

**FFY 2016-2018
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
METHODOLOGY
FOR THE

LAWTON FT. SILL REGIONAL AIRPORT

LAWTON, OKLAHOMA**

Attachment # 5

METHODOLOGY for Establishing the Overall Disadvantaged Business Enterprise (DBE) Goal for FFY 2016-2018 for: Lawton- Ft. Sill Regional Airport (LAW)

In fulfillment of the requirements of Title 49 Code of Federal Regulations Part 26 (49 CFR Part 26), the Lawton Metropolitan Area Airport Authority (LMAAA) has developed a proposed Overall Goal for FFY 2014-2016 for Airport Improvement Program (AIP)-funded projects at the Lawton Ft Sill Regional Airport. The methodology used to establish this goal is described herein.

I. Detailed Methodology: Specific Steps

A. Amount of Goal

The LMAAA has established an overall DBE goal for FFY 2016-2018 for the Lawton Ft. Sill Regional Airport which is 8.73%. The overall goal represents the percentage of federal financial assistance that will be expended in United States Department of Transportation (USDOT)-assisted contracts with DBE firms.

The Airport expects to let approximately **\$ 9,950,154.00** in federally-funded projects over the next three years for LAW. This means that the LMAAA has set a goal of expending approximately **\$ 868,648.44** with DBEs over the next three years at LAW.

B. Determination of the Market Area of the study

The normal market area is derived by determining where the substantial majority of contracting dollars for AIP-funded projects were spent, and from where the majority of bidders over a given period of time have come. Based on reviewing recent project bids at the Airport, the normal market area for LAW includes counties in North, Central, SW Oklahoma and north Texas. The market area was established using the counties from where the substantial majority of bidders in the past five (5) fiscal years have come for previous construction projects and where the substantial majority of dollars have been spent for previous projects.

C. Determination of relevant North American Industry Classification System (NAICS) codes

Based on information provided by the consulting engineer concerning the proposed projects for FFY 2016-2018, a list of NAICS codes corresponding to these projects was developed and is shown below:

Table 1: Lawton Ft Sill Regional Airport—FFY 2016-2018 Projects & Activities

FFY 2016 Projects

PROJECT	ACTIVITY	NAICS CODE
Construct SRE Building Design Terminal Improvements Pavement Management Plan	Engineering	541330
	Architectural Design Services	541310
	Building Construction	236220
	Mechanical Contractors	238220
	Trucking (Hauling)	484220
	Surveying	541370
	Erosion Control	561730

**Estimated Total - \$ 1,503,534 (including Design and Study)
850,000 – Construction only**

FFY 2017 Projects

PROJECT	ACTIVITY	NAICS CODE
Construct ARFF Building	Engineering	541330
	Architectural Design Services	541310
	Building Construction	236220
	Mechanical Contractors	238220
	Trucking (Hauling)	484220
	Surveying	541370
	Erosion Control	561730

Estimated Total - \$ 3,457,206 (construction)

FFY 2018 Projects

PROJECT	ACTIVITY	NAICS CODE
Construct All Terminal Improvement	Engineering	541330
	Architectural Design Services	541310
	Building Construction	236220
	Mechanical Contractors	238220
	Trucking (Hauling)	484220
	Surveying	541370
	Erosion Control	561730

Estimated Total -\$ 5,642,934 (Construction)

D. Determination of Relative Availability of DBEs in Market Area, compared to all firms

Method: Using State of Oklahoma DBE Directory, Census Bureau Data and SuperPages.Com

Table 2a DBEs by relevant NAICS Codes - FFY2016

NAICS CODE	WORK TYPE	DBE firms	All firms
541330	Engineering	4	34
541310	Architectural Design Services	5	162
236220	Commercial Building Construction	3	88
238220	Mechanical Contractors	9	80
541370	Surveying	15	125
561730	Erosion Control	16	178
484220	Trucking	24	135
TOTAL		76	802
STEP 1 DBE BASE FIGURE =			9.4%

Table 2b DBEs by relevant NAICS Codes — FFY 2017

NAICS CODE	WORK TYPE	DBE firms	All firms
541330	Engineering	4	34
541310	Architectural Design Services	5	162
236220	Commercial Building Construction	3	88
238220	Mechanical Contractors	9	80
541370	Surveying	15	125
561730	Erosion Control	16	178
484220	Trucking	24	135
TOTAL		76	802
STEP 1 DBE BASE FIGURE =			9.4 %

Table 2c DBEs by relevant NAICS Codes — FFY 2018

NAICS CODE	WORK TYPE	DBE firms	All firms
541330	Engineering	4	34
541310	Architectural Design Services	5	162
236220	Commercial Building Construction	3	88
238220	Mechanical Contractors	9	80
541370	Surveying	15	125
561730	Erosion Control	16	178
484220	Trucking	24	135
TOTAL		76	802

STEP 1 DBE BASE FIGURE =	9.4 %

E. Determination of the DBE Base Figure

The Step 1 DBE Base Figure was derived by dividing the number of relevant DBE firms into the number of all relevant firms as indicated in Table 4 above.

The Step 1 DBE Base Figure for FFY 2016 is 9.4%

The Step 1 DBE Base Figure for FFY 2017 is 9.4%

The Step 1 DBE Base Figure for FFY 2018 is 9.4 %

The Step 1 DBE Base Figure for FFY 2016 – FFY 2018 for LAW is 9.4%

F. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

G. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

“(i) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

The historical overall DBE goals and accomplishments in recent years were examined relative to the above consideration. Specifically, the annual ‘Uniform Report of DBE Awards or Commitments and Payments’ for the reporting periods listed below was assessed.

Table 3: Lawton Ft Sill Regional Airport Historic DBE Accomplishment Data

<i>Fiscal year</i>	<i>DBE goal</i>	<i>Accomplishment</i>
FY 2010	N/A *	0

FY 2011	8.64	13.00
FY 2012	7.83	7.00
FY 2013	7.6	8.0
FY 2014	7.6	7.4
MEDIAN	7.5%	

*Grant was for ARFF Equipment and Wildlife Hazard Assessment which did not require goals.

The median percentage (7.5 %) used in calculating the current adjusted overall goal was derived by deleting the highest 13.00 and the lowest 0 and averaging the two remaining goals (7.00%+ 8.00% = 15.00% divided by 2 = 7.5%)

The median historical DBE accomplishment for previous AIP-funded activities as shown above is 7.5%.

H. Consultations and Disparity Study

In accordance with 49 CFR Part 26.45, consultations were held with various agencies to gather:

- “(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure...*
- (iii) Data on employment, self-employment, education, training and union apprenticeship programs to the extent you can relate it to the opportunities for DBEs to perform in your program” (26:45, d.)*

The LMAAA has not identified any local agency that has conducted a disparity study. The State of Oklahoma commissioned a Disparity Study in 2010 with BBC Research & Consulting. BBC had overall responsibility for the study and performed most of the quantitative analyses. BBC included both certified and non-certified MBEs and WBEs in the utilization and availability results so that the disparity analysis would identify any potential barriers related to race, ethnicity or gender of the business owner (rather than size of business).⁵ For purposes of this study, “minority” follows the definitions from the Federal DBE Program: African Americans, Asian-Pacific Americans, Subcontinent Asian Americans, Hispanic Americans and Native Americans. To further isolate the possible effects of gender, “WBEs” refers to white women-owned firms in this disparity study. Firms owned by minority women are included in the utilization and availability results for minority-owned firms. To perform the utilization analysis, the BBC study team examined about 8,000 ODOT prime contracts and subcontracts related to state-funded transportation contracts from July 2004 through June 2009. The study team examined

location, types of work involved, size of the contract or subcontract, year of the contract and whether DBE contract goals applied.

In the availability analysis, the study team successfully contacted more than 2,100 Oklahoma firms doing business in relevant sub industries to discuss whether they were qualified and interested in ODOT work, the types of work they conduct, sizes of contracts they perform and other firm characteristics. Not all firms reported qualifications and interest in work. A business that did express qualifications and interest in work was typically only available for certain types, sizes and locations of prime contracts and subcontracts.

BBC analyzed information collected through telephone interviews with Oklahoma businesses, in-depth interviews with local businesses and other data concerning marketplace conditions in Oklahoma. The study identified: 1) Within the local engineering industry, disparities related to opportunities for entry and advancement, business ownership and business success for minorities and women. 2) For the local construction industry, disparities related to employment and business opportunities for African Americans, Hispanic Americans and Asian Americans.

BBC's availability analysis determined that after accounting for minority- and women-owned firms that might be too large to meet federal DBE certification requirements, the availability analysis indicated a "base figure" of 9.3 percent.

To obtain additional disparity study information, we researched the U.S. Department of Transportation Office of Small and Disadvantaged Business Utilization, the American Minority Advisory Council, and the Minority Business Enterprise Legal Defense and Education Fund. No additional studies were found. Attempts were also made to obtain information from the Greater Tulsa Hispanic Chapter of Commerce and the Oklahoma Native American Business Development Center.

Organizations serving or representing DBE's, minority-owned or women-owned businesses:

- Oklahoma Native American Business Development Center- Billy Hamilton cited "Obtaining contract opportunities, bonding and capital are major barriers".
- Oklahoma Minority Suppliers Development Council- Debra Ponder-Nelson cited " Receiving bid listings and shortage of capital are barriers for DBEs".
- Urban League of Greater Oklahoma City- Jerry Warrior cited " Poor communication in getting DBEs formation on bidding opportunities."
- Oklahoma Department of Transportation- Bernice Price reported that "Bonding and financial issues were largest barriers".

- Langston University Small Business Development Center- Marvin Fisher reported that “contacting the right people to get a chance at opportunities is a barrier”
- Small Business Administration, Lawton, Oklahoma – Mary Echinger cited “bonding and capital were barriers for small business owners”.

Although barriers were identified in the above referenced research, the only statistical data reported was that from the **State of Oklahoma Disparity Study which recommended a 9.3% goal**

I. Adjustment to Step 2 DBE Base Figures: FFY 2014-2016

FFY 2016 - The Step 1 DBE Base Figure for FFY 2014 is 9.4 % + 7.5% median of historical participation + Goal of State disparity study 9.3% = 26.2%
26.2/3 = 8.73%

FFY 2017 -The Step 1 DBE Base Figure for FFY 2015 is 9.4 % + 7.5% median of historical participation + Goal of State disparity study 9.3% = 26.2%
26.2/ 3 = 8.73%

FFY 2018 - The Step 1 DBE Base Figure for FFY 2016 is 9.4% + 7.5% median of historical participation + Goal of State disparity study 9.3% = 26.2%
26.2 / 3 =8.73%

FFY 2016 – FFY 2018 for LAW is 8.73 +8.73 +8.73 = 26.2/ 3 = 8.73 %

J. Breakout of Estimated Race-Conscious/Race-Neutral Participation

The LMAAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The LMAAA will use a combination of the following race-neutral 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, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*

2. *Disseminating information communications 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).*
3. *Ensuring distribution of the Oklahoma DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.*

K. Race Neutral/Race Conscious - The LMAAA estimates that, in meeting its overall goal for **LAW of 8.73%, it will obtain .0% using race-neutral means, and 8.73% using race-conscious means.**

The Division of Aviation will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. 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 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.

L. Public Participation

Consultation: Section 26.45(g)(1). The following individuals and/or organizations were consulted to seek input on the overall goal and to discuss problems DBE's encounter doing business.

1. Urban League of Greater Oklahoma City- Revealed that, if achieved, this goal would be reasonable.
2. Tulsa Airport Authority- Stated that achievement of this percentage range is a reasonable goal for DBE participation.
3. The Airport has contacted the following DBE firms to discuss barriers they have encountered and seek input:

A. Texoma Sod Farm, 1400 SE Bishop Road, Lawton, OK 73501, Phone: 580-581-9000

B. Cherokee Supply, 1801 West Detroit, Broken Arrow, Oklahoma 74012, Phone: 918-259-9701

C. One Way Construction, Inc., P.O. Box 10857, Midwest City, Oklahoma 73140, Phone: 405-427-6377

D. Munoz Construction, Inc., 1129 SW 27th, Oklahoma City, Oklahoma 73109, Phone: 405- 634-9462

M. Published Notice: Section 26.45 (g)(2). The proposed goal was published in the Lawton Constitution. Lawton Constitution is a publication available in the entire market area, either by hard copy or on line at their website www.lawton-constitution.com and is also posted on the airport's website www.flylawton.org.

Attached is a copy of the "Public Notice" published in the referenced paper.

Sample Public Notice Language:

PUBLIC NOTICE

The Lawton/Ft. Sill Regional Airport hereby announces its fiscal year 2016-2018 goal of 8.73% for Disadvantaged Business Enterprise (DBE) on airport construction projects. The proposed goal and rationale are available for inspection between 8:00 a.m. and 4:30 p.m., Monday through Friday at the Lawton/Ft. Sill Regional Airport, 3401 S. 11th Street, Lawton, Oklahoma 73502 for 30 days from the date of this publication and on the website www.flylawton.org. Comments on the DBE goal will be accepted for 45 days from the date of this publication and can be sent to the following:

Airport Director (Ms. Barbara McNally)
Lawton/Ft. Sill Regional Airport
3401 S. 11th Street
Lawton, Oklahoma 73502
Phone: 580-353-4869 x301
Fax (580) 250-1130
barbara@flylawton.org

Or

Compliance Specialist – Southwest Region
Office of Civil Rights – AWP-9
Federal Aviation Administration
Phone: 310-725-3939
Fax: 310-725-6819
dolores.leyva@faa.gov

Contract Goals:

FFY 2016 – FFY 2018 for LAW is 8.73%

The recipient will use contract goals to meet any portion of the overall goal that the recipient does not project being able to meet using RN means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the recipient's overall goal that is not projected to be met through the use of RN means. The recipient will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It need not establish a contract goal on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work and availability of DBE's to perform the particular type of work). The recipient will express its contract goals as a percentage of total amount of DBE-assisted contract.