

DBE GOAL METHODOLOGY

Airport Sponsor	County and City of Spokane, c/o Spokane Airport Board
Airport Name	Spokane International Airport
Goal Period	FY 2018-2020 10/01/17 to 9/30/20
Projects	AIP No. 3-53-0072-0017-XXX
Name of Preparer	Alton W. Dail, T-O Engineers
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Overall DBE Goal:	<u>2.5%</u>

PART 1: DBE GOAL METHODOLOGY

The calculation of three-year and contract DBE Goals, based on 49 CFR Part 26, is a multi-phase task. The intent of the program is to create a level playing field on which DBE firms are able to compete fairly without creating a disadvantage to non-DBE competitors. This is accomplished through a detailed approach to setting both three-year and contract DBE goals that realistically consider the relevant demographics of the professional services and construction industries in the Sponsor’s location as it relates to anticipated AIP eligible work in a given fiscal year.

Name of Recipient: County and City of Spokane, c/o Spokane Airport Board.

Goal Period: FY-2018-2019-2020 – October 1, 2017 through September 30, 2020.

DOT-assisted contract amounts:	<u>Total Amount</u>	<u>Federal Share</u>
FY-2018	<u>\$ 9,000,000</u>	<u>\$ 8,100,000</u>
FY-2019	<u>\$ 600,000</u>	<u>\$ 540,000</u>
FY-2020	<u>\$ 9,400,000</u>	<u>\$ 8,460,000</u>
Total	<u>\$19,000,000</u>	<u>\$17,100,000</u>

Overall Three-Year Goal: 2.5%, to be accomplished through 0% RC and 2.5% RN (Overall goal is a weighted percentage.)

Total dollar amount to be expended on DBE’s: \$434,970 (Federal Share).

Describe the Number and Type of Contracts that the airport anticipates awarding:Contracts Fiscal Year FY 2018.

Contract #1. Construction – Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR. Work to include: surveying, excavation, site preparation, grading, drainage, aggregate production and placement, pavement, hauling, edge lighting, pavement marking, topsoiling and seeding, materials testing, and other items.

Estimated Total Amount = \$8,100,000. Federal Share = \$7,290,000.

Contract #2. Professional Services (Engineering Inspection) – Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR. Work to include: surveying, construction observation, construction administration, grant administration, materials testing and reporting, and project closeout.

Estimated Total Amount = \$900,000. Federal Share = \$810,000.

Contracts Fiscal Year FY 2019.

Contract #3. Professional Services (Engineering Design) – Rehabilitate Taxiway K, Remove Taxiway D and J. Work to include: surveying, design, drafting, grant administration, geotechnical testing, project plans and specifications for bidding, cost estimates, and design report.

Estimated Total Amount = \$600,000. Federal Share = \$540,000.

Contracts Fiscal Year FY 2020.

Contract #1. Construction – Rehabilitate Taxiway K, Remove Taxiway D and J. Work to include: surveying, excavation, site preparation, grading, drainage, aggregate production and placement, pavement, hauling, edge lighting, pavement marking, topsoiling and seeding, materials testing, and other items.

Estimated Total Amount = \$8,400,000. Federal Share = \$7,560,000.

Contract #2. Professional Services (Engineering Inspection) – Rehabilitate Taxiway K, Remove Taxiway D and J. Work to include: surveying, construction observation, construction administration, grant administration, materials testing and reporting, and project closeout.

Estimated Total Amount = \$1,000,000. Federal Share = \$900,000.

Market Area: The market area is the area in which the substantial majority of the airport's contractors, suppliers, consultants and subcontractors come from and the area in which the airport spends the substantial majority of its contracting dollars. The market area for contractors, suppliers and subcontractors includes Adams, Lincoln, Spokane, and Stevens Counties in Washington and Kootenai County in Idaho. The market area for professional services consultants includes Adams, Benton, Chelan, Douglas, Franklin, Grant, Lincoln, Spokane, Stevens and Walla Walla Counties in Washington and Kootenai County in Idaho.

Step 1: DETERMINING A BASE FIGURE FOR THE OVERALL GOAL.

The process begins with the estimated cost and scope of anticipated work associated with AIP funding during Federal FYs 2018-2020. The next step is listing the work elements of each project by North American Industry Classification System (NAICS) Code number and NAICS Code description.

In the market area the numbers of firms doing business with the same NAICS Code as project elements are counted. Information as to total available firms based on NAICS Code in a county is available from the United States Census Bureau, American Fact Finder (2015).

The process continues by listing the number of Certified (ready, willing and able) DBE firms based within the market area that perform the same type of work described by NAICS description. The DBE directory used to gather specific DBE firm information is from the Washington State Office of Minority and Women's Business Enterprises updated April 2017. The objective is to set the goal to reflect the market of contractors/consultants available to provide services during FY 2018-2020 at the Spokane International Airport. The result is a database of the number of DBE firms potentially available in the market area, the types of work they perform and the share they represent of the area workforce.

Table 1 presents market area data for contractors and subcontractors available in the market area of Adams, Lincoln, Spokane, and Stevens Counties in Washington and Kootenai County in Idaho.

TABLE 1
CONTRACTORS AND SUBCONTRACTORS

NAICS Code	Work Type Description	Total	DBE
237110	Water and Sewer	39	1
237310	Highway, street and bridge	39	3
238210	Electrical	215	1
238910	Site preparation	155	3
238990	Fencing	120	2
484220	Trucking	80	3
541370	Survey	16	
541380	Materials testing	21	
561730	Landscaping Services	278	
561990	Flagging, traffic control, other services	37	4
	Total	1,000	17

Table 2 presents market area data for suppliers available in the market area of Adams, Lincoln, Spokane, and Stevens Counties in Washington and Kootenai County in Idaho.

TABLE 2
MATERIAL SUPPLIERS

NAICS Code	Work Type Description	Total	DBE
326122	PVC Pipe	1	
327320	Ready-mix concrete	6	
327332	Concrete pipe	2	
327390	Concrete precast	7	
331221	Concrete Reinforcing		
335122	Light Fixtures	1	
339950	Signage	19	1
423390	Silt Fence	10	
423610	Electrical supplies	72	
424710	Asphalt Binder	15	
	Total	133	1

Table 3 presents market area data for professional services consultants available in the market area of Adams, Benton, Chelan, Douglas, Franklin, Grant, Lincoln, Spokane, Stevens and Walla Walla Counties in Washington and Kootenai County in Idaho.

TABLE 3
PROFESSIONAL SERVICES CONSULTANTS

NAICS Code	Work Type Description	Total	DBE
541330	Engineering	287	4
541340	Drafting	20	
541370	Surveying	16	
541380	Materials Testing	23	
541620	Environmental	52	3
541720	Cultural Resources	8	
	Total	406	7

Computation of the overall goal is determined by weighting the portion of each anticipated DOT-assisted contract during Federal FY 2018-2020 against the total estimated cost of work associated with DOT-assisted funding for Federal FY 2018-2020. The result is the 'Base Figure for the Overall FY 2018-2020 DBE Goal.'

The first step in weighting the goal is to divide each prime contract into its major elements. Each element is evaluated for DBE firm contracting opportunities. The work scope evaluation is based on the estimated costs provided by the current airport capital improvement plan (CIP) for each type of contract.

Work tasks are assigned a distinct NAICS Code number. The dollar value of reasonable DBE participation by work task or contract element based on NAICS Code is calculated by multiplying the estimated dollar value total for each contract element by the ratio of DBEs available compared to the total number of firms available. The dollar value of reasonable DBE participation by contract is the sum of the DBE participation by contract element. Only 60% of the value of supplies and materials purchased from a DBE supplier count toward the DBE goal. Contract amounts, work type element cost and DBE amounts shown are for the Federal share only. Table 4 shows the weighted goal calculation methodology for each contract.

TABLE 4
CONTRACTS WORK ELEMENT BREAKDOWN

Work Type Description	NAICS Description	NAICS Code	Federal Share Work Type Element Cost	# Firms Census	# Firms DBE Directory	DBE %	DBE \$
Fiscal Year 2018 Contracts							
Contract 1. Construction: Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR							
Water & Sewer	Water and Sewer Line and related structures construction	237110	\$99,000	39	1	2.6%	\$2,538
Highway, street and bridge	Highway, street, and bridge construction	237310	\$1,440,000	39	3	7.7%	\$110,769
Electrical	Electrical Contractors and Other Wiring Installation Contractors	238210	\$630,000	215	1	0.5%	\$2,930
Site preparation	Site preparation contractors	238910	\$1,080,000	155	3	1.9%	\$20,903
Fencing	All other specialty trade contractors	238990	\$54,000	120	2	1.7%	\$900
Trucking	Specialized Freight (except used goods) Trucking, Local	484220	\$540,000	80	3	3.8%	\$20,250
Survey	Surveying and Mapping (except Geophysical) Services	541370	\$108,000	16			
Materials testing	Testing laboratories	541380	\$180,000	21			
Landscaping Srvcs	Landscaping Services	561730	\$45,000	278			
Flagging, traffic control, other services	All other support services	561990	\$144,000	37	4	10.8%	\$15,568
Contract 1. Cont'd Supplies: Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR							
PVC Pipe	Plastics & Pipe Fitting Mnftg.	326122	\$360,000	1			
Ready-mix concrete	Ready-mix concrete manufacturing	327320	\$774,000	6			
Concrete pipe	Concrete pipe Manufacturing	327332	\$45,000	2			
Concrete precast	Other Concrete Product Manufacturing	327390	\$135,000	7			
Concrete Reinforcing	Rolled Steel Shape Manufacturing	331221	\$243,000				
Light Fixtures	Commercial, Indst., & Inst. Elec. Lighting Fixture Mnftg.	335122	\$225,000	1			
Signage	Sign Manufacturing	339950	\$315,000	19	1	3.2%	\$9,954
Silt Fence	Other Construction Material Merchant Wholesalers	423390	\$18,000	10			
Electrical supplies	Electrical Apparatus, Equipment, Wiring Supplies, and Related Equip. Merchant Wholesalers	423610	\$585,000	72			
Asphalt Binder	Petroleum Bulk Stations and Terminals	424710	\$270,000	15			
TOTAL CONTRACT #1 (Federal Only)			\$7,290,000			2.5%	\$183,812

Work Type Description	NAICS Description	NAICS Code	Federal Share Work Type Element Cost	# Firms Census	# Firms DBE Directory	DBE %	DBE \$
Fiscal Year 2018 Contracts Cont'd							
Contract 2. Professional Services (Engineering Inspection): Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR							
Engineering	Engineering Services	541330	\$657,000	287	4	1.4%	\$9,157
Drafting	Drafting Services	541340	\$54,000	20			
Surveying	Surveying and Mapping	541370	\$9,000	16			
Geotechnical	Materials Testing	541380	\$90,000	23			
TOTAL CONTRACT #2 (Federal Only)			\$810,000			1.1%	\$9,157
Fiscal Year 2019 Contracts							
Contract 3. Professional Services (Engineering Design): Rehabilitate Taxiway K, Remove Taxiway D & J							
Engineering	Engineering Services	541330	\$387,000	287	4	1.4%	\$5,394
Drafting	Drafting Services	541340	\$90,000	20			
Surveying	Surveying and Mapping	541370	\$27,000	16			
Geotechnical	Materials Testing	541380	\$36,000	23			
TOTAL CONTRACT #3 (Federal Only)			\$540,000			1.0%	\$5,394
Fiscal Year 2020 Contracts							
Contract 4. Construction: Rehabilitate Taxiway K, Remove Taxiway D and J							
Water & Sewer	Water and Sewer Line and related structures construction	237110	\$135,000	39	1	2.6%	\$3,462
Highway, street and bridge	Highway, street, and bridge construction	237310	\$1,800,000	39	3	7.7%	\$138,462
Electrical	Electrical Contractors and Other Wiring Installation Contractors	238210	\$540,000	215	1	0.5%	\$2,512
Site preparation	Site preparation contractors	238910	\$1,350,000	155	3	1.9%	\$26,129
Fencing	All other specialty trade contractors	238990	\$45,000	120	2	1.7%	\$750
Trucking	Specialized Freight (except used goods) Trucking, Local	484220	\$900,000	80	3	3.8%	\$33,750
Survey	Surveying and Mapping (except Geophysical) Services	541370	\$108,000	16			
Materials testing	Testing laboratories	541380	\$135,000	21			
Landscaping Svcs	Landscaping Services	561730	\$18,000	278			
Flagging, traffic control, other services	All other support services	561990	\$144,000	37	4	10.8%	\$15,568
Contract 4. Cont'd Supplies: Rehabilitate Taxiway K, Remove Taxiway D and J							
PVC Pipe	Plastics & Pipe Fitting Mnfrg.	326122	\$225,000	1			
Ready-mix concrete	Ready-mix concrete manufacturing	327320	\$720,000	6			
Concrete pipe	Concrete pipe Manufacturing	327332	\$27,000	2			
Concrete precast	Other Concrete Product Manufacturing	327390	\$90,000	7			
Concrete Reinforcing	Rolled Steel Shape Manufacturing	331221	\$270,000				

Light Fixtures	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	335122	\$135,000	1			
Signage	Sign Manufacturing	339950	\$180,000	19	1	3.2%	\$5,688
Silt Fence	Other Construction Material Merchant Wholesalers	423390	\$18,000	10			
Electrical supplies	Electrical Apparatus, Equipment, Wiring Supplies, & Related Equip. Merchant Wholesalers	423610	\$450,000	72			
Asphalt Binder	Petroleum Bulk Stations and Terminals	424710	\$270,000	15			
TOTAL CONTRACT #4 (Federal Only)			\$7,560,000			3.0%	\$226,321
Contract 5. Professional Services (Engineering Inspection): Rehabilitate Taxiway K, Remove Taxiway D and J							
Engineering	Engineering Services	541330	\$738,000	287	4	1.4%	\$10,286
Drafting	Drafting Services	541340	\$54,000	20			
Surveying	Surveying and Mapping	541370	\$18,000	16			
Geotechnical	Materials Testing	541380	\$90,000	23			
TOTAL CONTRACT #5 (Federal Only)			\$900,000			1.1%	\$10,286
Total Fiscal Year 2018-2020 Contracts			\$17,100,000			2.5%	\$434,970

The calculation of the base figure for the overall FY 2018-2020 DBE goal is the total DBE value for all contracts divided by the total contract value. This resultant value is the base figure for the determination of the overall FY 2018-2020 DBE goal. Contract amounts and DBE amounts shown are the Federal share only. Step 1 - Base Figure for the Overall FY 2018-2020 DBE Goal is shown in the Table 5 below.

**TABLE 5
STEP 1 - BASE FIGURE FOR OVERALL FY 2018-2020 DBE GOAL**

Contract	Contract Amount Federal Share	DBE Amount Federal Share	Weighted Base Figure Goal
Fiscal Year 2018 Contracts			
1. Construction/Supplies: Rehabilitate Runway 7-25 & Taxiway C Shoulders/MAGVAR	\$7,290,000	\$183,812	2.5%
2. Professional Services (Engineering Inspection): Rehab. Runway 7-25 & Taxiway C Shldrs/MAGVAR	\$810,000	\$9,157	1.1%
Fiscal Year 2019 Contracts			
3. Professional Services (Engineering Design): Rehabilitate Taxiway K, Remove Taxiway D and J	\$540,000	\$5,394	1.0%
Fiscal Year 2020 Contracts			
4. Construction/Supplies: Rehabilitate Taxiway K, Remove Taxiway D and J	\$7,560,000	\$226,321	3.0%
5. Professional Services (Engineering Inspection): Rehabilitate Taxiway K, Remove Taxiway D and J	\$900,000	\$10,286	1.1%
TOTAL ALL CONTRACTS	\$17,100,000	\$434,970	2.5%

This concludes Step 1 of the process of determining the overall DBE goal. The Step 1 result is the Base Figure for the Overall FY 2018-2020 DBE Goal, calculated as 2.5%. The Base Figure is the weighted percentage for all contracts of the goal period.

Step 2: ADJUSTING THE BASE FIGURE.

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal.

The current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years and evidence from disparity studies were considered.

Past History Participation

An analysis of past actual DBE participation can provide an indication of the capacity of the DBE firms available to perform the identified work items, as measured by the component of work DBE firms have provided in recent years. Past DBE participation at Spokane International Airport with DBE goals developed under the 49 CFR Part 26 DBE program is summarized in Table 6.

**TABLE 6
PAST DBE GOALS AND PARTICIPATION LEVELS (5-YEARS)**

Federal FY	Project Number	Overall Approved Goal (Race-Neutral/Race-Conscious)	Overall Participation
2012	AIP 050	2.0% (2.0%/0.0%)	0.19%
2013	AIP 051	2.0% (2.0%/0.0%)	0%
2014	AIP 052	2.0% (2.0%/0.0%)	0%
2015	AIP 053	1.1% (1.1%/0.0%)	0%
2016	AIP 054	1.1% (1.1%/0.0%)	0%

The median of actual DBE achievements over this past five years is 0.0%. Past participation averaged with the Step 1 Base Figure of 2.5% results in an overall project goal adjusted for past participation of 1.3%. (2.5% + 0.0% = 2.5% divided by 2 = 1.3%).

A 2012 DBE Program Disparity Study was prepared for Washington State Department of Transportation and submitted May 13, 2013. The study did not indicate a disparity in DBE participation in the market area where a substantial majority of the airport's contractors and subcontractors come from and the area which the airport spends a substantial amount of their subcontracting dollars. The median of past DBE participation indicates that the current capacity of DBEs is sufficient to meet the base figure of the overall three-year DBE goal. No further adjustments to the base figure were made. Washington State is currently preparing another disparity study. Upon completion, the WSDOT disparity study findings should be considered in calculating future goals.

The available evidence does not suggest that an adjustment to the Base Goal is necessary. The Step 1 base figure of 2.5% will be used in the overall goal.

Consultation

The airport conducted a teleconference consultation with interested stakeholders to obtain information relevant to goal setting. Contractors and subcontractors on the Washington State Office of Minority and Women's Business Enterprises (OMWBE), DBEs certified by OMWBE, and minority, women, general contractor and small business development groups in the region were invited by email on May 16, 2017 to participate. The teleconference was held on May 31, 2017 at 10:30 a.m. During the teleconference, the methodology used to establish goals was presented and discussed with participants. No recommendations were made to modify the methodology used to establish goals. As the teleconference discussion did not provide any recommendations for goal setting different than the process currently being used, no subsequent adjustment of the goals was made.

Outreach efforts for increasing DBE participation that were discussed during the teleconference included: sending mass emails to contractors and subcontractors (both DBE and non-DBE) in the region informing them in advance of contracting and subconsulting opportunities, and matching prime contractors with subcontractors.

Future goals will include input from the same sources used to set the goal for this year and will include consultation with local minority, women or general contractor groups to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and efforts to establish a level playing field for the participation of DBEs.

The airport contacted the Washington State Office of Minority and Women's Business Enterprises for the most recent list of certified DBE firms and obtained the most recent County Business Patterns Data from the U.S. Census Bureau's web page. From this information, the number of certified DBE businesses and the number of non-DBE businesses was determined for the market area in which the airport spends a substantial amount of their contracting dollars.

Public Notice

A notice announcing the proposed overall goal and the availability of the goal-setting methodology for review was published on the Airport's website.

Spokane International Airport, FY 2018-2020, Overall DBE Goal: 2.5%

**Section 26.51: Breakout of Estimated
Race-Neutral & Race Conscious Participation**

The Spokane Airport Board and Spokane International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Spokane Airport Board and Spokane International Airport uses the following race-neutral means to increase DBE participation.

1. Quantities, specifications, and delivery schedules are arranged to facilitate DBE and other small business participation. Large contracts are divided into multiple bid schedules and bid items to make it easier to define portions of the work to subcontract.
2. Project plans are available for review at no charge at area plan rooms, the Office of the Airport Manager and the project Engineer. The location where plans may be reviewed is stated in the Bid Advertisement.
3. DBE Supplemental Information is provided at the Pre-Bid Conference and distributed to everyone on the Bidders' List. The DBE requirements contained in the Bid Documents are summarized at the Pre-Bid Conference and in the Supplemental Information. In addition, questions about the DBE requirements are encouraged at the Pre-Bid Conference. The Engineer responds to questions concerning DBE participation.

We estimate that, in meeting our overall goal of **2.5%**, we will obtain **2.5%** from race-neutral participation and **0.0%** through race-conscious measures. The Spokane Airport Board and Spokane International Airport does not have sufficient evidence of discrimination or its effects from which to set race-conscious goals.

A 2012 DBE Program Disparity Study was prepared for Washington State Department of Transportation and submitted May 13, 2013. The study did not indicate a disparity in DBE participation in the market area where a substantial majority of the airport's contractors and subcontractors come from and the area which the airport spends a substantial amount of their subcontracting dollars. No further adjustments to the base figure were made. Washington State is currently preparing another disparity study. Upon completion, the WSDOT disparity study findings should be considered in calculating future goals.

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 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.

There is currently limited data available from which to determine what portion of the overall DBE goal can be obtained from race-conscious methods. Because of the lack of sufficient evidence of discrimination or its effects, race-conscious goals will not be used. All DBE goals for the period FY 2018-2020 are summarized below.

**TABLE 7
AIP RELATED CONTRACTS - FY 2018-2020
DBE GOALS**

<u>Contract</u>	Base Goal	Past Participation Adjustment	Adjusted Base Goal	Race-Neutral Goal	Advertised Goal (Contract Goals)
1. Construction/Supplies: Rehab. Runway 7-25 & Taxiway C Shldr/MAGVAR	2.5%	Not Applicable	2.5%	2.5%	Not Applicable
2. Professional Services (Engineering Inspection): Rehab. Runway 7-25 & Taxiway C Shldr/MAGVAR	1.1%	Not Applicable	1.1%	1.1%	Not Applicable
3. Professional Services (Engineering Design): Rehabilitate Taxiway K, Remove Taxiway D and J	1.0%	Not Applicable	1.0%	1.0%	Not Applicable
4. Construction/Supplies: Rehabilitate Taxiway K, Remove Taxiway D and J	3.0%	Not Applicable	3.0%	3.0%	Not Applicable
5. Professional Services (Engineering Inspection): Rehabilitate Taxiway K, Remove Taxiway D and J	2.4%	Not Applicable	2.4%	2.4%	Not Applicable
OVERALL GOAL	2.5%	Not Applicable	2.5%	2.5%	Not Applicable