

FY 2019 – FY 2021

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY
FOR**



GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

FLETCHER, NC

JULY 2018

METHODOLOGY for Establishing the FY 2019 – FY 2021 Overall Disadvantaged Business Enterprise (DBE) Goal for:

Fletcher, NC

In fulfillment of the requirements of 49 CFR Part 26, the Greater Asheville Regional Airport Authority (hereafter 'GARAA') has developed a proposed Overall Goal for FY 2019-2021 FAA-AIP projects for the Asheville Regional Airport. The methodology used in establishing this goal is described herein.

Airport Sponsor: Greater Asheville Regional Airport Authority

Airport: Asheville Regional Airport

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I. Detailed Methodology: Specific Steps

A. Amount of Goal

The GARAA's FY 2019-2021 overall goal for the Federal financial assistance it will expend in USDOT-assisted contracts is the following:

Overall Goal:	<u>12.8%</u>
Race-Neutral:	<u>0.3%</u>
Race-Conscious:	<u>12.5%</u>

Given the amount of USDOT-assisted contracts that the GARAA expects to let from FY 2019-2021, which is approximately **\$6,650,000** this means that the GARAA has set a goal of expending approximately **\$848,300** with DBEs during this period.

B. Determination of the Market Area of the study

The normal market area was based on discussions with the GARAA staff and an assessment of bidders from similar recent projects. Specifically, the market area is based on where the substantial majority of bidders, both successful and unsuccessful are located and where the substantial majority of funding was spent as illustrated in **Table 1** below:

Table 1: Greater Asheville Regional Airport Authority Market Area

County	Number of Bidders	Percent of Bidders	Dollars spent	% of dollars spent
Buncombe	6	46.2%	\$12,247,542	47.4%
Graham	2	15.4%		0.0%
Market Area	8	61.5%	\$12,247,542	47.4%
Other	5	38.5%	\$13,579,596	52.6%
Total	13	100.0%	\$25,827,138	100.0%

SOURCE: Greater Asheville Regional Airport Authority

Bidders in the other category included out of state firms. Some of the previous projects were larger in scope compared to the upcoming projects and bidders will likely come from the local area.

C. Determination of relevant NAICS codes

Based on information provided by the GARAA concerning the proposed projects for this fiscal year, a list of NAICS codes corresponding to these projects was developed and is shown below:

**Table 2: Greater Asheville Regional Airport Authority
FY 2019-FY 2021 Projects & Activities**

Fiscal Year	Project	Activity	NAICS
FY 2019	Wright Bros Way Road Extension	Highway & Street	237310
		Drainage	237990
		Electrical	238210
		Site Prep	238910
		Landscaping	561730
FY 2020	Terminal Apron Expansion (South) - Phase 1	Highway & Street	237310
		Drainage	237990
		Electrical	238210
		Site Prep	238910
		Landscaping	561730
	Terminal Apron Repairs	Highway & Street	237310
FY 2021	Terminal Apron Expansion (South) - Phase 2	Highway & Street	237310
		Drainage	237990
		Electrical	238210
		Site Prep	238910
		Landscaping	561730

SOURCE: Greater Asheville Regional Airport Authority

D. Determination of Relative Availability of DBEs in the Market Area, Compared to all Firms

**Table 3a: DBES—Asheville Regional Airport
by Relevant NAICS Codes— Wright Bros Way Road Extension**

Description	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Highway & Street	237310	2	9	22.2%	\$615,154	\$136,701
Drainage	237990	0	3	0.0%	\$26,680	\$0
Electrical	238210	0	83	0.0%	\$176,096	\$0
Site Prep	238910	2	29	6.9%	\$141,007	\$9,725
Landscaping	561730	5	126	4.0%	\$41,064	\$1,630
Total					\$1,000,000	\$148,055
WEIGHTED GOAL – Step 1						14.8%

SOURCES:

- 2016 County Business Patterns, U.S. Census Bureau.
- North Carolina UCP DBE Directory, June 2018.

**Table 3b: DBES—Asheville Regional Airport
by Relevant NAICS Codes— Terminal Apron Expansion (South) - Phase 1**

Description	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Highway & Street	237310	2	9	22.2%	\$1,122,655	\$249,479
Drainage	237990	0	3	0.0%	\$48,690	\$0
Electrical	238210	0	83	0.0%	\$321,375	\$0
Site Prep	238910	2	29	6.9%	\$257,337	\$17,747
Landscaping	561730	5	126	4.0%	\$74,942	\$2,974
Total					\$1,825,000	\$270,200
WEIGHTED GOAL – Step 1						14.8%

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, June 2018.

**Table 3c: DBES—Asheville Regional Airport
by Relevant NAICS Codes— Terminal Apron Repairs**

Description	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Highway & Street	237310	2	9	22.2%	\$1,000,000	\$222,222
Total					\$1,000,000	\$222,222
WEIGHTED GOAL – Step 1						22.2%

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, June 2018.

**Table 3d: DBES—Asheville Regional Airport
by Relevant NAICS Codes— Terminal Apron Expansion (South) - Phase 2**

Description	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Highway & Street	237310	2	9	22.2%	\$615,154	\$136,701
Drainage	237990	0	3	0.0%	\$26,680	\$0
Electrical	238210	0	83	0.0%	\$176,096	\$0
Site Prep	238910	2	29	6.9%	\$141,007	\$9,725
Landscaping	561730	5	126	4.0%	\$41,064	\$1,630
Total					\$1,000,000	\$148,055
WEIGHTED GOAL – Step 1						14.8%

SOURCES:
 1. 2016 County Business Patterns, U.S. Census Bureau.
 2. North Carolina UCP DBE Directory, June 2018.

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directory listed above was used to determine the numerator, or the number of DBE firms in the market area.

E. Determination of the “Weighted” DBE Base Figure

The Step 1 DBE Base Figure for each project was derived by multiplying the dollars for each activity by the percentage of relevant DBE firms to all relevant firms. The total DBE goal in dollars was divided by the total project costs to derive the step 1 goals.

The Step 1 DBE Base Figures for the GARAA are as follows:

Wright Bros Way Road Extension -	14.8%
Terminal Apron Expansion (South) - Phase 1 -	14.8%
Terminal Apron Repairs -	22.2%
Terminal Apron Expansion (South) - Phase 2 -	14.8%

II. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

(1) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

The historical overall DBE goals accomplished at the GARAA in recent years were examined relative to the above consideration. Notice the annual DBE percent accomplishment indicated in Table 4 below:

**Table 4: Asheville Regional Airport
DBE Accomplishment**

Report Period	Approved DBE Goal	Total DBE Percent Achieved	Achieved Over/Under
FY 2015	17.8%	18.1%	0.3%
FY 2016	9.0%	9.6%	0.6%
FY 2017	11.9%	0.0%	-11.9%
Median	11.9%	9.6%	0.3%

The median DBE accomplishment for the periods as shown above for the GARAA is 9.6%. This accomplishment was compared to the step 1 base figures calculated above.

B. Consultations

The GARAA held a public meeting on June 28, 2018. The purpose of the meeting was to solicit information from interested stakeholders about the draft goal, as well as the availability of potential DBEs at the Airport, the effects of discrimination on opportunities for DBEs, and the GARAA’s effort to increase DBE participation. Please see Appendix B for the consultation process.

C. Adjustment to Step 1 DBE Base Figures: Asheville Regional Airport, FY 2019-FY 2021

With the adjustment factors considered to this point, the GARAA will adjust the Step 1 base figures as calculated above by adding the annual accomplishment factor derived in Table 4 above (9.6%) to the base figures, averaging the total for an adjusted DBE goal.

**Table 5: Greater Asheville Regional Airport Authority
FY 2019 – FY 2021 Overall Goal**

Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total project costs	DBE Goal (dollars)
FY 2019	Wright Bros Way Road Extension	14.8%	9.6%	12.2%	\$1,000,000	\$122,000
FY 2019 Total				12.2%	\$1,000,000	\$122,000
FY 2020	Terminal Apron Expansion (South) - Phase 1	14.8%	9.6%	12.2%	\$1,825,000	\$222,650
	Terminal Apron Repairs	22.2%	9.6%	15.9%	\$1,000,000	\$159,000
FY 2020 Total				13.5%	\$2,825,000	\$381,650
FY 2021	Terminal Apron Expansion (South) - Phase 2	14.8%	9.6%	12.2%	\$2,825,000	\$344,650
FY 2021 Total				12.2%	\$2,825,000	\$344,650
FY 2019 - FY 2021 Overall Goal				12.8%	\$6,650,000	\$848,300

The total DBE goal in dollars was divided by the total project costs to derive the overall DBE goal of 12.8% for FY 2019 - FY 2021.

III. Process

The GARAA will normally submit its overall goal to the FAA on August 1 of each goal year.

Before establishing the overall goal this year, the GARAA consulted with minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the GARAA's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, the GARAA published a notice of the proposed overall goal on its website, informing the public that the proposed goal and its rationale were available for inspection and comment during normal business hours at the GARAA's administrative office for 30 days following the date of the notice.

The GARAA's overall goal submission to the FAA will include a summary of information and comments received during this public participation process and our responses.

The GARAA will begin using the overall goal on October 1 of each goal year, unless the GARAA has received other instructions from DOT/FAA (or, if the goal is established on a project basis) by the time of the first solicitation for a DOT/FAA-assisted contract for the projects.

IV. Breakout of Estimated Race-Conscious/Race-Neutral Participation

The GARAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The GARAA will use a combination of the following race-neutral means to increase DBE participation:

- A.** Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
- B.** Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).
- C.** The GARAA proposes a race-conscious goal of **12.5%** and a race-neutral goal of **0.3%**, for a total of **12.8%**. The reason for this breakout is that the projects from previous years show that the median amount by which the past DBE goals were over-achieved is 0.3% (see **Table 4**).

The GARAA will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it 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.

VI. Contract Goals

The GARAA will use contract goals to meet any portion of the overall goal that the GARAA does not project being able to meet using race-neutral means. 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 overall goal that is not projected to be met through the use of race-neutral means.

The GARAA will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. The GARAA does not need to establish a contract goal on every such contract, and 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 GARAA will express its contract goals as a percentage of the Federal share of a DOT-assisted contract.

Appendix A: Resource Listing

A. Resource Documents:

1. North Carolina UCP DBE Directory
2. 2016 County Business Patterns, Census Bureau
3. Uniform Report of DBE Commitments/Awards and Payments
4. GARAA Capital Improvement Program

Appendix B: Asheville Regional Airport - Stakeholder Meeting – June 28, 2018

Summary of Meeting: The Airport scheduled a meeting to present the information below to its stakeholders.

- Background, purpose, and goal requirements of the FAA-DBE program.
- Overview of the DBE goal methodology and basic requirements, such as use of most refined data, identification of a normal market area, and employment of a two-step process in establishing the overall 3-year DBE goals.
- Calculation of the base-figure goal (step 1), and adjusted goal (step 2), through “weighting” and consideration of indicators of “capacity”.

The invitation on the next page was emailed to 22 businesses and organizations. In addition, the invitation was posted on the Airport’s website which alerts all of the businesses who have signed up for the Airport’s vendor list. Although these efforts were taken there were no attendees at the meeting.



YOUR INVITED

Disadvantaged Business Enterprise 3-Year Goal Stakeholders Meeting

In compliance with the Federal Regulations, 49 CFR Part 26, Greater Asheville Regional Airport Authority (GARAA) is in the process of developing a 3-year Disadvantaged Business Enterprise (DBE) program goal (FY 2019 – FY 2021) for construction related projects. The date, time and location of the meeting are listed below:

Date: Thursday, June 28, 2018

Time: 1:00 p.m.

Location: Asheville Regional Airport, held on the 2nd floor in the Greater Asheville Regional Airport Authority Board Conference Room. Elevator is located to the North (Right) of the Airline Ticket Counters

The purpose of the meeting is to receive input regarding the GARAA's three-year DBE Goal. We invite you to participate in a meeting to discuss the proposed goal, as well as the availability of potential DBEs for the GARAA's projects, and the GARAA's effort to increase DBE participation.

We sincerely hope that you or your representative will attend this meeting to assist the GARAA in our ongoing efforts to implement an effective DBE program.

Space is limited to a capacity of thirty. Please bring your parking ticket to be validated.

To register or if you have any questions or need additional information, please do not hesitate to contact Danielle Andrews at 888-762-6296 or danielle-andrews@kwaplanning.com.