

CEDAR RAPIDS AIRPORT COMMISSION FFY2018 – FFY2020 DBE GOALS

Overall Goals

Amount of Goal

The Commission's **overall goal for FFY2018 – FFY2020** is the following: **2.3%** of the Federal financial assistance we will expend in FAA-assisted contracts.

Methodology

To comply with 49 CRF Part 26.45, the Commission establishes its DBE goal based on evidence of availability of ready, willing, and able DBE's relative to all business ready, willing, and able to participate in the Commission's FAA-assisted contracts. The first step to begin the goal-setting process is determining a base figure for the relative availability of DBE's. The second step is to examine the evidence available locally to determine what adjustment, if any, is necessary to the base figure to arrive at an overall goal.

Step 1 (Ready, Willing, and Able to Work Step)

The Commission has at least five options that may be used in the goal-setting process. Adjustments can be made under Step 2 to ensure that the final goal is narrowly tailored to the Commission's market and contracting program. The options are as follows:

1. Use DBE Directories and Census Bureau Data to determine the number of ready, willing and able DBEs in the market by using the Iowa Department of Transportation (IDOT) DBE Directory and the Census Bureau's County Business Pattern database to determine the number of all ready, willing and able businesses available in the market that perform work in the same NAICS codes. The number of DBEs is divided by the number of all businesses to arrive at a base figure for the relative availability of the DBEs in the market.
2. Use a bidder's list to determine the number of DBEs that have bid or quoted on FAA assisted prime contracts or subcontracts in the previous year and determine the number of all businesses that have bid or quoted on prime or subcontracts in the same time period. The number of DBE bidders and quoters should be divided by the number of all businesses to derive a base figure for the relative availability of DBEs in the market.
3. Use data from a disparity study. Use a percentage derived from data in a valid, applicable disparity study.
4. Use the goal of another Department of Transportation (DOT) recipient in the same or substantially similar market that has set an overall goal in compliance with 49 CRF Part 26.45.
5. Alternative methods. Other methods may be used to determine a base figure for an overall goal. The methodology used must be based on demonstrable evidence of local market

conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of DBEs in the market.

In previous goal setting prior to the FFY2015 – FFY2017 goal setting period, the Commission utilized the Iowa Department of Transportation (IDOT) Federal Highway Administration (FHWA) DBE goal for Step 1. The Commission reviewed the IDOT FFY 2018 – FFY 2020 anticipated FHWA DBE goal of 6.1%. It was determined that the IDOT goal was based on data primarily for highway and bridge construction. Similar to the Commission’s FFY2015 – FFY2017 goal setting period, the Commission projects during the FFY2018 – FFY2020 goal period for FAA–assisted contracts consist in part of terminal building improvements unrelated to work associated with highway or bridge construction. However, while the FAA-assisted projects were nearly 100% terminal building improvement projects for the FFY2015 – FFY2017 goal setting period, the FFY2018 – FFY2020 goal period is 15% terminal building improvement projects. Airfield pavement projects including runway and taxiways reconstruction consist of 85% of FAA-assisted projects and can be compared to the IDOT goal based on highway and bridge construction work. Nonetheless, it was determined that utilization of the IDOT FHWA goal of 6.1% was not feasible due to the terminal building improvement projects. Consequently, the Commission revisited its options for gathering the necessary data to do an analysis pursuant to the Alternative Methods option. Similar to the Alternative Method utilized in the FFY2015 – FFY2017 goal period, the Commission gave consideration to estimating DBE firms’ participation on architectural/engineering (A/E) work related to terminal building improvement projects anticipated to be constructed during the goal period. However, it was determined this calculation would be considered in Step 2 (Adjustment Step) based on evidence available that includes actual DBE participation on A/E and construction FAA-assisted contracts during the past three years. In addition, many factors can adversely affect DBE participation during a goal period including a reduction in FAA assistance. In developing its FFY2018 – FFY2020 Capital Improvement Program (CIP), the Commission anticipated receiving \$10,913,047 in FAA AIP discretionary funding to fund airfield pavement projects. If discretionary funding is reduced or eliminated the percentage of airfield pavement projects constructed during the goal period could be reduced from 85% down to 70%. FAA regulations limit terminal building improvement projects at small-hub airports to be funded with FAA AIP entitlement funds, no discretionary funds can be used to fund terminal building improvement projects. Recent correspondence from the FAA Central Region alerted the Commission that the Central Region is anticipating falling short of accomplishing all the requested runway rehabilitation/reconstruction projects during the next 3-5 year time period. As a consequence taxiway and apron rehabilitation/reconstruction projects or any new runway, taxiway, or apron construction/extension/expansion work will be limited to the Commission’s available FAA AIP entitlement funds. Accordingly, the Commission determined not to anticipate FAA AIP discretionary funds for its airfield pavement projects, which reduces the airfield pavement projects percentage of total FAA-assisted projects during the goal period down from 85% to 70%. As a result the Commission’s Alternative Methods option is to use 70% of the IDOT FHWA DBE goal of 6.1% equal to 4.3% as the Step 1 base goal.

Step 2 (Adjustment Step Based on Evidence Available)

The second step is to examine the evidence available from Commission records to determine if any adjustment is needed. Two factors were examined to determine the capacity of the existing DBE firms working for the Commission:

1. The percentage of contracts that DBE firms were able to receive race neutral (e.g. low bid or used as subcontractors on projects without DBE goals) was reviewed.

- ◆ The percentage of prime contracts awarded to DBE's represents their ability to compete and obtain prime contracts in a race neutral market.
- ◆ During the past 3 years, DBE firms obtained 0.0% of all prime contracts through the low-bid process, which represents 0.0% of the total contract dollars.

$$\frac{0 \text{ DBE prime contract awards}}{9 \text{ all prime contract awards}} = 0\%$$

$$\frac{\$0 \text{ of DBE prime contract awards}}{\$17,889,458 \text{ of all prime contract awards}} = 0\%$$

- ◆ The percentage of subcontracts awarded to DBE's on projects without DBE goals represents their ability to compete and obtain subcontracts in a race neutral market.
- ◆ During the past 3 years, DBE firms obtained 3.2% of subcontracts without DBE goals, which represents 0.9% of the total subcontract dollars.

$$\frac{3 \text{ DBE subcontracts without DBE goals}}{95 \text{ all subcontracts without DBE goals}} = 3.2\%$$

$$\frac{\$23,400 \text{ of DBE subcontracts without DBE goals}}{\$2,640,502 \text{ of all subcontracts without DBE goals}} = 0.9\%$$

2. The percentage of contracts that DBE firms were able to receive race conscious (e.g. low bid or used as subcontractors on Federal assisted projects with DBE goals) was reviewed.

- ◆ During the past 3 years, DBE firms obtained 0.0% of Federal assisted prime contracts.

$$\frac{0 \text{ DBE Prime Contracts on Federal assisted contracts}}{9 \text{ Prime Contracts on Federal assisted contracts}} = 0.0\%$$

- ◆ During the past 3 years, DBE firms received 9.5% of Federal assisted subcontracts with DBE goals, which represents 0.4% of the total contract dollars.

$$\frac{6 \text{ DBE Subcontracts on Federal assisted contracts}}{63 \text{ Subcontracts on Federal assisted contracts}} = 9.5\%$$

$$\frac{\$65,649 \text{ DBE Subcontracts on Federal assisted contracts}}{\$17,889,458 \text{ of Federal assisted contracts}} = 0.4\%$$

- ◆ During the past 3 years, DBE firms have received 0.4% of the entire Federal assisted contract dollars.

Summary

These factors indicate that DBE firms have not been able to obtain prime contracts through race-neutral methods or race conscious methods. With the current DBE goals set on Federal assisted terminal renovation projects, DBE firms have been able to obtain 0.40% of our total Federal assisted contract dollars. The DBE goal for this period was 0.39%. These factors indicate that DBE firms have been able to obtain just 0.01% of Federal assisted subcontracts through race-neutral methods. The Commission has compared the DBE percentages under Step 1 of 4.3% (Commission Alternative Method) and under Step 2 of 0.4% (actual participation), averaging Step 1 and Step 2 percentages results in a goal of 2.3%. Consequently, the Commission's overall goal for FFY2018 – FFY2020 is 2.3% of the Federal financial assistance we will expend on FAA-assisted contracts.

The Commission will monitor and administer existing FAA-assisted contracts under the current DBE Program. We will implement the use of the new DBE Program and goals beginning with the first FAA-assisted contract of Federal FFY2018 – FFY2020.

Process

The Commission's first overall three-year DBE goal was submitted to the FAA on August 1, 2011, and a new DBE overall goal will be submitted every three years after said date. Before establishing the overall DBE goal, the Commission conducts a consultation meeting with DBE firms who have participated on past Federal Assisted contracts to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBE's, and the Commission's efforts to establish a level playing field for the participation of DBE's.

Each year the overall goal is submitted to the FAA, the Commission will publish a notice in the Cedar Rapids Gazette. The publication will notify the public that the proposed overall goal and its rationale are available for inspection during normal business hours at the Office of the Airport Director for 30 days following the date of the notice. The public will be informed that the Commission and FAA will accept comments on the goals for 45 days from the date of the notice. Normally, we will issue this notice by July 31st of each year. The notice will include addresses to which comments may be sent and addresses where the proposal may be reviewed.

The Commission's address for viewing and comments is:

Office of the Airport Director
The Eastern Iowa Airport
2515 Arthur Collins Parkway SW
Cedar Rapids, IA 52404-8952
Website: WWW.FLYCID.COM
Email: DBELO@FLYCID.COM

The FAA's address for comments:

Federal Aviation Administration
Office of Civil Rights
Western-Pacific Regional Office, AWP-9
P.O. Box 92007
Los Angeles, CA 90009-2007

Our overall goal submission including supplemental information to the FAA will include a summary of information and comments received during this public participation process and our responses. We will normally begin using our overall goal on October 1st of each year, unless we have received other instructions from FAA.

Breakout of Race-Neutral and Race-Conscious Participation

The Commission will use race-neutral measures to meet the maximum feasible portion of the overall goal. Race-neutral measures will include outreach and technical assistance for DBE contractors. The outreach and technical assistance support will include technical assistance and training in areas such as preparing and using a business plan, bonding, working with the Commission, and contract administration.

The Commission established during its "FFY2015 – FFY2017 DBE Goal Analysis" that 0.01% of the DBE participation on Federal assisted projects was obtained through race neutral measures. Since race neutral measures did not secure a minimum amount of DBE participation, we project that the FFY2018 – FFY2020 goal of 2.3% will be achieved through race-conscious measures. None of the 2.3% goal will be achieved through race-neutral measures.

The Commission will adjust the estimated breakout of race-neutral and race-conscious participation if needed to reflect actual DBE participation and 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 prime contracts, DBE subcontracts on a prime contract that does not carry a DBE goal, DBE subcontracting exceeding a contract goal, and DBE subcontracting where the prime contractor did not consider a firm's DBE status in making the award.

The Commission will use race-neutral measures to meet the entire overall goal. The Commission does not project using race-conscious means to meet the goal. Contract goals if used, will be 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. The Commission 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 circumstance of each such contract. (e.g., type and location of work, availability of DBE's to perform the particular type of work).

The Commission will express its contract goals as a percentage of the total amount of FAA assisted contracts.