

ATTACHMENT 5

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: Blaine County Airport Commission

Name of Airport: Harlem Airport

Goal Period: FY 2021-2022-2023 – October 1, 2020 through September 30, 2023)

Overall Goal: **6.81%**

DOT –assisted contract amount:

FY 2021:	\$0 (No Goal Required)
FY 2022:	\$2,000,000
FY 2023:	\$0 (No Goal Required)
TOTAL:	\$2,000,000

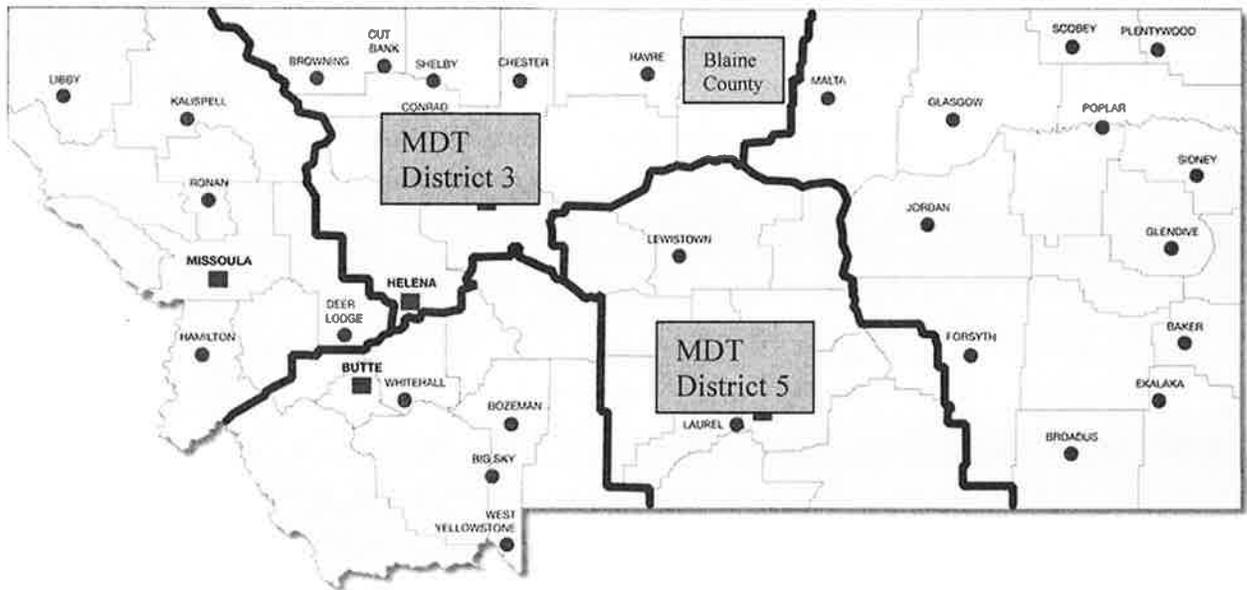
Overall Three Year Goal: 6.81% to be accomplished through 6.81% RN and 0% RC

The proposed overall DBE goal is based on a percentage of all estimated FAA funds that will be expended on FAA assisted contracts in fiscal year 2021-2023. Should funding of these projects not occur during FY 2021-2023, or if FAA funding becomes available for projects in addition to those noted above, the overall DBE goals will change accordingly. Unless a substantial change occurs in the proposed projects, the proposed DBE project goals determined herein will not change.

Table 1 – Anticipated DOT/FAA Contract Amounts		
Year	Description	Federal Funds
FY 2021	No Project	\$0
FY 2022	Contract #1 - Runway, Taxiway, Apron Rehabilitation - Engineering Design	\$100,000
FY 2022	Contract #2 - Runway, Taxiway, Apron Rehabilitation - Engineering Construction Management	\$100,000
FY 2022	Contract #3 - Runway, Taxiway, Apron Rehabilitation - Construction	\$1,800,000
FY 2023	No Project	\$0
TOTAL		\$2,000,000

Market Area:

The Airport's market area is typically consists of counties located within District 3 & 5 of the Montana Department of Transportation (MDOT). This is the area in which a substantial majority of the contractors and subcontractors come from and the area in which the airport authority spends a substantial majority of its contracting dollars.



Step 1 of Overall Goal Determination

Step 1. 26.45(c)

For the Step 1 Base Figure, the Airport determined the relative DBE availability in accordance with 49 CFR Part 26.45 (c) (3), which is to use data from a disparity study. To set the base figure, the Airport utilized availability data from the Montana Department of Transportation's 2016 Availability and Disparity Study and dollar weighted the availability based on the work anticipated at the Airport in for the goal period.

The calculation of the step 1 goal is summarized in the tables below.

FY 2022 - CONTRACTS					
Contract #1 - Runway, Taxiway, Apron Rehabilitation - Engineering Design					
Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	DBE \$
Surveying and mapping	2	66	3.03%	\$10,000	\$ 303
Engineering	4	83	4.82%	\$80,000	\$ 3,855
Inspection and testing	2	66	3.03%	\$10,000	\$ 303
TOTAL				\$100,000	\$ 4,461

Contract #2 - Runway, Taxiway, Apron Rehabilitation - Engineering Construction Management					
Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	DBE \$
Engineering	4	83	4.82%	\$ 80,000	\$ 3,855
Inspection and testing	2	66	3.03%	\$ 20,000	\$ 606
TOTAL				\$ 100,000	\$ 4,461

Contract #3 - Runway, Taxiway, Apron Rehabilitation - Construction					
Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	DBE \$
Asphalt and concrete paving	5	66	7.58%	\$ 1,410,000	\$ 106,818
Striping or pavement marking	1	24	4.17%	\$ 50,000	\$ 2,083
Pavement milling	3	31	9.68%	\$ 100,000	\$ 9,677
Trucking and hauling (Millings, Gravel, Asphalt)	5	134	3.73%	\$ 200,000	\$ 7,463
Surveying and mapping	2	66	3.03%	\$ 20,000	\$ 606
Inspection and testing	2	66	3.03%	\$ 20,000	\$ 606
TOTAL				\$ 1,800,000	\$ 127,254

TOTAL FY 2022	TOTAL \$	Total DBE \$	% DBE (\$DBE/\$ Total)
	\$ 2,000,000	\$ 136,177	6.81%

Final Determination of Step 1 Goal

The final determination of the step 1 goal is calculated based on total dollars of DBE participation divided by the total contracts anticipated. This provides a weighted goal based on the anticipated project for FY 2021 through FY 2023.

Table 3 - Summary Step 1 Goal Determination		
Fiscal Year	\$ Total	\$ DBE
FY 2021	\$ -	\$ -
FY 2022	\$ 2,000,000	\$ 136,177
FY 2023	\$ -	\$ -
TOTAL	\$ 2,000,000	\$136,177
Step 1 Goal Determination (\$ DBE / \$ Total)		6.81%

Step 2 of Overall Goal Determination – Adjustments to the Base Figure

The State of Montana, Department of Transportation acts as a lead organization for the development and solicitation of minority and women owned firms. They provide a web site distribution of a bid distribution form, which is then sent to all DBE firms in the State. The State of Montana has also developed a Referral Resource list of organizations that also assist minority and women owned businesses. We have contacted the Montana Department of Transportation's to identify any barriers affecting opportunities for DBEs. The MDOT maintains a website for distribution of construction project advertisements and a site for Prime contractors to solicit DBE subcontractor's bids.

MDT engaged a consultant 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; MDT and other agencies might review information in the report regarding DBE availability as they relate to operating the Program for FAA-funded contracts.

In Step 2 of the Goal Determination, the Blaine County Airport Commission examined available evidence available in its jurisdiction, including the analysis performed by the MDT 2016 Disparity Study, to determine what adjustment, if any, is needed to the base figure to arrive at an overall DBE participation goal. The Blaine County Airport Commission considered the following information in the potential step 2 adjustments.

Past DBE Participation

Information from the 2016 MDT Disparity Study in related to entry, advancement, and business ownership.

Information from the 2016 MDT Disparity Study related the ability of DBE's to access bonding and insurance.

Other relevant information from the 2016 MDT Disparity Study.

Past Participation

The DBE utilization at the Harlem Airport was analyzed from FY2012-FY2020 on FAA assisted contracts.

The table below shows the final DBE Achievement for the projects awarded over the past 9 fiscal years. Note achievement is based on values at final contract completion. The Average DBE Participation from FY 2012 to FY 2020 was 0% based on total DBE Achievement and Total Contact amounts.

Table 4 - Past Participation History							
FY	Total Goal	RN Goal	RC Goal	\$ Total Work	\$ DBE	Achievement ¹	Primary Work Type
2012 ³	1.43	1.43		\$ -	\$ -	0.0%	No Projects
2013 ³	1.43	1.43	0	\$ -	\$ -	0.0%	No Projects
2014	1.43	1.43	0	\$ 439,693	\$ 0	0.0%	SRE Building and Equipment Acquisition
2015 ²	0	0	0	\$ 113,754	\$ 0	0.0%	Pavement Maintenance
2016 ³	0	0	0	\$ -	\$ -	0.0%	No Projects
2017 ³	0	0	0	\$ -	\$ -	0.0%	No Projects
2018 ³	0	0	0	\$ -	\$ -	0.0%	No Projects
2019 ³	0	0	0	\$ -	\$ -	0.0%	No Projects
2020 ³	0	0	0	\$ -	\$ -	0.0%	No Projects
TOTALS				\$ 474,462	\$ 0	0%	
1. All Achievement was through race neutral means							
2. DBE Goal not required. Federal awards less than \$250,000							
3. No projects.							

In this case the past participation is not considered for adjustment to the base figure since the types of projects are not similar in nature to the projects listed in the current goal period and there was no DBE achievement on the projects.

Entry, Advancement, and Business Ownership.

The 2016 MDT Disparity Study found that there are barriers that certain minority groups and women face related to entry and advancement in the Montana construction and engineering industries. Specifically, Native Americans working in the construction industry, were less likely than non-minorities to own construction businesses and women were less likely to own engineering companies. The 2016 MDT Disparity Study estimated the availability of minority and women owned firms but for the effects of race and gender based discrimination there could be an upward adjustment of 4.33% to the base figure (2016 MDT Disparity Study, Figure 9-3).

An adjustment to the base figure for barriers related to entry, advancement, and business ownership was not made in the determination of Blaine County Airport Commission's DBE goal at the Harlem Airport for the following reasons.

The 2016 MDT Disparity Study considered potential DBE's in as it related to this section, and not current DBE's. The step 1 methodology only considers current DBE's, therefore to be consistent with the step 1 methodology an adjustment was not made related entry, advancement, and business ownership.

Financing, Bonding, and Insurance

The 2016 MDT Disparity Study found quantitative and qualitative evidence of the disadvantages for minorities, women, and minority/women owned firms related to access to financing and bonding. The 2016 MDT disparity study indicated that an upward adjustment could be made to address these barriers, however, the impact of those factors could not be quantified (2016 MDT Disparity Study, Chapter 9, page 9).

An adjustment to the base figure for barriers related to financing, bonding, and insurance, was not made in the determination of Tuner Airport's DBE goal for the following reasons.

Since Disparity study indicated the impact of the barriers related to this category could not be quantified.

Other Factors

The other factors examined in the 2016 MDT Disparity Study were related to success of minority- and women-owned firms relative to majority-owned businesses in the Montana marketplace. The Study noted quantitative evidence that minority- and women-owned firms are less successful than majority-owned firms and face greater barriers in the marketplace. There was also qualitative information that suggests discrimination on the basis of race, ethnicity and gender affects minority- and women-owned firms in the Montana transportation contracting industry. Although the analysis indicates an upward

adjustment could be made to address these barriers, the impact of those factors could not be quantified (2016 MDT Disparity Study, Chapter 9, page 9).

An adjustment to the base figure for barriers related to other factors was not made in the determination of Harlem Airport's DBE goal for the following reasons.

Since Disparity study indicated the impact of the barriers related to this category could not be quantified.

Final Adjustments to the Step 1 Base Figure

After examining the available evidence and evaluating the step 2 adjustment options, the Harlem Airport will not apply any adjustments to the Step 1 base figure.

The Harlem Airport is proposing **6.81% DBE Goal**.

Breakout of Estimated Race-Neutral vs. Race Conscious Participation

The 2016 MDT Disparity Study found that minority- and women-owned firms were underutilized based on their availability. The Study also noted both quantitative and qualitative information suggesting that there is not a level playing field for minority- and women-owned businesses in the Montana transportation contracting industry. As a result, the 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.

While race- and possibly gender-conscious methods may be used, the Airport has been successful the past five years in meeting its overall goal, on average, solely through race neutral measures and has proposed that method going forward (See achievement table above). In order to meet the overall **6.81% DBE goal**, the Airport is committed to implementing race neutral measures that encourage small business and DBE participation.

The Airport has had difficulty meeting prior annual DBE goal primarily due to limited subcontracting opportunities and generating interested DBE bidders for the proposed work type. 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, the Airport is proposing to meet the overall goal solely through race neutral measures. If the Uniform Report indicates that the Airport fell short or will fall short of meeting the overall goal, the Airport will re-evaluate how much of the overall goal can be met through race neutral means and implement race conscious measures (i.e. project specific goals) to meet the remainder of the goal.

The Blaine County Airport Commission will meet the maximum feasible portion of its overall goal by using Race Neutral (RN) means of facilitating DBE participation. The

Blaine County Airport Commission 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 business participation.
2. Disseminating information on contracting procedures and specific contract opportunities by including DBE organizations, such as the State of Montana, Department of Transportation's DBE Program Office, on the mailing lists for bidders to increase their awareness of upcoming contracting opportunities at the Airport.
3. Ensuring distribution of the MDT DBE directory, through electronic means, to the widest feasible universe of potential prime contractors;

The Blaine County Airport Commission estimates that, in meeting the overall goal of **6.81% we will obtain 6.81% from race-neutral participation** and **0.00% through race-conscious measures**.

The following is a summary of the basis of our estimated breakout for race-neutral and race-conscious DBE participation:

1. **Because the Blaine County Airport Commission does not currently have sufficient evidence of discrimination or its effect, the Blaine County Airport Commission will meet its overall goal by using race-neutral means of facilitating DBE participation.** The Blaine County Airport Commission uses the following race neutral means to increase DBE participation: where feasible, unbundling large contracts to make them more accessible to small businesses; ensuring the inclusion of DBEs and other small businesses on recipient mailing lists for bidders, and ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors.

In order to reflect as accurately as possible the DBE participation we would expect in the absence of discrimination a race/gender neutral DBE goal of 6.81% has been calculated.

The ***Blaine County Airport Commission*** will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and we 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.

The ***Blaine County Airport Commission*** uses the following race neutral means to increase DBE participation: where feasible, unbundling large contracts to make them

more accessible to small businesses; ensuring the inclusion of DBEs and other small businesses on recipient mailing lists for bidders; and ensuring dissemination of lists of potential subcontractors to bidders on prime contracts.

Public Participation

Consultation: Section 26.45(g)(1).

The **Blaine County Airport Commission** submits its overall DBE three-year goal to DOT on August 1 as required by the set schedule.

Before establishing the overall goal, the **Blaine County Airport Commission** consulted with the **Montana Department of Transportation, DBE Office** without limiting consultation to these persons or groups, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the **Blaine County Airport Commission** efforts to establish a level playing field for the participation of DBEs.

As part of the requirements for **Blaine County Airport Commission** to receive FAA Grants for Airport improvements, in accordance with 49 CFR Part 26, **Blaine County Airport Commission** is required to conduct a scheduled 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 Disadvantaged Business Enterprises (DBEs), and the **Blaine County Airport Commission** efforts to establish a level playing field for the participation of DBEs. An open meeting was held with as many interested stakeholders as possible focused on obtaining information relevant to the Disadvantaged Business Enterprise (DBE) goal setting methodology. The meeting was held via teleconference on June 24th

Also, a notice regarding the above meeting was as an e-mail distribution of the announcement by the State of Montana to their current list of DBEs.

There were seven (7) people who called into the meeting. It was attended by the consultant and the 1 member of the Blaine County Airport Commission, three members of the Montana Department of Transportation, and 2 other consulting / contractors.

Following the consultation, we published a notice **Journal News Opinion Newspaper** for the proposed overall goal, informing the public that the proposed goal and its rationale were available for inspection during normal business hours at the Blaine County Clerk and Recorder Office for 30 days following the date of the notice, and informing the public that the **Blaine County Airport Commission** and DOT will accept comments on the goals for 30 days from the date of the notice.

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses, if any.

ATTACHMENT 5 -

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: Blaine County Airport Commission
Name of Airport: Edgar G. Obie Airport (Chinook Airport)
Goal Period: FY 2021-2022-2023 – October 1, 2020 through September 30, 2023)
Overall Goal: *Not Required*

<u>DOT –assisted contract amount:</u>	FY 2018:	\$0 (No Goal Required)
	FY 2019:	\$0 (No Goal Required)
	FY 2020:	\$0 (No Goal Required)
	TOTAL:	\$0

Overall Three Year Goal: **NA**

The Blaine County Airport Commission does not plan on received more than \$250,000 of FAA funds at the Chinook Airport in any of the fiscal years in the goal period. A DBE goal is not required and has not been established for FY 2021-FY2023.

ATTACHMENT 5

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: Blaine County Airport Commission

Name of Airport: Turner Airport

Goal Period: FY 2021-2022-2023 – October 1, 2020 through September 30, 2023)

Overall Goal: *Not Required*

<u>DOT –assisted contract amount:</u>	FY 2021:	\$0 (No Goal Required)
	FY 2022:	\$0 (No Goal Required)
	FY 2023:	\$0 (No Goal Required)
	TOTAL:	\$0

Overall Three Year Goal: NA

The Blaine County Airport Commission does not plan on received more than \$250,000 of FAA funds at the Tuner Airport in any of the fiscal years in the goal period. A DBE goal is not required and has not been established for FY 2021-FY2023.