

ATTACHMENT 5

Overall DBE Three-Year Goal Methodology

Name of Recipient: The City of Kelso, Southwest Washington Regional Airport

Goal Period: FY-2024-2025-2026 – October 1, 2024 through September 30, 2026

DOT-assisted contract amount:	FY-2024	\$ 506,700
	FY-2025	\$ 750,000
	FY-2026	<u>\$5,925,028</u>
	Total	\$7,181,728

Overall Three-Year Goal: 5.2%, to be accomplished through 100% RC and 0% RN
(Note: the goal may be reflected as (1) an average of the three years; (2) three-year Median; or (3) weighted percentage)

Total dollar amount to be expended on DBEs: 5.2% X \$7,181,728 = \$373,450

Describe the Number and Type of Contracts that the airport anticipates awarding:

Contracts Fiscal Year #1

- GA Apron & Taxiway Reconstruction – Phase 2 Construction

Contracts Fiscal Year #2

- RW 12/30 Reconstruction, PAPIs, Signs, MIRL, and Lighted Wind Sock – Phase 1 Design

Contracts Fiscal Year #3

- RW 12/30 Reconstruction, PAPIs, Signs, MIRL, and Lighted Wind Sock – Phase 2 Construction
- Perimeter Fence at Douglas St. – Design & Construction

Market Area: Central Region as defined in Table E-3 of the Washington State Disparity Study

Step 1. Actual relative availability of DBEs

The base figure for the relative availability was calculated as follows:

Method: Regional availability data provided in Appendix E of the Washington State Disparity Study.

Regional Unweighted Availability of DBE firms¹ Per Fiscal Year:

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%) ¹	DBE (\$) (= Trade \$ x DBE %)
GA Apron & Taxiway Reconstruction – Phase 2 Construction	Highway, Street, and Bridge Construction	Highway, Street, and Bridge Construction	238910	\$156,700	9.7%	\$ 15,200
	Engineering Services	Engineering Services	541330	\$350,000	7.7%	\$ 26,950
Total for FY-2024				\$506,700		\$ 42,150

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%) ¹	DBE (\$) (= Trade \$ x DBE %)
RW 12/30 Reconstruction, PAPIs, Signs, MIRL, and Lighted Wind Sock – Phase 1 Design	Engineering Services	Engineering Services	541330	\$700,000	7.7%	\$ 53,900
	Survey and Mapping Services	Survey and Mapping Services	541370	\$50,000	10.0%	\$ 5,000
Total for FY-2025				\$750,000		\$ 58,900

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%) ¹	DBE (\$) (= Trade \$ x DBE %)
RW 12/30 Reconstruction, PAPIs, Signs, MIRL, and Lighted Wind Sock – Phase 2 Construction	Electrical Contractors and Other Wiring Installation Contractors	Electrical Contractors and Other Wiring Installation Contractors	238210	\$1,605,000	4.2%	\$ 67,410
	Engineering Services	Engineering Services	541330	\$3,745,000	7.7%	\$ 288,365
Perimeter Fence at Douglas St. – Design & Construction	Landscaping Services	Landscaping Services	561730	\$ 172,508	5.8%	\$ 10,005
	Engineering Services	Engineering Services	541330	\$ 402,520	7.7%	\$ 30,994
Total for FY-2026				\$5,925,028		\$ 396,774

The base goal projection after weighting is as follows:

(FY-2024 Total + FY-2025 Total + FY-2026 Total)/Total Dollars = Base Figure

(\$42,150 + \$58,900 + \$396,774)/\$7,181,728 = 0.069

Base of DBE Goal Figure: 6.9%

Step 2: Adjustments to Step 1 base figure

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

Washington State Airports Disparity Study 2019

To make adjustments to Step 1, the Washington State Airports Disparity Study was used. The study suggests to use rates at which DBEs form businesses. These rates can be found in Tables 5-8 and 5-12 of Chapter V within the Study, and shown below.

Table 5-8: Business Formation Rates Construction, 2013 - 2017	
Demographic Group	Business Formation Rates
Black	3.1%
Latino	4.5%
Native American	4.2%
Asian/Pacific Islander	8.8%
Other	4.3%
White Women	10.2%
Non-White Male	6.5%
White Male	12.2%
Average (Minus White Males)	5.9%

Table 5-12: Business Formation Rates Construction-Related Services, 2013 - 2017	
Demographic Group	Business Formation Rates
Black	0.9%
Latino	5.0%
Native American	0.0%
Asian/Pacific Islander	3.3%
Other	0.0%
White Women	5.3%
Non-White Male	4.5%
White Male	8.9%
Average (Minus White Males)	2.7%

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figures, and the total was averaged.

$$(5.9\% + 2.7\% + 6.9\%) / 3 = \mathbf{5.2\% \text{ Overall Goal}}$$

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of 5.2%. The City of Kelso believes this adjusted goal accurately reflects DBE participation that can be achieved for the type(s) of work being awarded during this three-year period.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation.

The City of Kelso will meet the maximum feasible portion of the overall goal by using RN means of facilitating DBE participation.

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates 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. Carrying out information and communications programs on contracting procedures and specific contract opportunities;
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;
9. Assist DBEs and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media; and

The City of Kelso estimates that in meeting the established overall goal of 5.2%, it will obtain 0% from RN participation and 100% through RC measures as suggested in the Washington State Disparity Study.

The City of Kelso does not have a history of DBE participation or over-achievement of goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation. Therefore, the entire goal of 5.2% is to be obtained through race-conscious participation.

The City of Kelso will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation [see §26.51(f)] and track and report RN and RC participation separately. For reporting purposes, RN DBE participation includes, but is not necessarily limited to the following: DBE participation through a prime contract obtained 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.

PUBLIC PARTICIPATION

Consultation:

In establishing the overall goal, the City of Kelso provided for consultation and publication. This process included consultation with minority, women's, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the City of Kelso's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and was conducted before the goal methodology was submitted to the operating administration for review. Details of the consultation are as follows.

The consultation engaged in was teleconference, which was held online July 24th, at 12:15PM.

The following comments were received during the course of the consultation:

[If no comments were received, so state]

A notice of the proposed goal was published on the City of Kelso official before the methodology was submitted to the FAA.

If the proposed goal changes following review by the FAA, the revised goal will be posted on the City of Kelso official website.

Notwithstanding paragraph (f)(4) of §26.45, the City of Kelso proposed goals will not be implemented until this requirement has been met.

PUBLIC NOTICE

The City of Kelso hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of 5.2% for the FAA-funded contracts/agreements. The proposed goal pertains to federal fiscal years 2024 through 2026. A teleconference will be held online July 24th, at 12:15PM for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process. Please contact Rick Nichols at rnichols@centurywest.com for participation details.

The proposed goal and its attendant methodology are available for inspection on the City's website for 30 days from the date of this publication.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

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AND

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