of Texas laws, often listed in Ch. 2254, Texas Government Code.

Harris Health's M/WBE Policy Section 3.C.2 states that contract goals will be established for all contracts above \$50,000. Contracts without subcontracting opportunities that do not have an M/WBE participation goal must be reviewed and approved by the Contractor Diversity Program director or designee or must be assigned an M/WBE participation goal.

Contractor Diversity may approve a 0% M/WBE contract goal under the following specific circumstances:

- **Specialized Contract:** When goods and services procured are specialized, technical or unique, necessitating the contracting department to select its contractor without applying a goal.
- **Minimal M/WBE Availability:** If there are fewer than three M/WBEs available in the market to perform the required work or possessing the specialized license or certification needed.
- **Non-Divisible:** When the contract cannot be divided to include the use of Subcontractors.
- **Direct Shipment:** Contracts where goods are directly shipped to the customer.
- **Cooperative Purchasing:** Agreements entered into with Harris County contracts used for mutual benefit.

Contracts without subcontracting opportunities often have no set M/WBE goal. Exempt contracts are those not subject to the M/WBE Program under the M/WBE Policy Section 3.B, including:

- Group purchasing organization (GPO) purchases.
- Loan transactions involving Harris Health as a debtor or creditor.
- Agreements for real property use, lease, sale or purchase.
- Individual employee contracts.
- Gifts or bequests to Harris Health.
- Grants, or contracts for compliance with a grant.
- Purchases for public health or safety preservation.
- Contracts for personal services.
- Contracts with other governmental entities.
- Contracts for sole-source goods or services.

Exempt contracts and contracts less than \$50,000 do not require a review for M/WBE subcontracting opportunities. However, in some cases, M/WBE firms may participate as Prime Contractors.

Harris Health Total Contracts Awarded Over \$50,000 October 2022 - September 2023
~ \$963 Million



Since numerous projects were procured or contracted before the introduction of the M/WBE Policy in September 2022, approximately \$302 million in awards did not adhere to M/WBE Policy criteria. As these awards undergo amendments or terminations in the coming years, the contract values established before the program's inception will decrease. Consequently, there will be a rise in the number of opportunities qualifying for the M/WBE Program, leading to a net increase in M/WBE dollars awarded.

I. Executive Summary

Contractor Diversity Program Initiation

Harris Health initiated a Disparity Study to examine its historical utilization of M/WBEs and the availability of M/WBEs across market and industry sectors.

This study, presented to the Harris Health Board of Trustees in April 2022, highlighted that from 2018 to 2019, M/WBEs comprised 7.9% of all contract payments and represented 19.5% of the available contractors in the marketplace. As a result of the study, Harris Health established a Contractor Diversity Program.

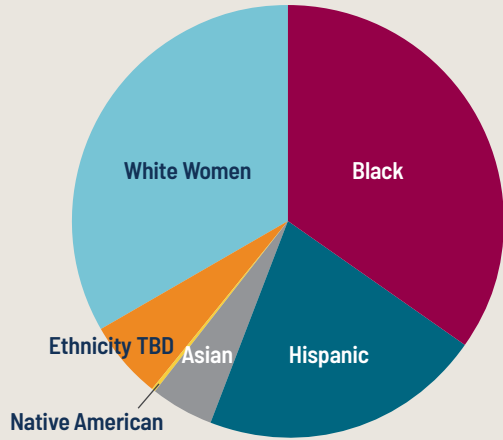
The program's primary objective is to demonstrate success in expanding the engagement of M/WBEs in business with Harris Health by addressing market barriers through education, collaboration and innovation.

In its first year, the program achieved the following milestones:

- Solidified an M/WBE Policy including race and gender-neutral procedures.
- Established a 20% aspirational goal.
- Hired a program director and supporting team.
- Participated in outreach initiatives to increase program awareness.
- Hosted internal and external training on program requirements.
- Launched a resource center and capacity-building initiatives.
- Provided periodic program updates to key program stakeholders.

The program produced the following key results:

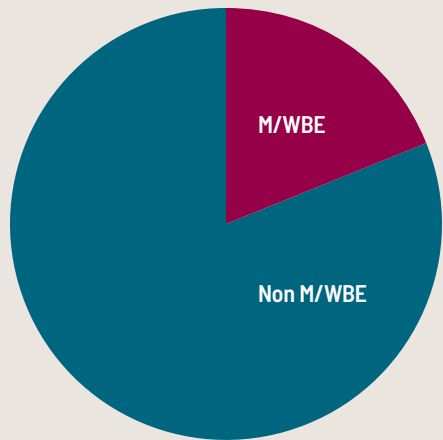
- Realized 18.9% contract awards to M/WBEs.
- Awarded more than \$58 million to M/WBEs.
- Awarded 100 individual contracts to 126 M/WBEs.
- Facilitated outreach initiatives reaching approximately 20,000 contractor touchpoints.
- Realized a 139% increase in M/WBE awards from the 2022 Disparity Study.



M/WBE Awards by Ethnicity

October 2022 - September 2023

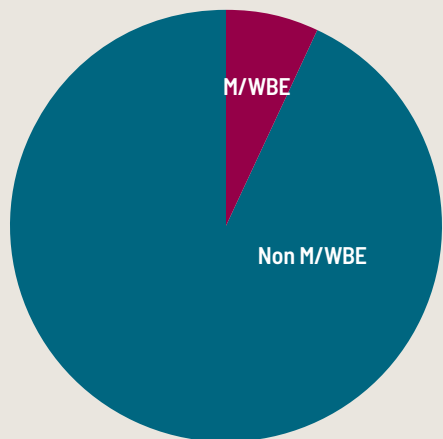
- Black 35%
- Hispanic 21%
- Asian 5%
- Native American 0%
- Ethnicity TBD 6%
- White Woman 33%



M/WBE Eligible Contract Awards

October 2022 - September 2023

- M/WBE 19%
- Non M/WBE 81%



M/WBE Total Contract Payments

October 2022 - September 2023

- M/WBE 7%
- Non M/WBE 93%



A few months ago, I received an email from Derek, Harris Health's Contractor Diversity Program director, inviting us to a focus group luncheon for the M/WBE Program.

Participating in this luncheon presented a valuable opportunity to introduce our company and address the obstacles we encountered while trying to engage in business with Harris Health. Being able to voice our concerns and engage with decision-makers was immensely beneficial.

As a result, we successfully secured a contract and currently have a team of seven employees in operation under this contract! We extend our gratitude to Derek and his team for their invaluable support. We could not have done it without your help!

Esther Moise, RN, BSN, CCM, CEO, Frontline Staffing



Collaborate Architects' journey partnering with the Harris Health Contractor Diversity Program has been transformative, redefining the narrative of inclusivity and excellence within the industry.

As an M/WBE, our collaboration with LBJ Hospital, HKS and JLL has been a testament to the power of diversity in fostering innovation and delivering exceptional results. The support and guidance provided by the Harris Health Contractor Diversity Program has been instrumental, facilitating access to resources, networking opportunities and invaluable input.

This partnership has not only expanded our reach but also empowered us to showcase our perspective, enhancing the design and construction landscape of projects like LBJ Hospital.

Saul Valentin, Founding Principal, Collaborate Architects



Working with Harris Health System has been an enriching and rewarding experience for both me and SHI to support the local community. Their proactive approach toward digital transformation has been inspiring, leading to significant enhancements in their healthcare IT infrastructure.

Harris Health's adoption of innovative IT solutions such as ServiceNow, Zoom and Tableau has been instrumental in revolutionizing their workflow management, improving communication and facilitating data-driven decision-making.

The partnership between SHI and Harris Health has been mutually beneficial. It has allowed SHI to showcase our capability in delivering effective technological solutions tailored for the healthcare industry.

Laura Manrique, Account Executive, SHI Government Solutions

II. Awards Summary

In aggregate, the total dollar amount awarded on eligible contracts was \$242,444,114, with \$45,810,075 going to certified M/WBE firms, resulting in an average utilization rate of 18.9% compared to the Fiscal Year 2023 aspirational goal of 20%.

Harris Health granted a total of \$136,070,051 to firms engaged in Construction, Professional Services and Goods & Services agreements. Among these, \$42,674,576 was distributed to certified M/WBE firms, resulting in an average utilization rate of 31.4%.

The remaining \$106,374,063 includes contracts subject to Contractor Diversity approval for a 0% goal due to cooperative purchasing agreements, drop shipment, minimal certified firms available, non-divisibility, or specialization, technicality or uniqueness in nature. M/WBE-certified firms were awarded \$3,135,499 for Prime participation, amounting to 2.95%.

October 2022 – September 2023

Contract Awards with M/WBE Goals	Contract Count	M/WBE Contract Count	Non M/WBE Amount	M/WBE Amount	Total Amount Awarded	M/WBE %
Professional Services	23	23	\$63,633,443	\$27,213,690	\$90,847,133	30.0%
Construction	15	15	\$19,906,534	\$9,241,796.74	\$29,148,331	31.7%
Goods & Services	19	18	\$9,855,498	\$6,219,089	\$16,074,587	38.7%
Total	57	56	\$93,395,475	\$42,674,576	\$136,070,051	31.36%

Contract Awards without Subcontracting Opportunities	Contract Count	M/WBE Contract Count	Non M/WBE Amount	M/WBE Amount	Total Amount Awarded	M/WBE %
Minimal M/WBE Availability	18	0	\$37,494,770	\$-	\$37,494,770	0.0%
Specialized, Technical, or Unique in Nature	67	8	\$32,395,682	\$2,048,997	\$34,444,679	5.9%
Non-Divisible	36	3	\$21,808,478	\$379,242	\$22,187,720	1.7%
Drop Shipped	17	0	\$9,295,376	\$-	\$9,295,376	0.0%
Co-op	4	1	\$2,175,775	\$707,260	\$2,883,035	24.5%
Emergency	1	0	\$68,483	\$-	\$68,483	0.0%
Total	143	12	\$103,238,564	\$3,135,499	\$106,374,063	2.95%
Total Eligible	200	68	\$196,634,039	\$45,810,075	\$242,444,114	18.90%

Summary of Exempt Contracts and Contracts Procured Prior to the M/WBE Program

Of the \$963 million awarded in Fiscal Year 2023, \$419,002,236 was related to exempt contracts, and \$301,960,024 was related to contracts procured before the M/WBE Policy's establishment. These contracts are excluded from the overall contract awards when calculating M/WBE utilization. Despite being exempt, \$12,823,079 was awarded to M/WBE firms as Prime Contractors.

M/WBE Awards by Ethnicity and Gender

From October 2022 to September 2023, \$45,810,075 was awarded to M/WBEs representing 68 eligible contracts. An additional \$12.8 million was granted to M/WBEs on exempt contracts and contracts procured prior to the program. This increased M/WBE awards to \$58,633,154.

Ethnicity & Gender	Total Eligible Award	Award %	2022 Disparity Study	Var (+/-)
Black	\$15,927,875	6.6%	0.0%	6.6%
Hispanic	\$9,750,498	4.0%	2.3%	1.7%
Asian	\$2,139,167	0.9%	0.3%	0.6%
Native American	\$31,687	0.0%	0.0%	0.0%
MBE	\$27,849,227	11.6%	2.6%	9.0%
White Women	\$15,248,703	6.3%	5.3%	1.0%
Ethnicity TBD¹	\$2,712,145	1.1%	N/A	N/A
M/WBE	\$45,810,075	18.9%	7.9%	11.0%
Non-M/WBE	\$196,634,039	81.1%	92.1%	-11.0%
Total	\$242,444,114	100%		

¹Ethnicity TBD equates to M/WBE awards not yet subcontracted to a specific firm, therefore ethnicity is unknown.

As outlined in the commissioned 2022 Harris Health Disparity Study, geographic businesses were evaluated as follows:

To determine the geographic market area, we applied the standard of identifying the firm locations that account for at least 75% of contract and subcontract dollar payments in the Final Contract Data File (FCDF).² Firm location was determined by zip code and aggregated into counties as the geographic unit. Contracts awarded to firms located in the State of Texas accounted for 90.4% of all dollars during the Study period. The four counties within the Houston metropolitan area – Harris, Galveston, Montgomery and Fort Bend – captured 96.1% of the state dollars and 86.8% of the entire FCDF. Therefore, these four counties were determined to be the geographic market for Harris Health, and we limited our analysis to firms in these counties. The next step was to determine the dollar value of Harris Health's utilization of M/WBEs as measured by payments to Prime firms and Subcontractors and disaggregated by race and gender.³

The Contractor Diversity Program is in alignment with the 2022 Disparity Study as it relates to consideration of businesses based on geographic criteria. It is important to highlight that those businesses designated as sole sourced and those affiliated with group purchasing organizations (GPOs) operate beyond the confines of a specific geographic market and are exempt from the M/WBE Program.

²National Academies of Sciences, Engineering, and Medicine 2010, Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program. Washington, DC: The National Academies Press. <https://doi.org/10.17226/14346> ("National Disparity Study Guidelines"), at p. 29.

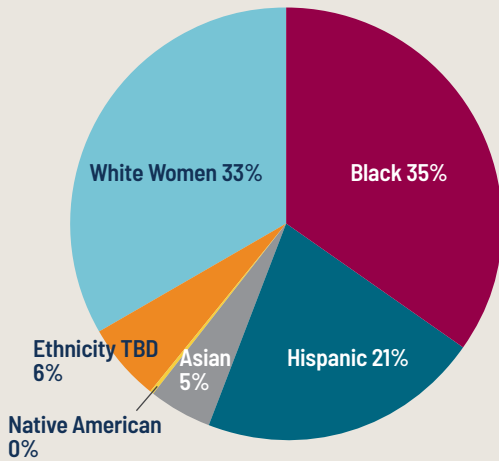
³For the study's analysis, the term "M/WBE" includes firms that are certified by government agencies and minority- and woman-owned firms that are not certified.

Analyzing M/WBE participation on eligible contracts by ethnicity on all contracts revealed that Black-owned businesses received the largest share at \$15,927,875 or 35% of the \$45,810,075 total awarded to certified firms. Caucasian women-owned businesses followed with \$15,248,703 representing 33% of the awarded dollars. Hispanic-owned firms ranked third with \$9,750,498 or 21%, while Asian-owned and Native American-owned firms received \$2,139,167 (5%) and \$31,686 (<1%), respectively. The number of awards contracted was distributed among Caucasian Women (31), Asian (11), Black (13), and Hispanic (24) certified firms, totaling 79. The ethnicity breakdown is as follows:

ELIGIBLE M/WBE Awards by Ethnicity

\$45,810,075

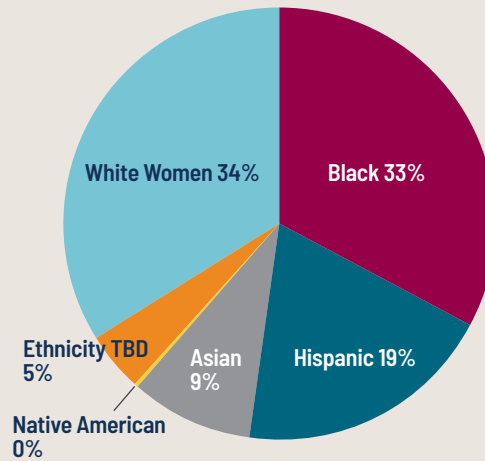
October 2022 - September 2023



TOTAL M/WBE Awards by Ethnicity*

\$58,633,154

October 2022 - September 2023



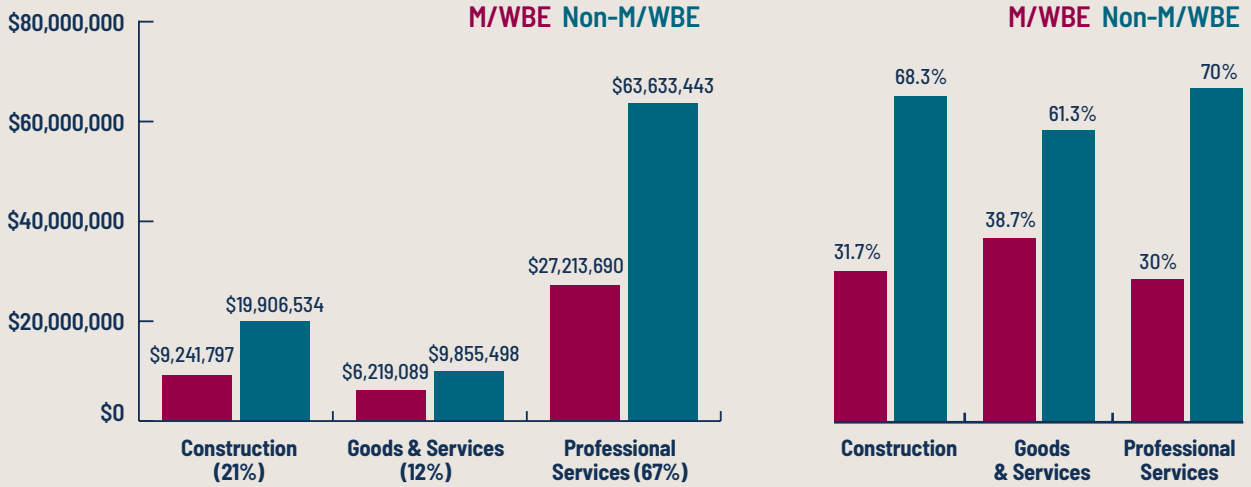
*Includes the \$12.8 million granted to M/WBEs on exempt contracts and contracts procured prior to the program.

M/WBE Awards by Contract Type

When categorized by industry, M/WBE-certified firms were awarded \$9,241,797 or 31.7% of eligible construction contracts. M/WBEs were awarded \$6,219,089, constituting 38.7% of the total for all eligible Goods & Services projects. Related to Professional Services contracts, M/WBEs were awarded \$27,213,690, representing 30% of the total eligible for this type. In aggregate, Professional Services accounted for 67%, Construction 21% and Goods & Services 12% of all eligible contracts awarded with an M/WBE goal.

M/WBE Awards by Contract Type

October 2022 – September 2023



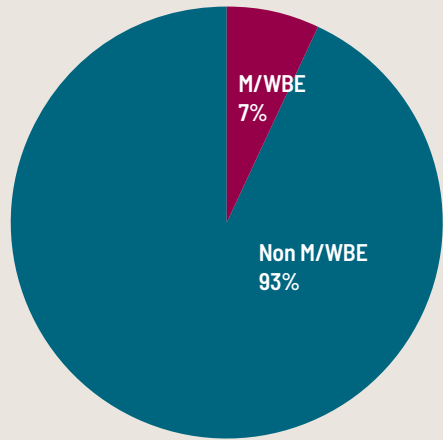
M/WBE Awards by Industry Type

October 2022 – September 2023

Industry Type	# of Certified Firms Used	% of Utilization	M/WBE Total Award \$	Avg. M/WBE Award per Industry Type
Architectural & Engineering	28	33%	\$19,366,946	\$691,677
Administrative and Support	13	21%	\$12,597,433	\$969,033
Construction	36	14%	\$7,922,548	\$220,071
Wholesale Trade	9	9%	\$5,318,756	\$590,973
Professional and Technical Services	19	8%	\$4,489,898	\$236,310
Health Care and Social Assistance	2	5%	\$3,120,000	\$1,560,000
Information Technology	4	5%	\$2,797,960	\$699,490
Manufacturing	6	3%	\$1,559,843	\$259,974
Real Estate and Leasing	3	1%	\$532,839	\$177,613
Finance & Insurance	1	1%	\$375,000	\$375,000
Retail Trade	3	1%	\$304,722	\$101,574
Transportation & Warehousing	1	0%	\$189,600	\$189,600
Public Administration	1	0%	\$57,609	\$57,609
Total	126	100%	\$58,633,154	\$465,342

III. Payment Summary

Harris Health paid a total of \$255,986,188 in Fiscal Year 2023 to firms engaged in Construction, Professional Services and Goods & Services contracts. Among these, \$17,672,998 was distributed to certified M/WBE Primes and Subcontractors, resulting in an average payment rate of 7% to M/WBEs.



M/WBE Payments by Ethnicity and Gender

October 2022 – September 2023

Ethnicity & Gender	Total Payments	Payment %
Black	\$2,779,398	1.09%
Hispanic	\$833,580	0.33%
Asian	\$931,351	0.36%
Native American	\$-	0.00%
MBE	\$4,544,329	1.78%
White Women	\$13,128,669	5.13%
M/WBE	\$17,672,998	6.90%
Non-M/WBE	\$238,313,190	93.10%
Total	\$255,986,188	100%

As of the conclusion of December 31, 2023, confirmed M/WBE payments total approximately \$17.7 million. The ongoing systemwide data migration project has caused a delay in promptly capturing all M/WBE payments and some may not yet be included in this number. The Contractor Diversity team is actively working to integrate all payment data into reporting metrics.

For many contracts awarded, there is an approximate timeline of 90 to 180 days from the contract award to the initial payment. Consequently, the data for contract payments lags contract awards. Since the launch of the M/WBE Program, several M/WBE awards have not yet experienced payment activity. As the contract awards progress, corresponding contract payments will continue to rise.

M/WBE Payments by Contract Type

October 2022 – September 2023

Contract Type	Non - M/WBE Amount	M/WBE Amount	Total Amount	M/WBE %
Goods & Services	\$109,952,615	\$5,007,222	\$114,959,837	9%
Construction*	\$46,058,500	\$-	\$46,058,500	0%
Professional Services	\$82,302,075	\$12,665,776	\$94,967,851	8%
Total	\$238,313,190	\$17,672,998	\$255,986,188	7%

*Most Construction contracts with payments during this period were awarded prior to the M/WBE Program. Subcontractor data was not available at the time of this report.

IV. Outreach and Training Summary

Throughout the year, the Contractor Diversity Program organized numerous outreach and training sessions, conducted both in person at various Greater Houston-area locations and virtually.

The primary goals of these outreach and training initiatives are outlined below:

1. Raise awareness of the newly established Harris Health Contractor Diversity Program.
2. Inform M/WBEs about forthcoming opportunities to engage in business with Harris Health.
3. Provide training for both certified and non-certified M/WBEs on where Harris Health Solicitations are published and the essential components required when submitting bids to Harris Health.
4. Aid those interested in obtaining M/WBE certifications.
5. Collect contact information from interested companies for inclusion in email communications regarding upcoming opportunities.

A detailed summary of outreach and training efforts is listed below:



Outreach Event Type	# of Events	Approx. # of Attendees
In-person Events	39	3,623
Virtual Events	5	220
Electronic Communications	30	17,230
Focus Groups	10	102

In addition to the aforementioned outreach initiatives, the Contractor Diversity Program successfully conducted its inaugural Contractor Diversity Training in September 2023 with over 175 individuals participating. Dr. Esmaeil Porsa, the CEO of Harris Health, delivered the opening remarks at this event.

Key highlights of the training included:

- Table sessions featuring 10 Primes, including two M/WBE General Contractors.
- Presentations covering topics such as “How To Do Business With Harris Health” within the Contractor Diversity framework.
- Training sessions on Contract Goal Setting, Bid Submittal, M/WBE Directory, and Compliance within the Contractor Diversity context.
- Bonfire training provided by Harris County Purchasing.
- Insights into upcoming opportunities presented by both Purchasing and Construction departments.
- Discussions on Supply Chain and Premier GPO led by Ben Etuk and the Premier Team.
- Facilitated one-on-one meetings for M/WBEs with representatives from Harris Health Construction, Contractor Diversity and various Prime Contractors.

V. Capacity Building Summary



Harris Health, Harris County, and USDOT collaborated to organize a capacity-building session. This 10-week in-person classroom-style program was held during the Fall of 2022. The goal of this training was to support M/WBEs in their efforts to expand and enhance their businesses. Capacity building is a crucial initiative, especially for small and historically underutilized businesses seeking to take on larger ventures.

The training covered the following key areas:

- Cost estimating.
- Creditworthiness.
- Marketing.
- Accounting/bookkeeping.
- Bonding capability.

A critical component of capacity building is the connection to contracting opportunities. We hosted different public and private-sector organizations to discuss upcoming bid opportunities and provided networking time at each session.

Appendix A: Summary of 2023 Houston Regional Equity and Inclusion Assessment



Context

- Greater Houston Partnership conducted the 2023 Houston Regional Equity & Inclusion Assessment in Q2 2023.
- 92 organizations, including Harris Health, with a combined workforce of over 265,000 employees in Houston region participated in assessment.
- All key industries operating in Houston region participated in the assessment. Healthcare and Energy & Utility represent approximately 70% of employees covered by the organizations assessed.

Supplier Diversity

- Initiatives put in place appear to have a positive impact on supplier diversity, with 25% companies now setting MBE spend targets; up from 9% in 2021.
- In Houston, 32% of companies require third-party verification and companies have an average of 66 MBE vendors compared to the national average of 10.6 MBE vendors. Nationally, the top 10% of companies have an average of 50 MBE vendors.
- In Houston, the average organization’s MBE spend is 5.4% of total spend. This is higher than the national average of 3.6%.

	National	Local	Harris Health
Avg. # of Vendors	10.6	66	126
MBE Spend %	3.6%	5.4%	4.1%*

*Represents MBE percentage of total contract awards from October 2022 to September 2023

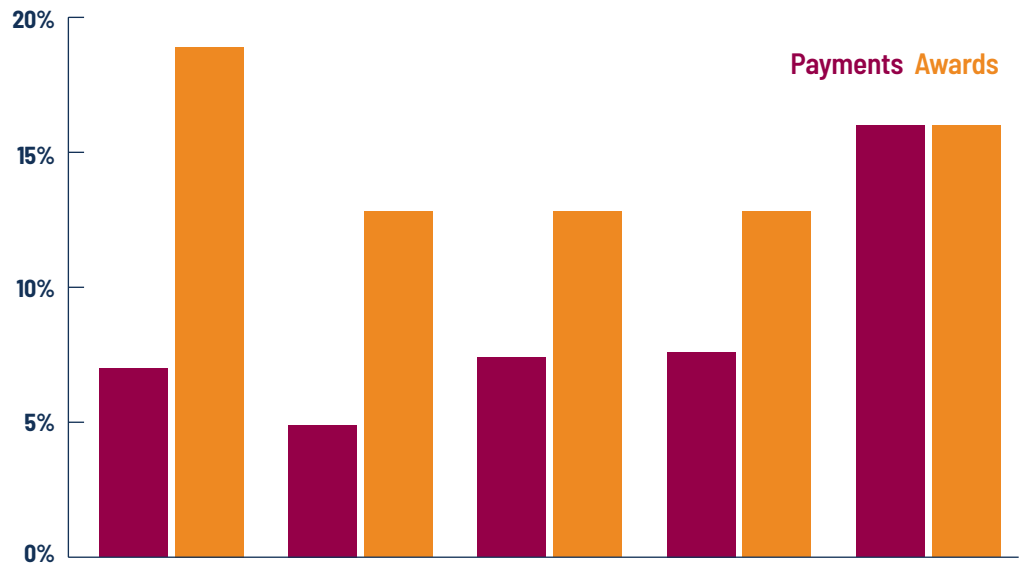
Appendix B: Comparative Analysis of Supplier Diversity Programs of Select Healthcare Organizations

The 2022 Disparity Study analyzed the types of industries and number of M/WBEs in Harris Health's marketplace. Based on this data, it determined Harris Health to have a 19.5% M/WBE availability. This type of custom analysis is the industry standard to analyze an organization's progression.

Harris Health was able to identify published data for other healthcare systems with supplier diversity programs; however, it is important to consider that these programs have a different marketplace and different M/WBE availability, as well as different program start dates.

Diversity Program Comparison

October 2022 – September 2023



	Harris Health System FY23	UT MD Anderson FY23	UT Medical Branch FY23	UT Southwestern FY23	Cook County Health (IL) FY22
Payments	7.0%	4.9%	7.4%	7.6%	16.0%
Awards	18.9%	12.8%	12.8%	12.8%	16.0%

The Texas Comptroller publishes individual agency Historically Underutilized Business (HUB) payment information, while illustrating a collective statewide HUB award percentage, including other state agencies like TxDOT.

Appendix C: Award and Payment Reporting Methodology

Award Reporting

The Harris Health Board of Trustees convenes monthly throughout the year to authorize awards for contracts associated with various functions within Harris Health. After these meetings, a Board letter and a Board packet are generated, both of which encompass details recorded in the Award Tracking Sheet. This information includes the contract title, award dollar amount, contract description, award date and item number. Additionally, the packet incorporates the contract M/WBE Goal or Exemption. Upon inputting this data, the system calculates totals based on their goals, presenting overall M/WBE Awards and M/WBE Awards that qualify for our Contractor Diversity Program. The race and gender information of qualifying vendors is derived from their M/WBE certification in B2Gnow. In cases where a contract involves both Primes and Subcontractors, the Utilization Plan delineates the percentages awarded to each participant.

Payment Report

Harris County's Purchasing Department inputs contracts and their corresponding payments into PeopleSoft. Following the completion of this data entry process, the information is transferred to B2Gnow and becomes accessible to the Contractor Diversity Department. Within B2Gnow, various reports are available for selection and download to retrieve payment details for contracts contributing to the achieved M/WBE goal. The payment summary report includes vendor information such as race, ethnicity and certification. Supplementary reports encompass Contract Type and their NAICS code, which are integrated into the payment report. Once all relevant data is compiled in the same report, payments are then calculated based on criteria such as race and ethnicity, contract type and industry.