

**FY 2019 – FY 2021 DISADVANTAGED BUSINESS ENTERPRISE
(DBE) GOAL UPDATE**

Airport Sponsor: Grand Forks International Airport – Grand Forks Regional Airport Authority

Name of Preparer: Jared Wingo, Airport Planner - North Dakota Aeronautics Commission
Ryan Riesinger, Executive Director – Grand Forks Regional Airport Authority

Preparer’s Phone: (701) 328-9655: Jared Wingo
(701) 795-6981: Tanna Aasand

Goal Period: 1 October 2018 to 30 September 2021.

Overall Goal: 2.90% (2.90% race conscious and 0.00% race neutral)

OVERALL GOAL:

The overall goal of the Grand Forks Regional Airport Authority, referred to as the “Airport” for FY 2019 – FY 2021 is 2.90% of the Federal Aviation Administration’s (FAA) grant program. We expect \$11,970,000.00 of which \$347,130 will be anticipated with DBE participation in these fiscal years.

METHODOLOGY:

STEP 1

BASELINE GOAL

The North Dakota Department of Transportation (NDDOT) determined the availability of DBEs from information supplied by all federal-aid bidders on prime and consultant contracts from 1 April 2016 to 30 March 2017. The data from this timeframe is an accurate reflection of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on DOT-assisted contracts. As a note, several DBEs have been removed from the NDDOT DBE directory since the last goal setting period, due to firms withdrawing and/or graduating from the program.

There were a total of 424 bidders and quotes supplied on construction projects: 23 DBEs and 401 Non-DBEs. A total of 59 consultant bids were included in the bid on consulting projects: 7 DBEs and 52 Non-DBEs.

A weighted average was developed by determining the comparative percentage DBEs and Non-DBEs obtained in prime contracting (Asphalt, Bridge, Concrete, Dirt, and Additional Contracting Opportunities, Consulting) and subcontracting dollars. **This calculation establishes a base figure for Step 1 of 4.91%.**

1) Description of Calculations Performed:

The relative availability was calculated by dividing the number of DBE primes that bid on **Asphalt** contracts (7) by the number of total prime bidders (99); and multiplying that quotient by the percentage of dollars projected for asphalt work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 ($\$531,882,780 / \$897,357,499 = 59.27\% \times 73.93\% = 43.82\%$).

$$7 \text{ DBE primes}/99 \text{ total primes} = 7.07\% \times 43.82\% = 3.10\%$$

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 (14); and multiplying that quotient by the percentage of dollars projected for bridge work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 ($\$56,783,293 / \$897,357,499 = 6.33\% \times 73.93\% = 4.68\%$).

$$0 \text{ DBE primes}/14 \text{ total primes} = 0.00\% \times 4.68\% = 0.00\%$$

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 (11); and multiplying that quotient by the percentage of dollars projected for concrete work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 ($\$87,331,642 / \$897,357,499 = 9.73\% \times 73.93\% = 7.19\%$).

$$0 \text{ DBE primes}/11 \text{ total primes} = 0.00\% \times 7.19\% = 0.00\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on **Dirt** contracts (2) by the number of total prime bidders (23); and multiplying that quotient by the percentage of dollars projected for dirt work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 ($\$82,738,018 / \$897,357,499 = 9.22\% \times 73.93\% = 6.82\%$).

$$2 \text{ DBE primes}/23 \text{ total primes} = 8.69\% \times 6.82\% = 0.59\%$$

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 (19); and multiplying that quotient by the percentage of dollars projected for other work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 ($\$43,923,164 / \$897,357,499 = 4.89\% \times 73.93\% = 3.62\%$).

$$0 \text{ DBE primes}/19 \text{ total primes} = 0.00\% \times 3.62\% = 0.00\%$$

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 (7) by the number of total consultants (59); and multiplying that quotient by the percentage of dollars projected for consultants in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percentage of work paid to primes in 2016-2017 (\$49,151,100 / \$897,357,499 = 5.48% x 3.94% = 0.22%).

$$7 \text{ DBE consultants} / 59 \text{ total consultants} = 11.86\% \times 0.22\% = 0.03\%$$

The relative availability was calculated by dividing the number of DBE **Subcontractors** that bid (18) by the number of total subcontractors (303); and multiplying that sum by the percentage of dollars between 1 April 2016 to 31 March 2017 (20.04%). This serves as an indicator of the overall total dollars projected to be spend in FY 2018-2020.

$$18 \text{ DBE subcontractors} / 303 \text{ total subcontractors} = 5.94\% \times 20.04\% = 1.19\%$$

2) Resulting Baseline Goal

The baseline goal for North Dakota is 4.91%

$$3.10\% + 0.59\% + 0.03\% + 1.19\% = 4.91\%$$

STEP 2

ADJUSTMENTS

Year	Participation Percentage
2015	4.59%
2016	0.00%
2017	0.90%

The median is 0.90% which is our Step 2 adjustment figure

The NDDOT 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 NDDOT 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
- Independent Bankers Association

No Information was received from these sources. An adjustment based on this evidence was not warranted. Also, there is no applicable disparity study to use to make an adjustment.

To arrive at the overall goal, we added Step 1 (4.91%) to Step 2 (0.90%) = 5.81% and then averaged =2.90%, which is our overall goal.

We estimated that we can obtain 2.90% from race conscious participation and 0.00% from race neutral participation measures. This goal will be sent forward to consultation prior to publishing a public notice on our official website.

PUBLIC INVOLVEMENT AND CONSULTATION PROCESS:

The Grand Forks Regional Airport submits its overall goal on 1 August of each three-year cycle for all FAA grants that exceed \$250,000. Before establishing the overall goal, the 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 DBE and Non-DBE entities, the effects of discrimination on opportunities for DBEs, and the efforts to establish a level playing field for participation of DBEs. The NDDOT website provides information on the DBE program, goals, directory, and UCP certification process.

Following this consultation, the 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 Commission and the Airport's offices for 30 days following the date of the notice. The notice will be published in the local newspaper. Normally, this notice will be published by 15 August of the third year. The notice will include addresses to which comments may be sent and addresses where the proposal may be reviewed in addition, the Airport will publish the Notice and Draft DBE Goal Update on the Airport's public website. The Airport will begin using the overall goal on 1 October of each third year, unless the Airport has received other instructions from the FAA or the U.S. Department of Transportation (USDOT).

BREAKOUT OF ESTIMATED RACE NEUTRAL AND RACE CONSCIOUS PARTICIPATION:

The 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 consultants 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 website address for the NDDOT 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.

The Airport estimates in meeting the overall goal of 2.90%, the Airport will obtain 2.90% from race-conscious participation and 0.00% from race-neutral participation means.

CONTRACT GOALS:

The Airport will use contract goals to meet any and/or all 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 the Airport's goal that is not projected to be met through the use of race-conscious means.

The Airport will establish contract goals only on those FAA assisted contracts that have subcontracting possibilities. The Airport will 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 DBEs to perform the particular type of work).

The Airport will express contract goals as a percentage of the total amount of the FAA assisted contract.