

ATTACHMENT 5

Overall DBE Three-Year Goal Methodology

Name of Recipient: The City of South Lake Tahoe (City) owner of Lake Tahoe Airport

Goal Period: FY-2019-2020-2021 – October 1, 2018 through September 30, 2021

DOT-assisted contract amount:	FY-2019	\$4,657,500
	FY-2020	\$450,000
	FY-2021	\$850,000
	Total	\$5,957,500

Overall Three-Year Goal: 3.78%, to be accomplished through 3.78% RC and 0.0% RN

Total dollar amount to be expended on DBEs: 225,193.50 [*multiply goal % x DOT-assisted amount*]

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

Contracts Fiscal Year #1

1. Reconstruct General Aviation Apron Phase 5 (C27) - \$4,500,000
2. Vehicle Service Road – \$157,500

Contracts Fiscal Year #2

1. Reconstruct Taxiway D - \$405,000
2. Apron Pavement Preservation (C16 & C17) - \$45,000

Contracts Fiscal Year #3

1. Tree Removal – Environmental (Cal Fire, CEQA, NEPA, TRPA, Lohontan) - \$850,000

Market Area: The entire state of California was used as the market area giving the proposed scope of the anticipated projects in the next three years. This represents the area in which the sponsor spends a substantial majority of its contract dollars.

Step 1. Actual relative availability of DBEs

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

Method: Use DBE Directories from
http://www.dot.ca.gov/hq/bep/find_certified.htm

and Census Bureau Data from
<https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>.

Unweighted Availability of DBE Firms:

FY 2019

NAICS	Type of Work	Total DBEs	Total All Firms
Engineering	541330	516	8,430
Construction	237310	334	770
Asphalting	238990	262	3,101
Survey	541370	98	477
Geotech	541380	83	770
Total		1,293	13,548

FY 2020

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Total		1,293	13,548

FY 2020

NAICS	Type of Work	Total DBEs	Total All Firms
Engineering	541330	516	8,430
Environmental	541620	395	1,461
Total		911	9,891

The data source or demonstrable evidence used to derive the numerator was:

http://www.dot.ca.gov/hq/bep/find_certified.htm

The data source or demonstrable evidence used to derive the denominator was:

<https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>.

Dividing the total number of DBEs by the total number of All Firms gives a base DBE availability figure for each contract. The availability figures for all contracts were then combined and averaged to provide the basis for the three-year overall goal.

The base goal projections are as follows:

- Fiscal Year #1 – 9.5%
- Fiscal Year #2 – 9.5%
- Fiscal Year #3 – 9.2%

Average of weighted availability: $(9.5\% + 9.5\% + 9.2\%)/3 = 9.4\%$

Base of DBE Goal: 9.4%

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.

Past History Participation

Not enough historical data on DBE participation is available to reference to make an adjustment to the Step 1 base figure; therefore, the City will not use past history participation to adjust the Step 1 base figure as the overall goal for this three-year goal period.

Disparity

A Disparity Study for the California Department of Transportation (Caltrans) was prepared in 2016. The disparity study shows evidence of barriers to entry or competitiveness of DBEs in California. According to the study, “several racial/ethnic and gender groups show disparities on the contracts that Caltrans and sub recipient local agencies awarded during the study period, despite the fact that Caltrans applied DBE contract goals to many of those contracts.” The Study also provides evidence that suggests that past participation of DBEs on Caltrans utilization reports was lower than the recommended base figure. This evidence would suggest that decreasing the base figure would help to achieve the goal.

Based on this data, an adjustment will be made to the base figure of 9.4% to a new goal of 3.78%. The recipient has determined that reducing the goal to 3.78% is appropriate because the last goal the airport had was 3.5% and the average achievement over the goal period was 3.78%. By reducing the base figure to be the average achievement over the previous goal period, the recipient hopes to achieve the DBE goal.

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

The City 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. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
6. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
7. Assist DBEs and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The City estimates that in meeting the established overall goal of 3.78%, it will obtain 0.0% from RN participation and 3.78% through RC measures.

This breakout is based on:

- a) The City does not have enough 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 3.78% is to be obtained through race-conscious participation.

The City 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 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'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 a teleconference, which was held on January 31, 2019 between 1:00 and 1:30 PM PST.

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 official website before the methodology was submitted to FAA.

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

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

Public Notice Language:

PUBLIC NOTICE

The City hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of 3.78% for FAA-funded contracts/agreements. The proposed goal pertains to federal fiscal years 2019 through 2021. A teleconference will be held on January 31, 2019 between 1:00 and 1:30 PM PST for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process. Please call the following number to participate in the teleconference: 1-800-747-5150; Access Code: 1918757.