

FY 2016 – FY 2018 DBE GOAL UPDATE

Airport Sponsor: Dickinson – Theodore Roosevelt Regional Airport

City/State: 11120 42nd ST SW, Suite A
Dickinson, North Dakota 58601

Name of Preparer: Jared Wingo, Airport Planner - North Dakota Aeronautics Commission
Kelly Braun, Airport Manager - Dickinson Regional Airport

Preparer's Phone: (701) 328-9655 – Jared Wingo
(701) 483-1062 – Kelly Braun

Goal Period: October 1, 2015 to September 30, 2018

Overall Goal: **0.82%** (0.82% race neutral + 0% race conscious)

OVERALL GOAL:

The overall goal of the Dickinson Regional Airport for FY 2016 – FY 2018 is **0.82%** of the FAA grant program. We expect \$61,891,800 of which \$507,513.00 will be anticipated with DBE participation in these fiscal years. The Dickinson Regional Airport competes for bidders with other public airports and with highway related work.

METHOD:

Step 1: The ND DOT Department determined the availability of DBEs from information supplied by all bidders on prime contracts and subcontracts from April 1, 2013 to March 30, 2014. This information was used to determine the pool of ready, willing, and able DBEs and non-DBEs. There were a total of 355 bidders: 334 non-DBEs and 21 DBEs. A total of 63 consultants bid on consulting projects. A weighted average was developed by determining what percent non-DBEs and DBEs did of both the prime contracting and subcontracting work. **This calculation establishes a base figure for Step 1 of 5.32%.**

Description of Calculation Performed - The relative availability was calculated by dividing the number of DBE primes that bid on Asphalt contracts (6) by the number of total prime bidders (65); and multiplying that quotient by the percentage of dollars projected for asphalt work in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$372,836,118 / \$751,761,799 = 49.59\% \times 64.02\% = 31.75\%$).

$6 \text{ DBE primes} / 65 \text{ total primes} = 9.23\% \times 31.75\% = 2.93\%$

The relative availability was calculated by dividing the number of DBE primes that bid on Bridge contracts (0) by the number of total prime bidders (26); and multiplying that quotient by the percentage of dollars projected for bridge work in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$73,258,902 / \$751,761,799 = 9.74\% \times 64.02\% = 6.24\%$).

0 DBE primes/26 total primes = $0.00\% \times 6.24\% = 0.00\%$

The relative availability was calculated by dividing the number of DBE primes that bid on Concrete contracts (0) by the number of total prime bidders (18); and multiplying that quotient by the percentage of dollars projected for concrete work in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$96,509,196 / \$751,761,799 = 12.84\% \times 64.02\% = 8.23\%$).

0 DBE primes/18 total primes = $0.00\% \times 8.23\% = 0.00\%$

The relative availability was calculated by dividing the number of DBE primes that bid on Dirt contracts (4) by the number of total prime bidders (54); and multiplying that quotient by the percentage of dollars projected for dirt work in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$79,934,695 / \$751,761,799 = 10.63\% \times 64.02\% = 6.81\%$).

4 DBE primes/54 total primes = $7.41\% \times 6.81\% = 0.51\%$

The relative availability was calculated by dividing the number of DBE primes that bid on Additional Contracting Opportunities contracts (0) by the number of total prime bidders (10); and multiplying that quotient by the percentage of dollars projected for other work in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$55,429,911 / \$751,761,799 = 7.37\% \times 64.02\% = 4.77\%$).

0 DBE primes/10 total primes = $0.00\% \times 4.77\% = 0.00\%$

The relative availability was calculated by dividing the number of DBE Consultants that responded to an RFP or were included in a consultants response to an RFP (14) by the number of total consultants (63); and multiplying that sum by the percentage of dollars projected for consultants in FY 2015-2017 as compared to overall dollars projected to be spent in FY 2015-2017 and multiplying that by the percent of work paid to primes in 2013-2014 ($\$32,881,300 / \$751,761,799 = 4.37\%$) $\times 8.98\% = 0.39\%$.

14 DBE consultants/63 total consultants = $22.22\% \times 0.39\% = 0.09\%$

The relative availability was calculated by dividing the number of DBE Subcontractors that bid (18) by the number of total subcontractors (246); and multiplying that sum by the percentage of dollars in 4-1-13 to 3-31-14 as compared to the overall dollars projected to be spent in FY 2015-2017 (24.46%).

$$18 \text{ DBE subcontractors} / 246 \text{ total subcontractors} = 7.32\% \times 24.46\% = 1.79\%$$

Resulting Baseline Goal - The baseline goal for North Dakota is **5.32%**.

$$2.93\% + 0.51\% + 0.09\% + 1.79\% = 5.32\%$$

Step 2: When ten years of data are available, past average participation can be determined by adding the total percentage and dividing by the number of years that projects with federal participation occurred. In this case the total of adding the percentages together is equal to 2.24 percent. This figure is divided by 7 since three of the years did not have a project for a total of .32 percent. The .32 percent is then added to the Step 1 figure of 5.32 percent for a total of 5.64 percent divided by 2 equals 2.82 percent. This results in a downward adjustment to the base figure developed in Step 1 to 2.82 percent.

Year	DBE	Non-DBE	Total Federal Projects \$s	
2005	\$0	\$0	\$0	No Projects
2006	\$0	\$0	\$0	No Projects
2007	\$0	\$706,714	\$706,714	0.00%
2008	\$0	\$880,571	\$880,571	0.00%
2009	\$0	\$0	\$0	No Projects
2010	\$0	\$503,335	\$503,335	0.00%
2011	\$1,726	\$1,420,960	\$1,422,686	0.12%
2012	\$14,204	\$654,977	\$669,181	2.12%
2013	\$0	\$0	\$1,716,407	0.00%
2014	\$0	\$15,096	\$292,599	0.00%
TOTAL	\$15,930	\$4,181,653	\$6,221,493	2.24%

ADJUSTMENTS

ND DOT also considered available evidence from related fields that affect the opportunities for DBEs to form, grow, and compete. To determine the effects of discrimination on opportunities for DBEs to get financing, bonding, or insurance, The ND DOT contacted the following:

- ND Attorney General's Office
- ND Department of Banking and Financial Institutions
- ND Department of Commerce
- ND Department of Human Services
- ND Small Business Development Center
- ND Office of Management and Budget
- ND University System

Information from these sources did not show evidence that an adjustment was warranted. It is however estimated that there is a barrier to entry and disparity in the local market as DBE's in North Dakota are often small firms that have a lack of interest in the large projects that take place on an airport. With large oil related activity and construction projects taking place in Western North Dakota, it has been extremely difficult to find DBE contractors in the region. It has been even harder to find DBE's willing to bid on federal projects when there are so many opportunities in private oil field projects. It is estimated that the lack of interest and local disparity is 2%.

From this data we adjusted the base percentage of 5.32% with the actual 0.32% average of the past 10 years of projects which yields a 2.82% figure that is reduced by an additional 2% because of Barriers of Entry. The result of the goal is 0.82%

We estimate that we would obtain 0.82% from race neutral participation and 0% through race conscious measures. This goal will be sent forward to consultation prior to publishing a public notice.

PROCESS

The Dickinson Regional Airport submits its overall goal on August 1st of each three year cycle for all FAA grants that exceed \$250,000. Before establishing the overall goal, the Dickinson Regional Airport will consult with the North Dakota Aeronautics Commission and the NDDOT and then utilize the current listing of minority contract associations in the DBE roster (Minority Contractors Association of ND and Minority Association of Contractors) to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the efforts to establish a level playing field for participation of DBEs. NDDOT web site provides information on the DBE program, goals, and certification.

Following this consultation, the Dickinson Regional Airport will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the North Dakota Aeronautics Office for 30 days

following the date of this notice, and informing the public that the Dickinson Regional Airport will accept comments on the goals for 45 days from the date of notice. The notice will be published in the local newspaper. Normally, we will issue this notice by August 15th of each third year. The notice will include addresses to which comments may be sent and addresses where the proposal may be reviewed. We will begin using our overall goal on October 1 of each third year, unless we have received other instruction from the FAA or DOT.

BREAKOUT OF ESTIMATED RACE-NEUTRAL AND RACE CONSCIOUS PARTICIPATION:

The Dickinson Regional Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Airport uses the following race-neutral means to increase DBE participation:

1. Advertise program goals.
2. Encourage prime contractors to subcontract portions of their work they would otherwise perform.
3. Provide engineer consultant technical assistance and other services to fill out bids.
4. Ensure prime contractors have lists of potential DBE subcontractors.
5. Inform prime contractors of past DBE participants.
6. Ensure prime contractors have the web address for the ND DOT DBE Directory.
7. Utilize engineer consultants to administer and monitor compliance.

For reporting purposes, race-neutral DBE participation includes but is not necessarily limited to:

1. DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures or through the consultant selection process;
2. DBE participation through a subcontract on a prime contract that does not carry a DBE goal; and
3. DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

We estimate that, in meeting our overall goal of 0.82%, we will obtain 0.82% from race-neutral participation and 0% through race-conscious means. Knowing that there is disparity and lack of DBE participation in the past, the Dickinson Regional Airport feels that there will be some success in using DBE participation in upcoming projects that will be more attractive the upcoming needed work such as airport planning and design. Looking at upcoming projects and reflecting on the years that the airport has some success in gaining DBE participation, the Airport

feels that the goal of 0.82% can be accomplished by the use of race-neutral means.

Contract Goals

The Dickinson Regional Airport will use contract goals to meet any portion of the overall goal. Contract goals are established so that over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every contract, the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBE's to perform the particular type of work).

We will express our contract goals as a percentage of the total amount of the DOT assisted contract.