

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: Port of Bellingham, Bellingham International Airport (BLI)

Goal Period: FY2018 -FY2020

DOT-assisted contract amount:	FY-2018	\$838,363
	FY-2019	\$315,000
	FY-2020	<u>\$162,000</u>
	Total	\$1,315,363

Overall Three-Year Goal: 6.7%, to be accomplished through 0% RC and 6.7% RN

Total dollar amount to be expended on DBE's: \$41,004*
(Calculated by multiplying goal % x DOT-assisted amount) (\$612,000 X 6.7% = \$41,004)

Describe the Number and Type of Projects that the airport anticipates awarding:

Projects Fiscal Year #1

1. Runway Safety Area (RSA) Compliance: Advance Planning and WSDOT Review - \$135,000
2. Equipment Purchase- Snow Removal Equipment (SRE) and Lighted Runway Closure Markers - \$703,363

Projects Fiscal Year #2

1. Environmental Study of Master Plan Projects - \$225,000
2. Environmental Runway Safety Area (RSA) Compliance - \$90,000

Projects Fiscal Year #3

1. Runway Safety Area (RSA) Compliance Design - \$162,000

Market Area:

The Bellingham International Airport (BLI) has defined its market area for construction services within Skagit and Whatcom Counties however no construction projects are anticipated for FY 2018-2020.

For planning and design services, the market area has been increased to all of Washington State based on the past projects awarded at BLI as these services have historically been awarded to companies from across the United States. Since firms must be registered in the State of Washington to pursue business at BLI, this market appears to be representative of where planning and design project interest can be expected.

For the equipment purchase noted above as Project #2 in FY 2018, BLI did not factor in a market area or analyze the equipment purchase further for DBE participation as no current DBE vendors are eligible to bid on the federal grant per FAA specifications and preapproved vendors lists for BLI's snow removal equipment and lighted runway closure makers.

*The equipment purchase for FY 2018 totaling \$703,363 was not included in the expended dollars to DBEs due to no current DBE vendors being eligible for this grant per FAA specifications and preapproved vendor lists.

Step 1. Actual relative availability of DBEs

The FY 2020 project is under the \$250,000 federal funding threshold for DBE goal requirements therefore goals were not calculated per CFR §26.45(2).

The base figure for relative availability as calculated as follows:

Method: Use DBE Directories (<https://omwbe.diversitycompliance.com/>)

And Census Bureau Data (<https://www.census.gov/data/data-tools.html>).

Weighted Availability of DBE Firms:

Examinations of the anticipated projects for each fiscal year are summarized in the tables below. These tables are used to determine the percentage of the total estimated project costs which is available to DBE Contractors. The number of total contractors and the number of DBE contractors available for each relevant category of work are listed. A rough estimate of the combined project costs is tabulated along with a breakdown of costs by construction category. From these figures, a weighted percentage of contract dollars available to DBE's in the Market Area can be calculated. First, the percent of DBE firms in each category is calculated. The estimated cost of construction for each category is multiplied by this percentage to determine a reasonable amount that could be available to be paid to DBE firms in each category. Next, the reasonable amounts available for DBE firms in each category are totaled. Finally, the dollar value reasonably available to DBE firms is divided by the estimated combined project total. The result is the percentage of contract work reasonably available to DBE firms.

FY2018 PROJECT EXAMINATION

A	B	C	D	E	F	G	H	I
Project Name	Item No.	NAICS Description	NAICS	Estimated Trade (\$)	Census	Directory	Available DBE (%)	DBE (\$)
Project #1: RSA Compliance: Advance Planning and WSDOT Review	1	Engineering Services	541330	\$67,500.00	1664	36	2.2%	\$1,460
	2	Planning Services	541320	\$54,000.00	106	14	13.2%	\$7,132
	3	Surveying Services	541370	\$13,500.00	186	3	1.6%	\$218
Total Contract				\$135,000.00			6.5%	\$8,810
Total FY-2018				\$135,000.00			6.5%	\$8,810

FY2019 PROJECT EXAMINATIONS

A	B	C	D	E	F	G	H	I
Project Name	Item No.	NAICS Description	NAICS	Estimated Trade (\$)	Census	Directory	Available DBE (%)	DBE \$
Project #1: Environmental Study of Master Plan Projects	1	Engineering Services	541330	\$ 45,000.00	1664	36	2.2%	\$973.56
	2	Planning Services	541320	\$ 90,000.00	106	14	13.2%	\$11,886.79
	3	Surveying Services	541370	\$ 22,500.00	186	3	1.6%	\$362.90
	4	Environmental Consulting	541620	\$ 67,500.00	338	72	21.3%	\$14,378.70
Total Contract #1				\$ 225,000.00			12.3%	\$27,602
Project Name	Item No.	NAICS Description	NAICS	Estimated Trade (\$)	Census	Directory	Available DBE (%)	DBE \$
Project #2: Environmental RSA Compliance	1	Engineering Services	541330	\$ 18,000.00	1664	36	2.2%	\$389.42
	2	Planning Services	541320	\$ 18,000.00	106	14	13.2%	\$2,377.36
	3	Surveying Services	541370	\$ 9,000.00	186	3	1.6%	\$145.16
	4	Environmental Consulting	541620	\$ 45,000.00	338	72	21.3%	\$9,585.80
Total Contract #2				\$ 90,000.00			13.9%	\$12,498
Total FY-2019				\$315,000.00			12.7%	\$40,100

The base goal projection after weighting is as follows:

- Total Weighted DBE Availability: \$48,910
- Total for All Trades: \$450,000

Dividing the weighted DBE totals by the total estimate for all trades gives a base DBE availability figure for the projects anticipated during the goal-setting period. This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Base of DBE Goal: 10.9%

Step 2: Adjustments to Step 1 base figures

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

Past participation –One piece of data used to determine the adjustment to the base figure was the median of historical DBE accomplishments, as follows:

FY	DBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
2013	0.00%	12.00%	12.00%	0.00%	0.00%	0.00%
2014	No Grant Funding Accepted					
2015	0.00%	7.00%	7.00%	0.00%	0.00%	0.00%
2016	0.00%	8.86%	8.86%	0.00%	2.40%	2.40%
2017	No Grant Funding Accepted					

Arranging this historical data from low to high, (0%, 0%, 2.4%) the median is 0%. However, 0% cannot be used to calculate median, therefore using the remaining accomplishment from 2016 the figure equals 2.4%.

Step 1 Base averaged with historical median: $(10.9\% + 2.4\%)/2 = 6.7\%$

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an **overall goal of 6.7%**. BLI believes this adjusted goal accurately reflects DBE participation that can be achieved for the types of work being awarded during this three-year period.

Furthermore, there are no applicable disparity studies for the local market area or recent legal case information from the relevant jurisdictions to show evidence of barriers to entry or competitiveness of DBEs in the market area that is sufficient to warrant making an adjustment to the base goal. However, the Washington State Department of Transportation (WSDOT) Aviation division has begun a new disparity study for airports in the state with an estimated completion date in 2019. Upon completion, BLI will reevaluate the calculations based on the study and determine if adjustments need to be made.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

BLI will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation and uses the following RN means to increase DBE participation:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses, participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
2. Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
3. Ensuring distribution of the State DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

BLI estimates that in meeting the established overall goal of 6.7%, it will obtain 6.7% from RN participation and 0% through RC measures.

The State of Washington falls within the jurisdiction of the United States Court of Appeals for the Ninth Circuit. This court has ruled that race conscious goals are not to be set for DBE participation; therefore, race conscious goals have not been considered.

BLI will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation and track and report RN and RC participation separately. 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, and DBE participation through a subcontract from a prime contractor that did not consider a firm’s DBE status in making the award.

PUBLIC PARTICIPIATION

Consultation:

In establishing the overall goal, BLI provided for consultation and publication. This process included consultation with minority, women's, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and BLI's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and was conducted before the goal methodology was submitted to the operating administration for review. Details of the consultation are as follows:

The consultation was a teleconference which was held on October 24, 2018 at 2:00PM. The following agencies were invited to attend:

- Associated Builders and Contractors of Western Washington
- Association of Washington State Hispanic Chambers of Commerce
- Chambers of Commerce in Island, San Juan, Skagit, and Whatcom Counties
- Contractors Development and Competitiveness Center
- Economic Development Association of Skagit County
- Economic Development Councils Island, San Juan, Skagit and Whatcom Counties
- Ethnic Chamber of Commerce Coalition (ECCC)
- Northwest Minority Business Council
- Northwest Regional Office of the National Center for American Indian Enterprise Development
- Northwest Workforce Development Council
- OMWBE
- Skagit and Island Counties Builders Association
- The Building Industry Association of Whatcom County
- Washington State Economic Development Center

The following comments were received during the course of the consultation:

- A question was noted on Step 2 in the methodology on what types of grants were received for the five year past participation period and if they were of the same nature as those proposed to make an equivalent comparison for available DBEs. The airport responded that the past participation noted was from construction grants and while the projects planned for the goal period are not of the same trade, the method used was in concurrence with DOT's goal setting recommendations.
- DBE programs for the three year fiscal period didn't apply to their specific company but it was suggested the Port improve their distribution method of BLI's DBE Program and bids to include methods to involve more DBE companies and agencies. To assist with improving the Port's distribution, an individual from the Department of Enterprise Services stated he would email resources to assist airport staff in doing so.
- Add the following agencies to the distribution list for the next consultation to receive greater input from DBE entities:
 - National Association of Minority Contractors of Washington
 - Construction Design Entrepreneurs- CDE Washington
 - National Minority Supplier Diversity Council

A notice of the proposed goal was published on BLI's official website before the methodology was submitted to FAA.

If the proposed goal changes following review by FAA the revised goal will be posted on BLI's official website.

Notwithstanding paragraph (f)(4) of §26.45, BLI's proposed goals will not be implemented until this requirement has been met.

PUBLIC NOTICE

The Port of Bellingham/Bellingham International Airport hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of 6.7% for FAA-funded contracts/agreements. The proposed goal pertains to federal fiscal years 2018 through 2020. A teleconference will be held on Wednesday, October 24 at 2:00PM for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process. Email emilyp@portofbellingham.com for dial-in information.