

ATTACHMENT 6

SECTION 26.45: OVERALL GOAL CALCULATION - DBE 3-YEAR GOAL METHODOLOGY

Name of Recipient:	<u>Richland County - Sidney-Richland Regional Airport</u>
Goal Period:	<u>FY-2018 through 2020</u>
FAA-Assisted contract amount:	<u>FY-2018 \$1,435,500</u>
	<u>FY-2019 \$2,784,900</u>
	<u>FY-2020 \$135,000</u>
DBE FY 2018 Goal:	<u>4.52% Race Neutral</u>
DBE FY 2019 Goal:	<u>4.88% Race Neutral</u>
DBE FY 2020 Goal:	<u>1.31% Race Neutral</u>

Overall Three-Year Goal: 3.57%, to be accomplished through 0.0% RC and 3.57% RN
(Note: the goal(s) reflects weighting and an average per calculations below)

Total dollar amount to be expended on DBE's: \$155,488

Projects that the sponsor anticipates awarding:

Projects Fiscal Year 2018

1. Project No. 1 Construct TW and Apron
2. Project No. 2 Environmental Assessment for Tree Mitigation

Projects Fiscal Year 2019

1. Project No. 1 Rehabilitate Runway, Remove RW 19 Obstructions, Install RW 1-19 REIL and Install Access Gate. Pavement Maintenance of RW 1-19 and 11-29, Taxiways and Apron.

Projects Fiscal Year 2020

1. Project No. 1 Construct Terminal Enhancements

Market Area: The market area is the State of Montana, in which the majority of the Sponsor's contractors and subcontractors that seek to do business with the Airport are located and the area in which the Sponsor spends the majority of its contracting dollars.

Step 1. 26.45(c) Actual relative availability of DBE's

The base figure for the relative availability of DBEs was determined by using DBE Directories and Census Bureau Data. The base figure for the relative availability was calculated as follows:

Method: Use DBE Directories

MDT DBE Directory <https://app.mdt.mt.gov/dbe/dbe/search> and

U.S. Census Bureau Data <http://www.census.gov/econ/snapshots/index.php>

The following information was used for the projects to be awarded in FY 2018.

Project No. 1 - Construct TW and Apron

NAICS #	Type of Work	Total DBE's	Total All Firms
237310	Highway & Street Construction	18	95
238210	Electrical and Other Wiring	4	466
238910	Site Preparation	12	377
541330	Engineering	9	348
	Total:	43	1,286
	Base Figure Project No. 1	3.34%	

Project No. 2 - Environmental Assessment for Tree Mitigation

NAICS #	Type of Work	Total DBE's	Total All Firms
541330	Engineering	9	348
	Base Figure Project No. 2	2.59%	

The Base Figure of 2.97% for FY2018 was derived by dividing the total number of DBE's by the total number of All Firms for each project, then divided by the number of projects ($3.34 + 2.59 / 2 =$ base figure 2.97%).

Base figure for FY2018 Projects = 2.97% of all firms ready, willing and able.

The following information was used for the projects to be awarded in FY 2019.

Project No. 1 - Rehabilitate Runway, Remove RW 19 Obstructions, Install RW 1-19 REIL and Install Access Gate. Pavement Maintenance of RW 1-19 and 11-29, Taxiways and Apron.

NAICS #	Type of Work	Total DBE's	Total All Firms
237310	Highway & Street Construction	18	95
238210	Electrical and Other Wiring	4	466
238910	Site Preparation	12	377
238990	All Other Specialty Trade Contractors	8	209
541330	Engineering	9	348
	Total:	51	1,495
	Base Figure Project No. 1	3.41%	

The Base Figure of 3.41% for FY2019 was derived by dividing the total number of DBE's by the total number of All Firms for each project, then divided by the number of projects ($3.41 / 1 =$ base figure 3.41%).

Base figure for FY2019 Projects = 3.41% of all firms ready, willing and able.

The following information was used for the projects to be awarded in FY 2020.

Project No. 1 - Construct Terminal Enhancements

NAICS #	Type of Work	Total DBE's	Total All Firms
238120	Structural Steel & Precast Contractors	2	18
238130	Framing Contractors	1	105
238140	Masonry Contractors	0	88
238160	Roofing Contractors	2	117
238210	Electrical and Other Wiring	4	466
238220	Plumbing, Heating and AC Contractors	2	584
238290	Other Building Equipment Contractors	0	23
238310	Drywall and Insulation Contractors	2	217
238320	Painting and Wall Covering Contractors	0	242
238330	Flooring Contractors	0	86
238350	Finish Carpentry Contractors	2	135
238910	Site Preparation	12	377
238990	All Other Specialty Trade Contractors	19	273
541330	Engineering	9	348
	Total:	55	3,079
	Base Figure Project No. 1	1.79%	

Base figure for FY2019 Projects = 3.41% of all firms ready, willing and able.

The Base Figure of 1.79% for FY2020 was derived by dividing the total number of DBE's by the total number of All Firms for each project, then divided by the number of projects ($1.79 / 1 =$ base figure 1.79%).

Base figure for FY2020 Projects = 1.79% of all firms ready, willing and able.

The data source or demonstrable evidence used to derive the numerator was the Montana Department of Transportation's DBE Directory. The data source or demonstrable evidence used to derive the denominator was the US Census Bureau. This calculation simply sets a DBE base figure for each project based on available DBE firms vs. total available firms. If multiple projects requiring separate contracts are anticipated, the DBE goal for the year is the average of the DBE goals for the year.

Step 1 Base Figure Weighting

FY2018 Projects

A	B	C	D	E	F	G	H	I	J
Project Name	Trade Description	NAICS Description	NAICS	Federal Funds (\$)	% of Project Total Cost	Census	DBE Directory	DBE (%) (= H/G)	DBE (\$) (=E x I)
Project #1- Construct TW and Apron	Construction - Pavements, Earthwork and Electrical	Highway, Street and Bridge Construction	237310	\$582,000	43.11%	95	18	0.00%	\$0
		Site Prep Contractors	238910	\$500,000	37.04%	377	12	3.18%	\$15,915
		Electrical	238210	\$25,000	1.85%	466	4	0.86%	\$215
	Design / Constr Mgmt	Engineering	541330	\$243,000	18.00%	348	9	2.59%	\$6,284
TOTAL PROJECT #1				\$1,350,000	100.00%	1,286	43	3.34%	\$22,414

A	B	C	D	E	F	G	H	I	J
Project Name	Trade Description	NAICS Description	NAICS	Federal Funds (\$)	% of Project Total Cost	Census	DBE Directory	DBE (%) (= H/G)	DBE (\$) (=E x I)
Project #2 - Conduct Environmental Assessment for Tree Mitigation	Design / Constr Mgmt	Engineering	541330	\$85,500	100.00%	348	9	2.59%	\$2,211
TOTAL PROJECT #2				\$85,500	100.00%	348	9	2.59%	\$2,211

TOTAL FY 2018				\$1,435,500		1,634	52	3.18%	\$45,683
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FY2019 Projects

A	B	C	D	E	F	G	H	I	J
Project Name	Trade Description	NAICS Description	NAICS	Federal Funds (\$)	% of Project Total Cost	Census	DBE Directory	DBE (%) (= H/G)	DBE (\$) (=E x I)
Project #1- Rehabilitate Runway, Remove RW 19 Obstructions, Install RW 1-19 REIL and Install Access Gate. Pavement Maintenance of RW 1-19 and 11-29, Taxiways and Apron	Construction - Pavements, Earthwork and Electrical	Highway, Street and Bridge Construction	237310	\$950,000	34.11%	95	18	18.95%	\$180,000
		Electrical	238210	\$75,000	2.69%	466	4	0.86%	\$644
		Site Prep Contractors	238910	\$1,039,000	37.34%	377	12	3.18%	\$33,100
		All Other Specialty Trade Contractors	238990	\$115,000	4.13%	466	4	0.86%	\$987
	Design / Constr Mgmt	Engineering	541330	\$60,500	21.72%	348	9	2.59%	\$15,647
TOTAL PROJECT #1				\$2,784,900	100.00%	1,752	47	2.68%	\$230,378
TOTAL FY 2019				\$2,784,900		1,752	47	2.68%	\$74,709

FY2020 Projects

A	B	C	D	E	F	G	H	I	J
Project Name	Trade Description	NAICS Description	NAICS	Federal Funds (\$)	% of Project Total Cost	Census	DBE Directory	DBE (%) (= H/G)	DBE (\$) (=E x I)
Project #1 - Construct Terminal Enhancements	Construction - Building Improvements	Structural Steel and Precast Contractors	238120	\$18,700	13.85%	18	2	11.11%	\$2,078
		Framing Contractors	238130	\$9,000	6.67%	105	1	0.95%	\$86
		Masonry Contractors	238140	\$8,100	6.00%	88	0	0.00%	\$0
		Roofing Contractors	238160	\$10,500	7.78%	117	2	1.71%	\$179
		Electrical and other wiring installation contractors	238210	\$18,000	13.33%	466	4	0.86%	\$155
		Plumbing, Heating and air-conditioning contractors	238220	\$10,600	7.85%	584	2	0.34%	\$36
		Other Building Equipment Contractors	238290	\$3,000	2.22%	23	0	0.00%	\$0
		Drywall and Insulation Contractors	238310	\$7,000	5.19%	217	2	0.92%	\$65
		Painting and Wall Covering Contractors	238320	\$3,000	2.22%	242	0	0.00%	\$0
		Flooring Contractors	238330	\$4,000	2.96%	86	0	0.00%	\$0
		Finish Carpentry Contractors	238350	\$7,100	5.26%	135	2	1.48%	\$105
		Site Preparation	238910	\$7,100	5.26%	377	12	3.18%	\$226
		All Other Specialty Trade Contractors	238990	\$1,900	1.41%	273	19	6.96%	\$132
	Design / Constr Mgmt	Engineering	541330	\$27,000	20.00%	348	9	2.59%	\$698
TOTAL PROJECT #1				\$135,000	100.00%	3,079	55	1.79%	\$3,760
TOTAL FY 2020				\$135,000		3,079	55	1.79%	\$2,411

Weighting can help ensure that the Step 1 Base Figure is as accurate as possible. In order to weight the relative DBE availability, the Sponsor reviewed DBE participation by work type anticipated to be awarded in each project year. The DBE goal for the project year was then multiplied by the anticipated federal share of the project cost to arrive at the amount of federal money to be expended to DBE firms for the goal year.

After weighting the goal by work type, the Step 1 Base Figure is calculated at 3.18%, 2.68% and 1.79% DBE availability for FY2018, FY2019 and FY2020, respectively.

Step 2. 26.45(d): Adjustments to Step 1 base figure.

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment was needed to the base figure in order to arrive at the overall goal.

Past History Participation

In reviewing past DBE participation on projects at the Sidney-Richland Regional Airport for FY 2015 thru FY 2017, there was not enough historical data to make an adjustment to the Step 1 base figure. Within the last five years, there were only projects with DBE Goals conducted in FY 2015 and 2016.

Evidence from Disparity Studies

The Montana Department of Transportation (MDT) engaged a consultant (Keen Independent) to conduct an Availability and Disparity Study, which focused on participation of minority- and women-owned firms in MDT's contracts from October 2009 through September 2014. The Study was completed in July of 2016. Although this Study did not examine contracts using Federal Aviation Administration (FAA) funds; agencies might review information in the report regarding DBE availability as they relate to operating the Program for FAA-funded contracts. Since contractors that participated on MDT road construction and design contracts during the Study period are in most cases the same contractors that are awarded FAA-funded contracts, DBE availability data from the 2016 Disparity Study was compared to the project's work types.

FY2018 Projects**FY2018 Project No. 1**

Work Type	# DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Asphalt and concrete paving	5	54	9.26%	\$ 519,000	38.44%	3.56%
Excavation, site prep, grading, and drainage	6	75	8.00%	\$ 500,000	37.04%	2.96%
Electrical work including lighting and signals	0	32	0.00%	\$ 25,000	1.85%	0.00%
Temporary traffic control	5	41	12.20%	\$ 10,000	0.74%	0.09%
Striping or pavement marking	1	23	4.35%	\$ 8,000	0.59%	0.03%
Landscaping and related work including erosion control	5	74	6.76%	\$ 25,000	1.85%	0.13%
Pavement milling	3	28	10.71%	\$ 5,000	0.37%	0.04%
Trucking and hauling	3	112	2.68%	\$ 15,000	1.11%	0.03%
Surveying and mapping	1	55	1.82%	\$ 18,000	1.33%	0.02%
Engineering	3	72	4.17%	\$ 225,000	16.67%	0.69%
Total	32	566	5.65%	\$ 1,350,000	100.00%	7.55%

FY2018 Project No. 2

Work Type	# DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Engineering	3	72	4.17%	\$ 85,500	100.00%	4.17%
Total	3	72	4.17%	\$ 85,500	100.00%	4.17%

FY2018 DBE Goal Based on Type of Work Awarded through MDT Statewide = 5.86% (7.55 + 4.17 / 2 = 5.86%)

FY2019 Projects**FY2019 Project No. 1**

Work Type	# DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Asphalt and concrete paving	5	54	9.26%	\$ 800,000	28.73%	2.66%
Excavation, site prep, grading, and drainage	6	75	8.00%	\$ 1,000,000	35.91%	2.87%
Electrical work including lighting and signals	0	32	0.00%	\$ 64,900	2.33%	0.00%
Temporary traffic control	5	41	12.20%	\$ 10,000	0.36%	0.04%
Striping or pavement marking	1	23	4.35%	\$ 50,000	1.80%	0.08%
Landscaping and related work including erosion control	5	74	6.76%	\$ 25,000	0.90%	0.06%
Pavement surface treatment (such as sealing)	2	32	6.25%	\$ 185,000	6.64%	0.42%
Pavement milling	3	28	10.71%	\$ 5,000	0.18%	0.02%
Trucking and hauling	3	112	2.68%	\$ 40,000	1.44%	0.04%
Surveying and mapping	1	55	1.82%	\$ 25,000	0.90%	0.02%
Engineering	3	72	4.17%	\$ 580,000	20.83%	0.87%
Total	34	598	5.69%	\$ 2,784,900	100.00%	7.07%

FY2019 DBE Goal Based on Type of Work Awarded through MDT Statewide = 7.07%

FY2020 Projects

FY2020 Project No. 1

Work Type	# DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Electrical work including lighting and signals	0	32	0.00%	\$ 18,000	13.33%	0.00%
Engineering	3	72	4.17%	\$ 27,000	20.00%	0.83%
Other	0	0	0.00%	\$ 90,000	66.67%	0.00%
Total	3	104	2.88%	\$ 135,000	100.00%	0.83%

FY2020 DBE Goal Based on Type of Work Awarded through MDT Statewide = 0.83%

When applying data from the Disparity Study, the overall DBE availability increased. This is because one NAICS code can cover a lot of work types whereas the Disparity Study further refined the work types, which allows the reporting of firms that are ready, willing, and able to conduct the specific work that is anticipated at the Sidney-Richland Regional Airport. Because the data from the Disparity Study has more refined work types, Richland County elected to use this Step 2 adjustment.

To arrive at a FY2018-2020 overall DBE goal with relation to the MDT Disparity Study, we added our Step 1 weighted base figure with our Step 2 anticipated contracts and disparity study adjustment figures and then averaged the total arriving at yearly goals of 4.52% (3.18 + 5.86 / 2), 4.88% (2.68 + 7.07 / 2) and 6.30% (1.79 + 0.83 / 2) for FY 2018, FY2019 and FY2020, respectively and an overall goal for FY2018-2020 of 3.57% (4.52 + 4.88 + 1.31 / 3 = 3.57%).

We feel the adjusted goal figure of 3.57% will accurately reflect DBE participation that can be achieved for the type of work being awarded during FY2018-2020.

Breakout of Estimated Race Neutral (RN) and Race Conscious (RC) Participation.

26.51(b)(1-9)

Per 49 CFR Section 26.51, the Federal DBE Program requires state and local transportation agencies to meet the maximum feasible portion of their overall DBE goals using race- and gender-neutral measures. Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs.

The 2016 Disparity Study indicated that race- and possibly gender-conscious means may need to be implemented for the portion of the overall goal that cannot be met solely through race neutral measures. However, to comply with 49 CFR 26.51, where the maximum feasible portion of the overall DBE goal must be met through race-and gender-neutral measures, Richland County proposes to meet the overall goal solely through race neutral measures. In order to meet the overall 3.57% DBE goal, Richland County is committed to implementing race neutral measures that encourage small business and DBE participation. Race- and gender-neutral steps include:

- A Quote Request System that allows prime contractors to solicit bids from DBE firms. <https://app.mdt.mt.gov/dbeqt/>

- Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
- Unbundling of large contracts;
- Subcontract work the prime contractor may self-perform;
- Provide bonding or financing assistance
- Provide technical assistance,
- Carrying out information and communications programs on contracting procedures and specific contract opportunities;
- Ensuring distribution of MDT's DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;

For reporting purposes, RN DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract obtained through customary competitive procurement procedures;
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal;
- DBE participation on a prime contract exceeding a contract goal;
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

PUBLIC PARTICIPATION

Consultation: Section 26.45(g)(1).

Before establishing the FY2018-2020 goal, Sidney-Richland Airport Authority provided for consultation and publication of the proposed DBE goal. Firms listed on a State-wide DBE list who could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Airport's efforts to establish a level playing field for the participation of DBEs, were sent a meeting announcement via e-mail with the DBE Goal and instructions on how to attend. MDT's Disadvantaged Business Enterprise Program staff department provided the State-wide DBE list for e-mailing. The consultation was provided by teleconference on December 5, 2017 at 2:00 pm. MDT sent out a notification of invitation to attend the consultation.

One firm requested the teleconference information for the consultation; however, they never attended the consultation teleconference.

Following the consultation, we published a notice of the proposed overall goal on the Airport's website (<https://www.sidneyairport.com/>), including the goal and its rationale for 30 days following the date of the notice, and informing the public that Richland County would accept comments on the goals for 30 days from the date of the notice.

Comments were to be sent to the Airport's DBELO Mr. Ryan Huotari, Sidney-Richland Regional Airport Manager.

The following comments were received:

This section will be updated after the 30-day comment period.

PUBLIC NOTICE (Published)

Richland County hereby announces its FY2018-2020 goal of 3.57% for Disadvantaged Business Enterprise (DBE) airport construction projects. The proposed goal and rationale is available for inspection for 30 days from the date of this publication on the website noted in the PUBLIC PARTICIPATION section above.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

Mr. Ryan Huotari, Airport Manager
Sidney-Richland Regional Airport
540 Airport Road
PO Box 1050
Sidney, MT 59720
sdypat@midrivers.com
406-433-2415

and

Sonia G. Cruz
Compliance Specialist
Office of Civil Rights - ACR-4
Federal Aviation Administration
Sonia.cruz@faa.gov

We will express our contract goals as a percentage of the Federal share of a DOT-assisted contract. Based on the guidance we have received and forwarded to all of the airports, we will use a Race Neutral Goal as follows:

3.57% Overall DBE Goal for FY2018-2020

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

For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

DBE participation will be counted towards meeting a goal only after successful completion of their contracted work items. The items used must be bona fide contract work items and actually performed by the DBE and their own work force.