



Disadvantaged Business Enterprise Goals and Methodology

Goal Period: October 1, 2020 Through September 30, 2023



DELAND MUNICIPAL AIRPORT

DISADVANTAGED BUSINESS ENTERPRISE GOALS AND METHODOLOGY

The City of DeLand (City) is the owner and operator of the DeLand Municipal Airport (Airport). The City is known to the Federal Aviation Administration (FAA) as the Sponsor of the Airport.

As a recipient of FAA Airport Improvement Program (AIP) funds in the amount of over \$250,000 per year, it is required that the Airport's AIP goal for Disadvantaged Business Enterprise (DBE) be calculated on a triennial basis consistent with 49 CFR Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*, Section 26.45, *How Do Participants Set Overall Goals?* under *DOT-Assisted Projects*.

The process is intended to provide maximum flexibility, while ensuring that goals are based on the availability of ready, willing, and able DBEs in the Airport's "Market Area." This approach is crucial in meeting the obligation to ensure that these goals are narrowly tailored. The process of setting goals is used to estimate the percentage of the base calculation that would be performed by DBEs in the absence of discrimination and its effects. The overall goal period for the City's DBE program at the Airport for federally assisted projects is established on at least a triennial basis, beginning on October 1, 2020, and ending on September 30, 2023. This is referred to as the goal period.

The overall goal for the goal period has been set using the methodologies described in 49 CFR Part 26. Based on the data currently available to the Airport staff, the overall goal of 12.87 percent has been set for the goal period of FY 2021 through FY 2023. The Airport anticipates \$5,917,000 of Department of Transportation (DOT)-assisted contracts within the goal period. The Airport has set a goal of expending \$761,518 with DBEs during the goal period.

Step 1.1 – Actual Relative Availability of Disadvantaged Business Enterprises

The first step of the goal setting process is based on the demonstrable evidence of the relative availability of ready, willing, and able DBEs (relative availability of DBEs) to compete for AIP projects. The data sources used to determine the contractors and subcontractors include DBE directories, lists of bidders and proposers, and firms who previously competed for AIP contracts at the Airport. The Airport has elected to use the methodology described in 49 CFR 26.45 (c) (1) to determine the base figure for the relative availability of DBEs.

Analysis of the Airport's previous DOT-assisted project years', FY 2017 and FY 2018, AIP projects; discussions with Airport staff, and consultants; and a review of the Airport's bidders lists and the FDOT DBE directory revealed Alachua, Brevard, Duval, Marion, Okeechobee, Orange, and Volusia Counties as the Airport's "market area." An amount of \$7,281,585.11 represents 100 percent of the AIP funds bid during the two-year bidding history for the Airport. A total of 16 contractors and subcontractors are represented in the two bids. Of these, one was in Alachua County, one in Brevard County, one in Duval County, one in Okeechobee County, seven were in Orange County, and five were in Volusia County.

A preliminary figure of 4.31 percent was determined by utilizing Calendar Year (CY) 2018 County Business Patterns (CBP) data of the U.S. Census Bureau, as well as the FDOT DBE Directory, which is updated almost daily. The 2018 Census Bureau's CBP data was used as the denominator and the FDOT's DBE Directory information was used as the numerator. Both were extracted for construction and professional services trades for the Airport's "market area" in the same North American Industry Classification System (NAICS) codes category.

The NAICS code is a six-digit code. The CY 2018 U.S. Census Bureau data provides data codes up to six-digits as well. However, the broader 4-digit NAICS classification was used in order to capture all functions within the classification areas. The FDOT DBE Directory which provides six-digit NAICS only, also includes all participants within the broader four-digit classification. Further, while the FDOT DBE Directory classifies those participants that have been certified to perform aviation work, as opposed to those who have been certified to perform highway, rail, or transit work, it was elected to include only aviation and highway FDOT DBE's certified within the NAICS four-digit code. The base figure was calculated by counting only the DBEs and the U.S. Census Bureau establishments in the same NAICS codes as shown in **Tables 1, 2, and 3.**

**Table 1
ACTUAL RELATIVE AVAILABILITY OF DBEs FOR FY 2021**

| Fiscal Year 2021 | | | | | |
|---|----------------------|------------|--|--|--|
| Project Name | Total Project Budget | NCIAS Code | NCIAS Trade Description | Total Number of DBEs Per NCIAS Code in Market Area | Total Number of all Trades per NCIAS Code in Market Area |
| Wildlife Hazard Management Plan | \$ 45,000 | | | | |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,903 |
| Construct Rehabilitation of East and West Aprons and Construct Electrical Home Runs | \$3,100,000 | | | | |
| | | 2373 | Highway, Street, and Bridge Construction | 30 | 98 |
| | | 2382 | Building and Electrical Contractors | 33 | 2,550 |
| | | 2389 | Other Specialty Trade Contractors | 127 | 977 |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,905 |
| | | 5617 | Landscaping Services | 89 | 3,951 |
| FY 2021 Total | \$3,145,000 | | | 499 | 11,384 |
| DBE Relative Availability FY 2021 | | | | 4.38% | |

**Table 2
ACTUAL RELATIVE AVAILABILITY OF DBEs FOR FY 2022**

| Fiscal Year 2022 | | | | | |
|--|----------------------|------------|--|--|--|
| Project Name | Total Project Budget | NCIAS Code | NCIAS Trade Description | Total Number of DBEs Per NCIAS Code in Market Area | Total Number of all Trades per NCIAS Code in Market Area |
| Update Security Gate Readers, Cameras, and Fencing | \$ 300,000 | | | | |
| | | 2382 | Building and Electrical Contractors | 33 | 2,550 |
| | | 2389 | Other Specialty Trade Contractors | 127 | 977 |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,903 |
| | | 5617 | Landscaping Services | 89 | 3,951 |
| Design Rehabilitation of Taxiway A, B, and C | \$ 227,000 | | | | |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,903 |
| FY 2022 Total | \$ 527,000 | | | 469 | 11,284 |
| DBE Relative Availability FY 2022 | | | | 4.16% | |

**Table 3
ACTUAL RELATIVE AVAILABILITY OF DBEs FOR FY 2023**

| Fiscal Year 2023 | | | | | |
|---|----------------------|------------|--|--|--|
| Project Name | Total Project Budget | NCIAS Code | NCIAS Trade Description | Total Number of DBEs Per NCIAS Code in Market Area | Total Number of all Trades per NCIAS Code in Market Area |
| Design Rehabilitation of Runway 5/23 | \$145,000 | | | | |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,903 |
| Construct Rehabilitation of Taxiways A, B, and C | \$2,100,000 | | | | |
| | | 2373 | Highway, Street and Bridge Construction | 30 | 98 |
| | | 2382 | Building and Electrical Contractors | 33 | 2,550 |
| | | 2389 | Other Specialty Trade Contractors | 127 | 977 |
| | | 5413 | Architectural, Engineering, and Related Services | 110 | 1,903 |
| | | 5617 | Landscaping Services | 89 | 3,951 |
| FY 2023 Total | \$2,245,000 | | | 499 | 11,382 |
| DBE Relative Availability FY 2023 | | | | 4.38% | |
| Total Relative Availability FY 2021 through FY 2023 | | | | 4.31% | |

Step 1.2 – Weighted Availability of Disadvantaged Business Enterprises

49 CFR Section 26.45 (d) and the goal and the methodology guidelines found on the Office of Small and Disadvantaged Business Utilization (OSDBU) website identify numerous examples of the various types of data to examine to adjust the Total Relative Availability to make it as precise as possible. This step is intended to adjust the preliminary percentage from Step 1 to accurately reflect the DBE participation that would be expected in the absence of discrimination.

For FY 2021, the award of the following projects and classifications is anticipated as shown in **Table 4:**

Table 4
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2021

| FY 2021 | | | | | | | | |
|--|-------------------------------------|--|------------|--------------------|------------------------------------|-----------------------------|---------------|------------------|
| Contract Name | Trade Description | NAICS Description | NAICS Code | Trade (\$) | Number of FDOT DBE Directory Firms | Number of U.S. Census Firms | DBE (%) | DBE (\$) |
| Wildlife Hazard Management Plan | Planning | Architectural, Engineering, and Related Services | 5413 | \$45,000 | 110 | 1,903 | 5.78% | \$2,601 |
| Total Contract #1 FY 2021 | | | | \$45,000 | | | 5.78% | \$2,601 |
| Construct Rehabilitation of East and West Aprons, Electrical Home Runs | Airfield Pavement construction | Highway, Street, and Bridge Construction | 2373 | \$1,860,000 | 30 | 98 | 30.61% | \$569,388 |
| | Electrical and Lighting | Building and Electrical Contractors | 2382 | \$620,000 | 33 | 2550 | 1.29% | \$8,024 |
| | Site Preparation | Other Specialty Trade Contractors | 2389 | \$310,000 | 127 | 977 | 13.00% | \$40,297 |
| | Survey and Mapping and Geotechnical | Architectural, Engineering, and Related Services | 5413 | \$248,000 | 110 | 1905 | 5.77% | \$14,320 |
| | Sod Replacement | Landscaping Services | 5617 | \$62,000 | 89 | 3951 | 2.25% | \$1,397 |
| Total Contract #2 FY 2021 | | | | \$3,100,000 | | | 20.43% | \$633,425 |
| Total FY 2021 | | | | \$3,145,000 | | | 20.22% | \$636,026 |

For each classification, the number of DBE firms is divided by the number of firms found in the market area counties as shown in the U.S. Census. This results in the DBE percentage. The classification dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2021: Total DBE dollars (\$ 636,026) divided by the total number of trade dollars (\$ 3,145,000) = 20.22 percent.

For FY 2022, the award of the following projects and classifications is anticipated, as shown in **Table 5**:

Table 5
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2022

| FY 2022 | | | | | | | | |
|--|-------------------------------------|--|------------|------------------|------------------------------------|-----------------------------|--------------|-----------------|
| Contract Name | Trade Description | NAICS Description | NAICS Code | Trade (\$) | Number of FDOT DBE Directory Firms | Number of U.S. Census Firms | DBE (%) | DBE (\$) |
| Update Security Gate Readers, Cameras, and Fencing | Electrical, fiber optic | Building and Electrical Contractors | 2382 | \$150,000 | 33 | 2,550 | 1.29% | \$1,941 |
| | Site Preparation and Fencing | Other Specialty Trade Contractors | 2389 | \$90,000 | 127 | 977 | 13.00% | \$11,699 |
| | Survey and Mapping and Geotechnical | Architectural, Engineering, and Related Services | 5413 | \$30,000 | 110 | 1,905 | 5.77% | \$1,732 |
| | Sod Replacement | Landscaping Services | 5617 | \$30,000 | 89 | 3,951 | 2.25% | \$676 |
| Total Contract #1 FY 2022 | | | | \$300,000 | | | 5.35% | \$16,048 |
| Design Rehabilitation of Taxiways A, B, and C | Survey and Mapping and Geotechnical | Architectural, Engineering, and Related Services | 5413 | \$227,000 | 110 | 1905 | 5.77% | \$13,108 |
| Total Contract #2 FY 2022 | | | | \$227,000 | | | 5.77% | \$13,108 |
| Total FY 2022 | | | | \$527,000 | | | 5.53% | \$29,156 |

For each classification, the number of DBE firms is divided by the number of firms found in the market counties as shown in the U.S. Census. This results in the DBE percentage. The classification dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2022: Total DBE dollars (\$ 29,156) divided by the total number of trade dollars (\$ 527,000) = 5.53 percent.

For FY 2023, the award of the following projects and classifications is anticipated, as shown in **Table 6**:

Table 6
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2023

| FY 2023 | | | | | | | | |
|---|-------------------------------------|--|------------|--------------------|------------------------------------|-----------------------------|---------------|------------------|
| Contract Name | Trade Description | NAICS Description | NAICS Code | Trade (\$) | Number of FDOT DBE Directory Firms | Number of U.S. Census Firms | DBE (%) | DBE (\$) |
| Design Rehabilitation of Runway 5/23 | Planning | Architectural, Engineering, and Related Services | 5413 | \$145,000 | 110 | 1,903 | 5.78% | \$8,382 |
| Total Contract #1 FY 2023 | | | | \$145,000 | | | 5.78% | \$8,382 |
| Construct Rehabilitation of Taxiway A, B, and C | Airfield Pavement construction | Highway, Street, and Bridge Construction | 2373 | \$1,470,000 | 30 | 98 | 30.61% | \$450,000 |
| | Electrical and Lighting | Building and Electrical Contractors | 2382 | \$210,000 | 33 | 2550 | 1.29% | \$2,718 |
| | Site Preparation | Other Specialty Trade Contractors | 2389 | \$210,000 | 127 | 977 | 13.00% | \$27,298 |
| | Survey and Mapping and Geotechnical | Architectural, Engineering, and Related Services | 5413 | \$168,000 | 110 | 1905 | 5.77% | \$9,701 |
| | Sod Replacement | Landscaping Services | 5617 | \$42,000 | 89 | 3951 | 2.25% | \$946 |
| Total Contract #2 FY 2023 | | | | \$2,100,000 | | | 23.36% | \$490,662 |
| Total FY 2023 | | | | \$2,245,000 | | | 22.23% | \$499,044 |

For each classification, the number of DBE firms is divided by the number of firms found in the market counties as shown in the U.S. Census. This results in the DBE percentage. The classification dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2023: Total DBE dollars (\$ 499,044) divided by the total number of classification dollars (\$ 2,245,000) = 22.23% percent.

The base goal projection after weighting is as follows:

- Total Weighted DBE Availability: FY 2021 (\$ 636,026) + FY 2022 (\$ 29,156) + FY 2023 (\$ 499,044) = **\$ 1,164,226**
- Total for all trades: FY 2021 (\$ 3,145,000) + FY 2022 (\$ 527,000) + FY 2023 (\$ 2,245,000) = **\$ 5,917,000.**

Dividing the weighted DBE totals (\$ 1,164,226) by the total estimate for all classifications (\$ 5,917,000) gives a base DBE availability figure for the projects during the goal setting period. This figure is expressed as a percentage and serves as the Base DBE Goal.

Base DBE Goal: 19.68 percent

Step 2.1 – Past Participation - Median Past Participation Method

Adjustments based on the utilization of the “Median Past Participation” method included two Airport Improvement Program (AIP) projects of similar scope, which yielded an actual DBE percentage of 6.05 percent, as shown in **Table 7**.

Table 7
MEDIAN HISTORICAL AIP PROJECTS

| FY | Project Title | Total Project \$ | DBE | | | | | |
|------|--------------------------------|------------------|-----------|--------|-----------|-------|-------------|--------|
| | | | Goal | | Actual | | Variance | |
| | | | \$ | % | \$ | % | \$ | % |
| 2017 | General Aviation Complex | \$4,734,976 | \$572,459 | 12.09% | \$286,466 | 6.05% | (\$285,993) | -6.04% |
| 2018 | Transient Apron Rehabilitation | \$2,546,609 | \$307,885 | 12.09% | \$154,070 | 6.05% | (\$153,815) | -6.04% |

That single percentage, 6.05 percent for both projects, is the median. The base number of 19.68 percent plus the median of 6.05 percent yields $(19.68 + 6.05)/2 = 12.87$ percent. Therefore, the base figure adjusted for historical median past participation is 12.87 percent.

Step 2.2 - Other Factors

The Airport and its consultant validated with the State of Florida’s Office of Supplier Diversity and found no information about past discrimination in public contracting, discrimination in private credit, bonding or insurance, data on employment, training, or union apprenticeship programs, and/or data on firms’ formation. The City does not have sufficient reliable information about the characteristics of the firms (size, age, past-experience, bonding, insurance, etc.) available in the market area to make any justifiable adjustments. The Airport staff considered all the factors listed in the federal regulation and the OSDBU website to determine if an adjustment is necessary. It was determined that no market area disparity study had been conducted that would impact the federal DBE goal-setting process.

Step 3 - Breakout of Race-Neutral and Race Conscious Participation

The estimated breakout of race-neutral and race conscious participation on the Airport’s AIP projects will be adjusted to reflect actual DBE participation. Race-neutral and race conscious participation will be tracked and reported separately. Race-neutral participation includes either DBE participation through a prime contract, which a DBE obtains via competitive procurement procedures; DBE participation on a prime contract exceeding a contract goal; or DBE

participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making an award.

Per 49 CFR Part 26.51 (c), the Airport's race-neutral and race conscious goals are subject to change and will be updated annually to include these changes. It is anticipated that the DeLand Municipal Airport will meet the maximum feasible portion of its overall goal by using race conscious means of facilitating DBE participation. It is estimated that in meeting the Airport's overall goal of 12.87 percent, it will obtain zero percent from race-neutral participation and 12.87 percent will be obtained through race conscious measures. The zero percent race-neutral goal represents the Airport's inability to meet its DBE goals on a single similar scoped AIP project during the past five-years, as indicated by the Past Participation DBE Variance Median that is detailed in **Table 8**.

Table 8
PAST DBE PARTICIPATION MEDIAN

| Past Participation Median | % |
|--|----------|
| Median Actual Participation | 6.05% |
| Median Method DBE Variance Participation | -6.04% |

The Airport has zero history of DBE participation where no contract goals were used. The Airport uses the following race-neutral measures:

1. Arranging solicitations, times for the presentation of bids, quantities specifications, and delivery schedules in ways that facilitate DBE and other small businesses' participation
2. Assisting in overcoming limitations such as inability to obtain bonding or financing
3. Proving technical assistance and other services upon request
4. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has been historically low
5. Assisting DBEs and other small businesses to develop their capability to utilize emerging technology and conduct business through electronic media
6. Assisting DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures
7. Promoting DBE participation through a subcontract on a prime contract that does not carry a DBE goal
8. DBE participation on a prime contract exceeding a contract goal
9. DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award

Contract Goals

The City will use contract goals to meet any portion of the overall goal that DeLand Municipal Airport does not project being able to meet using race-neutral means. Contract goals are established so that, over the goal period, they will cumulatively result in meeting any portion of the Airport's overall goal that is not projected to be met using race-neutral means. The City will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It is not necessary to establish a contract goal on every such project, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work, DBE's to perform the particular type of work).

The City will express its contract goals as a percentage of the federal share of a DOT-assisted contract. Contract goals shall be used to meet 12.87 percent of the Airport's overall goal and such goals can only be used on contracts that present subcontracting opportunities. However, contract goals shall not be utilized for Part 26 federally funded FY 2021-FY 2023 projects beyond the attainment of the annual overall goal. This requirement applies to both construction and non-construction (i.e., architectural, landscaping, and other professional services, equipment, etc.).

The appropriate goal will be included in each AIP solicitation. Individual contract goals may vary from the overall goals of the federal share of DOT-assisted contracts:

- If a contract goal has been established, a bidder may not meet the requirements of the bid specification by stating that he/she will accomplish all work of the contract using his/her own employees. First, he/she must demonstrate, to the Airport's satisfaction, that he/she made good faith efforts to meet the goal, and despite those efforts, was unable to subcontract any of the work to DBEs.
- The good faith effort requirement of 49 CFR Part 26.53 **is required** in every instance where a contract goal has been established.

DBE Goals Process

The DeLand Municipal Airport reviews its overall DBE goal each year and submits its triennial DBE Goals to the FAA Office of Civil Rights as per FAA's schedule. Before establishing the Airport's DBE Program, the Airport consulted with various minority and women trade organizations, including the local Chamber of Commerce and the National Association of Minority Contractors to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs and the Airport's efforts to establish a level playing field for the participation of DBEs. Those Disadvantaged Business Enterprise Liaison Officers (DBELO), DBEs, and prime contractors cited several problem areas regarding DBE issues including, but not limited to:

1. The lack of prime contractor's encouragement to hire DBEs over and above the DBE goal
2. The lack of assistance to promote DBE joint venture formations

3. The lack of sufficient prime contractor notices to DBEs regarding Airport opportunities

To remedy the above items, the Airport's outreach efforts have increased and intensified. The Airport staff has considered the possibility of contracting with a DBE Program support services consultant to assist with the implementation of the Airport's DBE Program.

Summary

Because of the weighted relative methodology, together with the median of the past participation, the Airport determined that the goal of 12.87 percent is representative of the spirit and intent of 49 CFR Part 26. The Airport has established the reasonable and attainable DBE goal of 12.87 percent for the goal period of FY 2021 through FY 2023.

APPENDIX A
Published Flyer
of the
DELAND MUNICIPAL AIRPORT
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
GOALS FOR FISCAL YEARS 2021 – 2023
VIRTUAL WORKSHOP



**Disadvantaged Business Enterprise (DBE)
Goals for Fiscal Years 2021 – 2023
Virtual Workshop**

DeLand Municipal Airport (DED) is in the process of setting an overall DBE goal for Federal Aviation Administration (FAA) funded projects to be awarded during federal fiscal years 2021, 2022, and 2023 (October 1, 2020 – September 30, 2023).

Interested parties are invited to attend this virtual workshop to review the proposed goal and methodology and to provide any feedback that may assist in the development of the final DBE goal for the Airport.

Information concerning the 2021 – 2023 DBE goals can be found on the Airport's web page: <https://www.delandairport.com/>

Virtual Workshop Date and Time:

Thursday, May 6, 2021

1:00 PM – 2:00 PM

RSVP TO:

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