

# **FRESNO YOSEMITE INTERNATIONAL AIRPORT DISADVANTAGED BUSINESS ENTERPRISE OVERALL ANNUAL ANTICIPATED (AADPL) DBE GOAL AND METHODOLOGY FOR FEDERAL FISCAL YEARS 2019-2021**

## **I. INTRODUCTION**

The Fresno Yosemite International Airport is required to prepare and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation in accordance with the requirements of the U.S. Department of Transportation, 49 CFR part 23 and 26 as a condition of receiving federal financial assistance.

## **II. BACKGROUND**

Effective March 3, 2010, the United States Department of Transportation ("DOT") issued a final rule affecting the implementation and management of the DOT's DBE Program. The final rule requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, the FYIA is still required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE Program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, the FYIA DBE goal and methodology submission is due to FAA on October 1, 2018 for proposed FAA funded contracting activities for Federal Fiscal Years (FFY) 2019/21.

**The FYIA herein presents its Proposed Overall Triennial DBE Goal Methodology for FFY 2019/21, which resulted in a 11% Overall Race-Neutral DBE Goal**

## **III. FAA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019-2021**

***Table 1*** represents the fifteen (15) proposed projects in consideration for preparing the **Overall Annual Anticipated DBE Participation Level (AADPL) Goal-Setting Methodology for FAA Funded Projects**. The projects include: Obstruction removal, Beacon Tower relocation, Tower removal infrastructure (design), Part 150 Noise mitigation (2019, Reconstruct Taxiway C, Airfield Lighting Upgrade ARFF station environmental (2019), Part 150 Noise mitigation (2021), Reconstruct Taxiway B3/B4, Surface Movement Guidance & Control System (SMGCS), ARFF Station (design), Reconstruct Runway 11L (design).

**Table 1**

Project Name	Total Estimated Project Cost (Federal Share)	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
Obstruction removal	\$180,000	\$180,000		-
Beacon relocation	\$135,000	\$135,000		-
Tower removal	\$45,000	\$45,000		-
Part 150 Noise (2019)	\$1,007,333.00	\$1,007,333.00		
Reconstruct taxiway C	\$1,813,200.00	\$1,813,200.00		
Airfield lighting	\$407,970.00	\$407,970.00		
ARFF (2019)	\$317,310.00	\$317,310.00		
Part 150 Noise (2020)	\$1,007,333.00	\$1,007,333.00		
Reconstruct taxiway B3/B4 (design)	\$226,650.00		\$226,650.00	
SMGCS (design)	\$407,970.00		\$407,970.00	
Part 150 Noise (2021)	\$1,007,333.00	\$1,007,333.00		
Reconstruct taxiway (construction)	\$2,266,500.00	\$2,266,500.00		
SMGCS (construction)	\$4,397,010.00	\$4,397,010.00		
ARFF Station (design)	\$725,280.00		\$725,280.00	
Reconstruct Runway (design)	\$2,085,180.00		\$2,085,180.00	
<b>TOTAL</b>	<b>\$16,029,069</b>	<b>\$12,583,989.</b>	<b>\$3,445,080</b>	

**Table 2** provides a summary of work grouped into eight (8) primary categories: Construction, Electrical, Specialty Engineering, Site Preparation, Commercial & Institutional Bldg., Professional Design Services, Highway Street Bridge Construction, Environmental Remediation services the North American Industry Classification System (NAICS) work categories and comparable 2012-2016 Census Business Patterns NAICS Work Codes. **Table 2** also serves to identify the estimated Federal Dollar Share and the Percent of Federal funding, as follows:

**Table 2**

CONTRACT CATEGORY	NAICS CUCP DATABASE	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING
<b>Site Prep Contractors</b>	238910,	\$180,000	100%
<b>Engineering Services</b>	541330	\$4,804,980	100%
<b>Commercial &amp; Institutional Bldg.</b>	236220	\$45,000	100%
<b>Professional Design Services</b>	541490	\$1,732,613	100%
<b>Highway Street Bridge Construction</b>	237310	\$6,391,530	100%
<b>Specialty Trade</b>	238990	\$2,422,636	100%
<b>Environmental Remediation Services</b>	541620	\$317,310	100%
<b>Electrical Contractors</b>	238210	\$542,970	100%
<b>TOTAL</b>		<b>\$16,029,069</b>	<b>100%</b>

\*\*Goal Calculation based on Federal Dollar share

**Table 3** represents the most refined data available and provides a summary of work grouped into scope of work categories within the overall primary work categories: utilizing the NAICS work categories and comparable 2012-2016 Census Business Patterns NAICS Work Codes. **Table 3** also serves to identify the estimated Percent of Federal Funding per related scope of work, as follows:

**Table 3**

CATEGORY OF WORK	NAICS CODES	ESTIMATED % OF CONTRACT
Commercial and institutional building construction	236220	0.28%
Electrical contractors and wiring installation contractors	238210	3.39%
Engineering Services	541330	29.98%
Professional Design Services	238910	1.12%
Specialty Trade	238990	12.57%
Highway Street Bridge Construction	237310	39.87%
Environmental Remediation Services	541620	1.98%
Professional Design Services	541490	10.81%
<b>TOTAL</b>		<b>100%</b> (\$16,029,069)

#### IV. FYIA OVERALL DBE GOAL METHODOLOGY

##### **Step 1: Determination of a Base Figure (26.45)<sup>1</sup>**

To establish the FYIA Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the projected FFYs 2019-2021 FTA-assisted contracting opportunities; the FYIA followed 1 of the 5 prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the **California Unified Certification Program (CUCP) Directory of Certified DBE Firms** and the **2012-2016 U.S. Census Bureau County Business Patterns (CBP) Database**. Comparisons were made within FYIA's market area (defined as Fresno County)

<sup>1</sup> §26.45 represents Title 49 CFR Part 26 regulatory referenced section.

and by specified industries and types of businesses identified in Table 2. The FYIA's local market area represents where the substantial majority of FYIA's contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

The FYIA made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to *Table 4*.

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2012-2016 U.S. Census Bureau's Business Pattern Database (CBP)*

To determine the relative availability of DBEs, FYIA divided the numerator 2 representing the ratio of ready, willing and able DBE firms, by the denominator 3 representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Step 1: Base Figure was further weighted by contract type of work to be performed and corresponding contract value. The Base Figure resulting from this weighted calculation is as follows:

**Table 4**

238910 Professional Design Services	541330 Engineering Services
Base Figure = $\left[ \frac{10.61\% \text{ (DBEs in NAICS 238910)}}{\text{(CBPs in NAICS 238910)}} \right]$	Base Figure = $\left[ \frac{0.74\% \text{ (DBEs in NAICS 541330)}}{\text{(CBPs in NAICS 541330)}} \right]$
Base Figure = $\left[ 10.61\% \frac{14}{132} \right]$	Base Figure = $\left[ 0.74\% \frac{2}{270} \right]$
Base Figure = $(10.61) * (1.12)$	Base Figure = $(0.74) * (29.98)$
Base Figure = 0.1191%	Base Figure= 0.220%
236220 Commercial & Institutional Bldg.	541490 Professional Design Services
Base Figure = $\left[ \frac{3.66\% \text{ (DBEs in NAICS 236220)}}{\text{(CBPs in NAICS 236220)}} \right]$	Base Figure = $\left[ \frac{75\% \text{ (DBEs in NAICS 541490)}}{\text{(CBPs in NAICS 541490)}} \right]$
Base Figure = $\left[ 3.66 \frac{7}{191} \right]$	Base Figure = $\left[ 75 \frac{3}{4} \right]$
Base Figure = $(3.66) * (.0.28)$	Base Figure = $(75) * (10.81)$
Base Figure = 0.0103%	Base Figure = 8.106%

2 Numerator represents all DBE firms established within the FAX's market area.

3 Denominator represents all comparable available established firms.

237310 Highway Street Bridge Construction	238990
Base Figure = $\left[ \frac{28.53\% \text{ (DBEs in NAICS 237310)}}{\text{(CBPs in NAICS 237310)}} \right]$	Base Figure = $\left[ \frac{13.21\% \text{ (DBEs in NAICS 238990)}}{\text{(CBPs in NAICS 238990)}} \right]$
Base Figure = $\left[ \frac{26.53}{49} \right]$	Base Figure = $\left[ \frac{13.21}{212} \right]$
Base Figure = (26.53) * (39.87)	Base Figure = (.13.21)*(12.57)
Base Figure= 10.579%	Base Figure= 1.6600%
238210 Electrical Contractors	541620 Environmental Remediation Services
Base Figure = $\left[ \frac{0.95\% \text{ (DBEs in NAICS 238210)}}{\text{(CBPs in NAICS 238210)}} \right]$	Base Figure = $\left[ \frac{10.64\% \text{ (DBEs in NAICS 541620)}}{\text{(CBPs in NAICS 541620)}} \right]$
Base Figure = $\left[ \frac{0.95}{316} \right]$	Base Figure = $\left[ \frac{10.64}{47} \right]$
Base Figure = (0.95) * (1.98)	Base Figure = (10.64)*(3.39)
Base Figure= 0.0188%	Base Figure= 0.3604%
BASE FIGURE	
Base Figure = 0.1191+0.2220+0.0103+8.106+10.579+1.6600+0.0188+0.3604 = 21.0756	
<b>Base Figure= (21.0756)*100 = 21.1*</b>	
* Rounded to the nearest whole number	

### Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, FYIA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the FYIA market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included FYIA's Past DBE Goals, as follows:

#### A. Past DBE Goal Attainments

**Table 5**

Project Years	DBE Contract Goal
2016-2018	1.0%
2015-2017	1.5%
2013-2015	1.5%

FYIA considered an adjustment to the Step 1 Base Figure based on historical past DBE goals for federal FFYs 2019/21 with the new proposed contracting opportunities identified and considered in the Overall DBE Goal Analysis for FFYs 2019/21. The FFYs 2019/21 proposed projects are primarily for construction, infrastructure and facility improvements which makes them similar in type of work to previous year projects.



The formula for adjusting the base figure follows:

Step 1 Base Figure (21.10%) + Average Past Participation (1.3%) = Adjusted Base Figure

Average Past Participation =	1.3%
Average + Step 1 Base Figure =	21.1% + 1.3% = 22.3%
Base Figure Adjusted =	$\frac{22.3\%}{2} = 11.2\%$
Adjusted Base Figure =	11% (Rounded)

### **B. Disparity Study**

FYIA did not conduct a disparity study for its FAA financial assistance. However, FYIA considered Caltrans' disparity study that was completed in 2016 for its FAA financial assistance. The FYIA reviewed the disparity study and determined Caltrans disparity study methodology and the statewide market area for Caltrans FTA grant funding are greater than FYIA's grants and market area. The Caltrans disparity study is not relevant to the FYIA market area or contracting activity. Consequently, the Caltrans disparity study was not used.

### **C. Public Notice**

The public notification will be posted in the Fresno Business Journal and sent to various Chambers of Commerce's, verification of publication notice attached.

Considering that all projects in 2019-2021 are currently Race Neutral, DBE goals are not required in individual contracts and the "11% goal" is in reality a measure of the available DBE's in our market area. Public participation was not incorporated into the process of determining the availability level however; a notice will be published in the Fresno Business Journal and on the City of Fresno's Airport Department website along with posting on the City of Fresno Purchasing site.

On October 1, the goal will be advertised, in the Business Journal, and sent to the business exchanges that cover Fresno, Kings, Madera and Tulare counties.

In order to ensure coverage the following minority and women businesses organizations were also notified:

- Fresno Area Hispanic Foundation
- Minority Business Development Agency Business Center
- Fresno Metro Black Chamber of Commerce
- Central California Builders Exchange
- Kern Black Chamber of Commerce

## **V. FYIA OVERALL DBE GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION**

The Overall DBE Goal for FFY 2019-2021 for FYIA's FAA-assisted contracts is 11% race neutral. The overall goal is expressed as a percentage of FAA-assisted funds that the FYIA will expend in applicable FAA-assisted contracts in the upcoming FFY's. FYIA will meet the entire portion of this 11% goal using race neutral measures. DBE Coordinator will apply good faith efforts on all federally funded projects so prime contractors will use DBE subs in order to meet the goal set for 2019 -2021 since all FYIA projects are Race Neutral.

The goal further serves to identify the relative availability of DBE's based on evidence of ready willing, and able DBE's to all comparable firms, which are known to be available to compete for and perform on the FAA FTA-assisted contracts.

## **VI. FYIA RACE-NEUTRAL MEASURES/PROGRAM**

In conformance with 49 CFR Part 26 and 23; "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs" and in further response to FAA Notices issued to Public Transportation Providers regarding DOT's DBE Program and Race-Neutral Policy Implementation Guidance, the FYIA proposes to implement a **strictly Race-Neutral Overall DBE Goal for FFYs 2019-2021**. The race-neutral positioning is due to the absence of readily available evidence of discrimination and its effects in FYIA's marketplace. In the event FYIA determines at any time during the FFYs that it will not reach the overall DBE goal using race-neutral means, FYIA will consider amending the proposed goal to implement a race-conscious DBE Program and present its amended DBE Program and goal to FAA for approval.

To facilitate the race neutral measures the City will assist DBE's with bid assistance as necessary, provide plan holder list, direct the DBE's on how to register for the City's electronic bidding (Bids online), direct notices of upcoming projects to DBE's so they can participate as a prime or subcontractor and do outreach. The Coordinator will continue to conduct workshops on how to do business with the City of Fresno, how the DBE Program works, Certifying new applicants and continuing team building with various chambers and minority business development agencies within the City of Fresno.

The FYIA will implement Race-Neutral measures to meet its Overall DBE Goal in accordance with 49 CFR Part 26.51, including but not limited to:

- Arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs and other small business firms' participation.
- Unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own work forces.
- Providing technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.
- Providing assistance to small businesses in overcoming limitations in obtaining bonding, lines of credit and building financing capital.

The FYIA overall DBE Annual Anticipated (AADPL) goal for FFY's 2019 – 2021 is 11% race-neutral and is considered final.

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# Overall Goal Calculation for FAA Anticipated



Fresno Yosemite International Airport (FYIA) submits its overall DBE Goal and Methodology to the Federal Aviation Administration for Federal Fiscal Years 2019 to 2021

Table 1

Project	Total Estimated Project Cost	NAICS Code
Obstruction removal	\$180,000.00	238910
Beacon Tower (relocate beacon)	\$135,000.00	238210
Tower removal Infrastructure & ADA Rehab (Design)	\$45,000.00	236220
Part 150 Noise Mitigation Program (2019)	\$1,007,333.00	541490
Reconstruct Taxiway C (Construction Phase 3)	\$1,813,200.00	237310
Airfield Lighting Control System Upgrade	\$407,970.00	238210
ARFF Station (Environmental) (2019)	\$317,310.00	541620
Part 150 Noise Mitigation Program (2020)	\$1,007,333.00	238990
Reconstruct Taxiway B3/B4 Demo B7 (Design)	\$226,650.00	237310
SMGCS Implementation (Design)	\$407,970.00	541330
Part 150 Noise Mitigation Program (2021)	\$1,007,333.00	238990
Reconstruct Taxiways B3/B4 Demo B7 (Construction)	\$2,266,500.00	237310
SMGCS Implementation (Construction)	\$4,397,010.00	541330
ARFF Station (Design)	\$725,280.00	541490
Reconstruct Runway 11L-29R PCC (Design)	\$2,085,180.00	237310
<b>Total Projected Cost</b>	<b>\$ 16,029,069.00</b>	

Table 2

NAICS Code	Total Dollars	Weighted Percentage
238910	\$ 180,000.00	1.12%
541330	\$ 4,804,980.00	29.98%
236220	\$ 45,000.00	0.28%
541490	\$ 1,732,613.00	10.81%
237310	\$ 6,391,530.00	39.87%
238990	\$ 2,014,666.00	12.57%
541620	\$ 317,310.00	1.98%
238210	\$ 542,970.00	3.39%
<b>Total</b>	<b>\$ 16,029,069.00</b>	<b>100.00%</b>



# Overall Goal Calculation for FAA Anticipated

## FRESNO AREA MARKET (Fresno, Madera, Kings, Tulare, Kern Counties) US CENSUS BUREAU COUNTY BUSINESS PATTERN DATA

Table 3 --- Step 1

NAICS Code	Number of DBE Contractors	Total Number of Contractors	Percentage of DBEs	Weighted Percentage	Base Percentage
238910	14	132	10.61%	1.12%	0.1191%
541330	2	270	0.74%	29.98%	0.2220%
236220	7	191	3.66%	0.28%	0.0103%
541490	3	4	75.00%	10.81%	8.1069%
237310	13	49	26.53%	39.87%	10.5790%
238990	28	212	13.21%	12.57%	1.6600%
238210	3	316	0.95%	1.98%	0.0188%
541620	5	47	10.64%	3.39%	0.3604%
Total	75	1221		100%	21.08%

Rounded 21.1%

Table 4 --- Step 2

Project Year	DBE Participation
2016-2018	1.00%
2015-2017	1.50%
2013-2015	1.50%
Average of Past Participation	1.00%
Rounded	1.25%

Table 5 --- Adjusted Base Figure

Step 1 Base Figure (21.1%) + Average Past Participation (1.3%) = Adjusted Base Figure

Average Past Participation 1.3%

Average + Step 1 Base Figure 22.3%

Base Figure Adjusted divided by 2 11.2%

Adjusted Base Figure (Rounded) 11%