

FY 2010 METHODOLOGY FOR DETERMINING GOALS (49 CFR 26.45)

OVERALL GOALS

The overall goal period for the City of Tallahassee’s (the City) Disadvantaged Business Enterprise Program, at Tallahassee Regional Airport (the Airport) for federally assisted projects is established on an annual basis, beginning on October 1, 2009, and ending on September 30, 2010. The Overall Goal for fiscal year 2009/2010 has been set utilizing the methodologies described in CFR 49 Part 26 as follows:

The Airport’s Overall DBE Goal for FY 2010 is 24.25% of the federal financial assistance that the Airport will expend in DOT-assisted contracts. Given the amount of DOT-assisted contracts the Airport expects to let during FY 2010, which is \$25,000,000, the Airport has set a goal of expending \$6,062,500, with DBEs during FY 2010.

METHODOLOGY

STEP 1 – DETERMINING A BASE FIGURE REPRESENTING DBES’ RELATIVE AVAILABILITY.

The Airport elected to use the Methodology described in 49CFR 26.45 (c) (1) to determine the base figure for the relative availability of DBEs. The Airport started the determination of its FY 2010 goal setting process by identifying a base figure for the relative availability of DBEs based on demonstrable evidence of the availability of ready willing and able DBEs as compared to the availability of all businesses participating on DOT-assisted contracts (hereafter, the relative availability of DBEs). Analyses of the Airport’s previous three (3) years’ AIPs; discussions with Airport staff and consultants; and a review of the Airport’s Bidders’ Lists and DBE Directories revealed Leon county as the Airport’s “market area”. An amount of \$7,845,714 representing 88% of the \$8,885,301 AIP funds spent during the three-year history was awarded to firms in Leon county. The substantial majority (9 =82%) of the eleven contractors and subcontractors with which the Airport conducted business were located in Leon (9=82%) county. The substantial majority (88%) of the Airport’s contracting dollars was spent in Leon (\$7,845,714=88%) county.

A base figure of 33.44% was determined by utilizing CY 2006 Census Bureau data, plus data from Florida and Department of Transportation’s DBE Directory, and the DBE Directory from Tallahassee Regional Airport. The 2006 Census Bureau’s County Business Patterns data (denominator) and the DBE Directory information (numerator) were extracted for construction and professional service trades for the Airport’s “market” area in the same NAICS Codes where activity will occur during the performance of the Airport’s FY 2010 AIP (Runway Reconstruction) project. The base figure was calculated by counting, only, the DBEs and census bureau establishments in those same NAICS Codes; and within the Airport’s market area as indicated below:

CITY OF TALLAHASSEE’S WEIGHTED METHODOLOGY			
[.45(<u>2 HWY & STREET DBES</u>) 3 HWY & STREET FIRMS	+	.03(<u>0 ELECTRICAL DBES</u>) 73 ELECTRICAL FIRMS	
.40 (<u>1 SITE PREP DBES</u>) 15 SITE PREP FIRMS	+	.10 (<u>7 ENGINEERING DBES</u>) 96 ENGINEERING FIRMS	+
		.02 (<u>3 LANDSCAPING DBES</u>) 101 LANDSCAPING FIRMS]	*100=
[(.45)(.6666) + (.03)(.0) + (.40)(.0666) + (.10)(.0729) + (.02)(.0297)] *100=			
[.2999 + 0 + .0266 + .0073 + .0006] *100 =			
[.3344] *100 =			
Total = 33.44%			

STEP 2 - EXAMINATION OF AVAILABLE EVIDENCE TO DETERMINE WHAT ADJUSTMENT, IF ANY, IS NEEDED TO THE BASE FIGURE.

Section 26.45 (d); and the eleven page goal and methodology guidelines found on OSDBU's website identifies numerous examples of the various types of data to examine in order to adjust the Step One Base Figure to make it as precise as possible. This step is intended to adjust the "base figure" percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination. The staff considered all of the factors listed in the above-referenced documents to determine whether an adjustment is necessary. The staff's considerations of those factors are detailed herein.

There is no current, viable disparity study information available for the "local market" area. The staff and the Airport's consultant verified, via the City of Tallahassee's Economic Development Office, Florida A&M University's Small Business Development Center, and The State of Florida's Office of Supplier Diversity, that no disparity study had been conducted that would impact this methodology process.

A. PAST PARTICIPATION

MEDIAN PAST PARTICIPATION METHOD

Adjustments based on the utilization of the "Median Past Participation" method yielded a 24.25% adjusted Base Figure:

- The three years' history, FY 05 through FY 07 yielded actual DBE percentages of 0%, 15.06% & 17.74%. (See Appendix 4)
- The middle number in the arrangement 15.06% , is the median of those three numbers
- The Base Figure of 33.44% plus the median number of 15.06% yields $48.5\%/2 = 24.25\%$

Therefore, 24.25% is the Base Figure adjusted for median past participation

B. OTHER FACTORS

The staff and the Airport's consultant verified that no disparity study had been conducted that would impact this methodology process.

The staff also considered other additional sources of information, such as consulting with the following organizations and institutions and did not find any information about past discrimination in public contracting; discrimination in private contracting; discrimination in credit, bonding or insurance; data on employment, self-employment, training, or union apprenticeship programs; and/or data on firms' formation:

1. The City of Tallahassee's Economic Development Office.
2. Florida A&M University's Small Business Development Center.
3. The State of Florida's Office of Supplier Diversity.

The City does not have sufficient reliable information about the characteristics of the firms (size, age, past experience, bonding, insurance, etc.) available in its local market area to make unjustifiable adjustments in Step Two. Due to the aforementioned items, the staff made no Step 2 adjustments based on "other factors".

C. SUMMARY

Due to the aforementioned facts/considerations, the City decided to adjust its Base Figure via the "Median Past Participation" method discussed in item (A); and established an attainable and feasible FY 2010 Overall DBE Goal of 24.25%.

BREAKOUT OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION

The estimated breakout of race-neutral and race conscious participation on the Airport's AIPs will be adjusted as needed to reflect actual DBE participation. Race-neutral and race-conscious participation will be tracked and reported separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract which 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 (e.g. an established relationship between DBE and prime contractor). Per 26.51(c) the Airport's race neutral and race conscious goals are subject to change, and will be updated annually to suffice these changes.

Tallahassee Regional Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. We estimate that, in meeting our overall goal of 24.25% we will obtain 0% from race-neutral participation; and 24.25% through race-conscious measures. The 0% represents the Airport's inability to achieve its contract goals as expressed in Appendix 5. 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). Providing assistance in overcoming limitations such as inability to obtain bonding or financing; 3). Providing technical assistance and other services; 4). Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low; and 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, and 9). DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

A. CONTRACT GOALS

The City will use contract goals to meet any portion of the overall goal that Tallahassee Regional Airport 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 Airport's overall goal that is not projected to be met through the use of race-neutral means.

The City will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not 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 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 24.25% 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 2010 projects beyond the attainment of the annual overall goal. This requirement applies to both construction and non-construction (i.e., architectural, Landscaping, other professional services, equipment, etc.).

The appropriate goal will be included in each AIP solicitation. Individual contract goals may vary from the overall goals. A contract goal is established by determining that portion of the overall goal that the staff anticipates the Airport cannot meet by race-neutral means; and such goals for Part 26 Federally-funded FY 2010 AIPs shall be expressed as a percentage of the Federal share of DOT-assisted contracts.

NOTE 1. 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.

NOTE 2. THE GOOD FAITH EFFORT REQUIREMENTS OF 26.53 SHALL BE REQUIRED IN EVERY INSTANCE WHERE A CONTRACT GOAL HAS BEEN ESTABLISHED.

DBE GOALS PROCESS

Tallahassee Regional Airport submits its overall goal to DOT on August 1 of each year. Before establishing the FY 2010 overall goal Tallahassee Regional Airport's staff consulted with various minority and women trade organizations, including the local Chamber of Commerce, the National Association of Minority Contractors, and the Association of General 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 local DBELOs, DBEs and prime contractors cited several problem areas regarding those DBE Program issues including, but not limited to, the following:

- (1)The lack of prime contractors' 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 notice, to DBEs, regarding Airport opportunities.

In order to remedy items 1 through 3, the Airport's Program Manager consultant has contracted with a DBE Program support services consultant to assist with the implementation of the Airport's DBE Program.

Tallahassee Regional Airport published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale were available for inspection during normal business hours at the Administration Office for 30 days following the date of the notice, and informing the public that Tallahassee Regional Airport and DOT would accept comments on the goals for 45 days from the date of the notice. The notice was published in the *TALLAHASSEE DEMOCRAT AND THE CAPITAL OUTLOOK NEWSPAPERS*. In addition, the notice was sent to the appropriate local minority and women professional organizations and to the local chamber of commerce. The notice included addresses to which comments could be sent and the address where the document could be reviewed. The Airport's public notice (advertisement) required under 26.45 (g) (2) was accomplished on _____, 2009 and on _____, 2009 respectively. (See Appendix 3).

The Airport received no responses to the Advertisement; and, therefore, held no public forums.

Tallahassee Regional Airport will begin using its overall goal on October 1 of each year, unless we have received other instructions from DOT.

APPENDICES

TALLAHASSEE REGIONAL AIRPORT'S
FY 2010 METHODOLOGY
2006 CENSUS BUREAU DATA
COUNTY BUSINESS PATTERNS

<u>NAICS CODES</u>	<u>LEON</u>	<u>TOTAL</u>
{23731} Hwy & Street	3	3
{23821} Electrical	73	73
{23891} Site Prep	15	15
{54133} Engineering	96	96
{56173} Landscaping	101	101
TOTAL	288	288

**DBE FIRMS IN LEON COUNTY
FY 2010 DBE GOAL SETTING METHODOLOGY**

<u>NAICS CODES</u>	<u>LEON</u>	<u>TOTAL</u>
{23731} Hwy & Street	2	2
{23821} Electrical	0	0
{23891} Site Prep	1	1
{54133} Engineering	7	7
{56173} Landscaping	3	3
TOTAL	13	13

SAMPLE ADVERTISEMENT

Tallahassee Regional Airport has proposed an overall DBE goal of 24.25% for Airport Improvement Projects (AIPs) awarded during FY 2010. The proposed goal and methodology are available for public inspection at the Airport Administration Office during normal business hours for a period of thirty (30) days, beginning _____. Written comments will be accepted for a period of forty-five (45) days beginning _____. Please send all written comments to Tallahassee Regional Airport, 3300 Capital Circle, S.W., Suite 1, Tallahassee, FL 32310.

