

Dorothy Scott Airport City of Oroville, Washington

FY 2018-2020 Overall Goal Disadvantaged Business Enterprise (DBE) Program



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FY 2018-2020 Overall Goal

Project Goal (\$26.45)

Amount of Goal – FY 2018-2020 Improvements

Based upon 49 CFR Part 26, the City of Oroville, which is the Sponsor of the Dorothy Scott Airport, has reviewed the current Capital Improvement Plan (CIP) on file with the FAA in order to establish a DBE goal.

The purpose of establishing a DBE goal is for the Sponsor of this airport to promote the use of the disadvantaged businesses in our geographical area, and to comply with DBE requirements for FAA grant eligibility for projects at the Dorothy Scott Airport. This calculation will attempt to consider the relevant demographics of the construction industries in the Sponsor’s area for the upcoming project.

The Overall Goal for FY 2018-2020 is 2.19% (Race Neutral).

Method

Determining Types of Work

There are currently four projects listed for federal funding on the CIP for the Dorothy Scott Airport. These projects are listed in Table 1. Two years (2018 and 2019) will not be used in the determination of the DBE goal. 49 CFR Part 26 guidelines states that land acquisition projects will only consider the services portion of the work, not the acquisition itself. It is estimated that approximately 10% of this type of project will be spent in services. This dollar amount, combined with other projects in the same year, must total \$250,000 or more in federal funding to be considered in the DBE goal calculation. Given the \$250,000 threshold, the only year to be considered in the DBE goal calculation will be 2020, where a \$2,300,000 construction project will occur. All dollars shown in this document are total dollars. The FAA funding will be for 90% of this amount.

Table 1: FY 2018-2020 Capital Improvement Projects

FY 2018 Projects		FY 2019 Projects		FY 2020 Projects	
Avigation Easement / Land Acquisition	\$180,000 (~\$18,000 in services)	RW Reconstruction (Design)	\$200,000	RW Reconstruction (Construction)	\$2,300,000
Obstruction Removal	\$153,333				

The North American Industry Classification System (NAICS) Code number is shown in Table 2 for each of the work classifications that will be used on the project. While Construction Engineering is a component of the 2020 project, it will not be considered in the DBE goal calculation. The Dorothy Scott Airport currently has an engineering firm under contract which will extend through the year 2020, thereby not providing an opportunity for a DBE firm to participate in this category.

Table 2: Disciplines Employed in FY 2017 Project

Discipline	NAICS	Discipline	NAICS	Discipline	NAICS
Storm Drainage	237110	Electrical Contractors	238210	Engineering	541330
Highway, Street, and Bridge Construction - Pavement Marking - Asphalt Paving - Asphalt Removal	237310	Site Preparation Contractors	238910	Construction Surveying	541370
		Fence Installation	238990	Material Testing	541380
		Dump Trucking	484220		

Determining the Geographical Area

Based on past federally funded airport projects, the prime contractors that generally bid on projects are predominately from a specific geographic region. That region is hereafter referred to as our Market Area. The market area is the area in which the substantial majority of the Airport’s contractors and subcontractors that seek to do business with the Airport are located and the area in which the Airport spends the substantial majority of its contracting dollars. The Dorothy Scott Airport is located in North Central Washington and is in an agricultural area. The area is surrounded by relatively small communities Using the Dorothy Scott Airport as the reference point, the Market Area includes Okanogan, Chelan, Douglas, and Spokane counties.

After establishing the Market Area, the “U.S. Census Bureau, 2014 County Business Patterns” was used to determine the number of available contractors and subcontractors for the work anticipated on these projects. The “DBE Directory” on the FAA dbE-Connect website was used to find DBE businesses in the Market Area that did the type of work called out.

Federal grant authorities prohibit recipients from using geographic preference in the evaluation of bids or proposals for DOT-assisted contracts, including contracts funded with AIP grants. The specific regulation outlining this requirement is 49 CFR, Part 18, “Uniform Administration Requirements for Grants and Cooperative Agreements to State and Local Governments.”

Determining the Common Opportunities in the FY 2020 Project

Table 3 below summarizes the total available businesses, total DBE businesses, and estimated available DBE contract dollars for each NAICS work classification for the construction work for the Runway Rehabilitation (Construction) project at the Dorothy Scott Airport. The number of total businesses and DBE businesses were taken from the Market Area described above.

Table 3 - Determination of DBE Opportunities

2020 Runway Reconstruction

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2017	Contract Dollars DBE
237110	Storm Drainage	31	0	0.0%	\$172,500.00	\$0.00
237310	Highway, street, and Bridge Construction	24	1	4.2%	\$885,500.00	\$36,895.83
	Pavement Marking		0		\$23,000.00	\$0.00
	Asphalt Paving		0		\$690,000.00	\$0.00
	Asphalt Removal		0		\$172,500.00	\$0.00
	Concrete Paving		0		\$0.00	\$0.00
238210	Electrical	90	0	0.0%	\$345,000.00	\$0.00
238910	Site Preparation Contractors	149	3	2.0%	\$345,000.00	\$6,946.31
238990	Fence Installation	45	1	2.2%	\$57,500.00	\$1,277.78
484220	Trucking	41	2	4.9%	\$57,500.00	\$2,804.88
541330	Engineering	1	0	0.0%	\$287,500.00	\$0.00
541370	Land Surveying	23	0	0.0%	\$57,500.00	\$0.00
541380	Material Testing	19	0	0.0%	\$57,500.00	\$0.00
561990	Traffic Control	14	1	7.1%	\$34,500.00	\$2,464.29
Total					\$2,300,000.00	\$50,389.08
Contract Work Available to DBE Firms:						2.19%

These are total dollars. FAA funds 90% of these amounts

A two-step process is conducted to determine the opportunities for DBE: (1) Analysis and (2) Adjustment.

Step 1 – Analysis

Table 3 is used to determine the percentage of the total estimated project costs which are available to DBE Contractors. The number of total contractors and the number of DBE contractors available for each relevant category of work are listed. A rough estimate of the combined project costs is tabulated along with a breakdown of costs by work classification. From these figures, a weighted percentage of contract dollars available to DBEs in the Market Area can be calculated. First, the percent of DBE firms in each category is calculated. The estimated cost of construction for each category is multiplied by this percentage to determine a reasonable amount that could be paid to DBE firms. Next, the amounts available for DBE firms in each category are totaled. Finally, the dollar value available to DBE firms is divided by the estimated combined project total. The result is the percentage of contract work available to DBE firms. For this project, that percentage is 2.19%.

Table 4 lists the DBE firms in the Market Area that may choose to participate in the upcoming airport project. As shown in this table, three of the firms falls into more than one category of work. Therefore, when determining available DBEs in Table 3, these businesses were used in each category that pertained to their work classifications. Consequently, the total number of businesses shown in each table reflects the available opportunities rather than just the number of DBEs.

Table 4: Disadvantaged Business Enterprises in the Market Area

Business Name		Type of Work
1	Eller Corporation (Spokane County)	Excavation, earthmoving, or land clearing contractor (238910) Dump trucking (484220)
2	B B Contracting Inc. (Okanogan County)	Excavation Contractor (238910)
3	Cates & Erb Inc. (Okanogan County)	Excavation, earthmoving, or land clearing contractor (238910) Dump trucking (484220)
4	Changing Directions (Chelan County)	Temporary Pavement Markings (237310) Traffic Control (561990)

Step 2 – Adjustment

The regulations allow for an adjustment to the base figure percentage (derived above) for circumstances or issues that might impact the availability.

Step 2(a) – Past Participation

The need for an adjustment to the base figure can be determined through an evaluation of past DBE goals and participation. Over the past four years no projects have been undertaken by this airport that required a DBE annual report, therefore past participation, will not be considered in the final goal calculation.

Step 2(b) – Disparity Studies

WSDOT conducted a disparity study that became available in 2012. This study focused mainly on state highway construction projects. The aviation projects were not included in this study due to the low number of projects available for analysis, and therefore results from that study are not considered in this goal calculation. A new disparity study for the Washington airports is currently being undertaken, sponsored by the Washington Department of Transportation, as well as some of the major airports in the state. It is anticipated that the results of this study will be available in 2018.

Step 2(c) – Consultation

The FAA dbE-Connect website has a DBE Directory which was used to determine DBEs in the area that may bid on the above projects.

Prior to finalizing the goal, a teleconference call was held to allow businesses in the Market Area to provide input on the methodology used in this goal calculation.

A teleconference call was held on September 1, 2017 from 10:30 am to 11:30 am to allow businesses in the Market Area to provide input on the draft DBE goals. Notice of this meeting was sent to local Chambers of Commerce in Oroville and Omak, WA. DBE businesses shown in Table 4 were also contacted when possible regarding the teleconference. The Chambers of Commerce distributed the meeting notice to their entire membership.

Step 2(d) – Adjusted DBE Goal

No adjustments will be made to the original calculation; therefore, the overall DBE Goal is set at 2.19%.

Breakout of Race Neutral and Race Conscious Participation

Considerations for Race Neutral

The Dorothy Scott Airport will meet the maximum feasible portion of its project goal by using race-neutral means of facilitating DBE participation. The City of Oroville uses the following race-neutral means to increase DBE participation:

- Contracts will be unbundled to include pricing for separate items thus encouraging DBE participation;
- Notice of Invitation for Bids will be sent to the local newspaper to make minority, women, and/or small businesses aware of the project;
- Plans and specifications will be available on an ftp site so the DBEs may view the plans.

Through the bid and award process of past projects there appears to be no prejudices shown towards those DBE Contractors wishing to participate.

Considerations for Race Conscious

Race conscious participation has not been considered.

The City of Oroville estimates that in meeting its project goal 2.19%, it will obtain 2.19% from Race Neutral participation and 0% through Race Conscious measures.

Process

The City of Oroville is submitting this goal for the 2018-2020 anticipated FAA projects. Subsequent goals will be submitted by August 1 prior to the beginning of each goal period, starting in 2017.

Public Notice

The City of Oroville will publish a notice of the proposed project goal on their website (<http://oroville-wa.com/>) informing the public that the proposed goal and its rationale are available for inspection and comment during normal business hours at the City Hall for 30 days following the date of the notice.

Our project goal submission to the FAA will include a summary of information and comments received and the airport's responses during the public participation process. We will begin applying our Project Goal effective October 1st of each year if possible. In all cases the project goal will be effective prior to the publication of the Invitation for Bids of the construction projects.

Sample Public Notice Language:

PUBLIC NOTICE

The City of Oroville hereby announces its FY 2018-2020 Disadvantaged Business Enterprise (DBE) Race-Neutral goal of 2.19% for airport construction projects. The proposed goal and rationale are available for inspection between 7:30 a.m. and 4:00 p.m., Monday through Friday at Oroville City Hall, 1308 Ironwood, Oroville, WA for 30 days from the date of this publication.

Comments on the DBE Project Goal may be sent to:

City of Oroville
JoAnn Denney, City Clerk
PO Box 2200
Oroville, WA 98844

or

Federal Aviation Administration
Civil Rights Staff, ASW-9
PO Box 92007
Los Angeles CA 90009