

Attachment 5

SECTION 26.45: OVERALL DBE THREE-YEAR GOAL METHODOLOGY

Name of Recipient: City of Palmer, owner of Warren “Bud” Woods Palmer Municipal Airport

Goal Period: FY 2023-2024-2025 – October 1, 2022 through September 30, 2025

DOT-assisted contract amount:

FY-2023	\$	<u>485,200</u>
FY-2024	\$	<u>4,233,500</u>
FY-2025	\$	<u>2,750,000</u>
<b>Total</b>	\$	<b><u>7,468,700</u></b>

Overall Three-Year Goal: 9.9%, to be accomplished through 0.0% RC and 9.9% RN

Total dollar amount to be expended on DBE’s: \$ 716,995

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

Projects Fiscal Year #1 – FY 2023

- 1. Airport Master Plan, Phase 1- \$485,200

Projects Fiscal Year #2 –FY 2024

- 1. Acquire Avigation Easement, Construct Mitigation, & Relocate RW 16 Threshold- \$2,080,200
- 2. Rehabilitate Apron C- \$1,710,800
- 3. Airport Master Plan, Phase 2- \$442,500

Projects Fiscal Year #3 –FY 2025

- 1. Construct Sand Storage Building- \$2,750,000

Market Area: The market area for the Palmer Municipal Airport includes the Matanuska-Susitna Borough, Municipality of Anchorage and Kenai Peninsula Borough.

Step 1. Determining a Base Figure Actual Relative Availability of DBEs

The base figure was determined using the actual relative availability of DBEs method. The actual relative availability of DBEs was calculated using DBE directories and census bureau data, to establish the weighted availability of DBE firms based on the scope and preliminary cost estimate of the anticipated projects during the goal setting period. Work items from project estimates were divided into relevant North American Industry Classification System (NAICS) Codes.

The Alaska Department of Transportation and Public Facilities Civil Rights Office maintains the Alaska Unified Certification Program (AUCP) DBE directory. The directory shows DBEs available within each NAICS code, and specifies regions where the DBE is willing to perform work. Alaska is split into three regions: Northern, Central, and South Coast. DBEs located within the State of Alaska, and willing to perform work in the Central region were included as the number of DBE firms.

The federal government’s data from the US Census County Business Patterns was accessed to determine the total number of businesses available per NAICS code. To stay consistent with the DBE directory, the statewide number was used when considering the total number of available firms.

Data Sources:

- DBE Directories:  
<http://dot.alaska.gov/cvlrts/directory.shtml>
- Census Bureau Data from  
<https://data.census.gov/cedsci/table?g=0400000US02&n=N0600.00>

Fiscal Year #1

For FY 2023, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #1: Airport Master Plan, Phase 1	Airport Planning	Engineering Services	541330	\$464,100	246	21	8.5%	\$39,449
	City Administration	NA	NA	\$21,100	NA	0	0.0%	\$0
<b>Total Contract #1</b>				<b>\$485,200</b>			<b>8.1%</b>	<b>\$39,449</b>
<b>Total FY-[2023]</b>				<b>\$485,200</b>			<b>8.1%</b>	<b>\$39,449</b>

Fiscal Year #2

For FY 2024, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #1: Acquire Avigation Easement, Construct Mitigation, & Relocate RW 16 Threshold	Mobilization, Paving, Safety	Highway, Street, And Bridge Construction	237310	\$43,300	87	31	35.6%	\$15,415
	SWPPP	Environmental Consulting Services	541620	\$30,500	78	34	43.6%	\$13,298
	Construction Surveying	Surveying and Mapping (except geophysical) services	541370	\$24,400	65	11	16.9%	\$4,124
	Tree Removal	Site Preparation Contractors	238910	\$336,400	225	38	16.9%	\$56,852
	Tree replacement, seeding	Landscaping Services	561730	\$280,300	162	4	2.5%	\$7,008
	Fencing, Signing and Striping	All Other Specialty Trade Contractors	238990	\$158,400	73	22	30.1%	\$47,678
	Lighting, Conduit and cable Installation	Electrical Contractors	238210	\$171,800	235	10	4.3%	\$7,387
	Trucking	General Freight Trucking, Local	484110	\$59,700	56	9	16.1%	\$9,612
Equipment Rental	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	532412	\$188,300	37	3	8.1%	\$15,252	

	Design and Construction Phase Services	Engineering Services	541330	\$268,600	246	21	8.5%	\$22,831
	Property Purchase	NA	NA	\$468,800	NA	0	0.0%	\$0
	City Administration	NA	NA	\$49,700	NA	0	0.0%	\$0
<b>Total Contract #1</b>				<b>\$2,080,200</b>			<b>9.6%</b>	<b>\$199,457</b>

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #2: Rehabilitate Apron C	Mobilization, Excavation, Paving, Safety, Tie downs	Highway, Street, And Bridge Construction	237310	\$571,800	87	31	35.6%	\$203,561
	SWPPP	Environmental Consulting Services	541620	\$27,600	78	34	43.6%	\$12,034
	Construction Surveying	Surveying and Mapping (except geophysical) services	541370	\$38,200	65	11	16.9%	\$6,456
	Trucking	General Freight Trucking, Local	484110	\$231,500	56	9	16.1%	\$37,272
	Paving Materials	Asphalt Paving Mixture and Block Manufacturing	324121	\$389,400	20	1	5.0%	\$19,470
	Traffic Maintenance	All Other Specialty Trade Contractors	238990	\$31,800	73	22	30.1%	\$9,572
	Equipment Rental	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	532412	\$71,200	37	3	8.1%	\$5,767
	Design and Construction Phase Services	Engineering Services	541330	\$289,100	246	21	8.5%	\$24,574
	City Administration	NA	NA	\$60,200	NA	NA	0.0%	\$0
<b>Total Contract #2</b>				<b>\$1,710,800</b>			<b>18.6%</b>	<b>\$318,706</b>

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #3: Airport Master Plan, Phase 2	Airport Planning	Engineering Services	541330	\$423,800	246	21	8.5%	\$36,023
	City Administration	NA	NA	\$18,700	NA	NA	0.0%	\$0
<b>Total Contract #3</b>				<b>\$442,500</b>			<b>8.1%</b>	<b>\$36,023</b>
<b>Total FY-[2024]</b>				<b>\$4,233,500</b>			<b>13.1%</b>	<b>\$554,186</b>

Fiscal Year #3

For FY 2025, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #1: Construct Sand Storage Building	SWPPP	Environmental Consulting Services	541620	\$10,900	78	34	43.6%	\$4,752
	Construction Surveying	Surveying and Mapping (except geophysical) services	541370	\$32,600	65	11	16.9%	\$5,509
	Concrete Foundation	Poured Concrete Foundation and Structure Contractors	238110	\$326,500	55	17	30.9%	\$100,889
	Building Construction	Industrial Building Construction	236210	\$555,100	17	10	58.8%	\$326,399
	Building Construction - Specialties	Other Building Equipment Contractors	238290	\$272,100	20	7	35.0%	\$95,235
	Lighting, Conduit and Cable Installation	Electrical Contractors	238210	\$217,700	235	10	4.3%	\$9,361
	Site Prep	Site Preparation Contractors	238910	\$380,900	225	38	16.9%	\$64,372
	Pre-engineered Metal Building Package	Prefabricated Metal Building and Component Manufacturing	332311	\$435,400	12	0	0.0%	\$0
	Design and Construction Phase Services	Engineering Services	541330	\$422,800	246	21	8.5%	\$35,938
	City Administration	NA	NA	\$96,000	NA	0	0.0%	\$0
<b>Total Contract #1</b>				<b>\$2,750,000</b>			<b>23.4%</b>	<b>\$642,455</b>
<b>Total FY-[2025]</b>				<b>\$2,750,000</b>			<b>23.4%</b>	<b>\$642,455</b>

The base goal projection after weighting is as follows:

- Total Weighted DBE Availability: \$1,236,090
- Total for All Trades: \$7,468,700

Dividing the weighted DBE totals by the total estimate for all trades gives a base DBE availability figure for the projects anticipated during the goal-setting period. This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Base DBE Goal: 16.6%

**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 adjustment to the base figure was needed in order to arrive at the overall goal.

## Past History Participation

One piece of data used to determine the adjustment to the base figure was the median of historical DBE participation accomplishments. From FY 2017-2021, the City of Palmer entered into contracts for DOT-assisted projects similar in nature to the anticipated contracts during this goal period. DBE participation accomplishments are shown below:

FY	Total Contract Value	DBE Goals			Accomplishments			Type of work
		RC	RN	Total	RC	RN	Total	
FY 17	\$7,065,335	0%	4.9%	4.9%	0%	3.6%	3.6%	Prof. Services and Construction for Rehab RW 16/34 and Related Imp
FY 18	\$985,485	0%	4.9%	4.9%	0%	7.3%	7.3%	Prof. Services Taxiway Pavement Maintenance, SRE Acquisition
FY 19	\$928,400	0%	4.9%	4.9%	0%	0.2%	0.2%	Prof. Services and Construction of Airfield Safety Improvements
FY 20	\$263,843	0%	3.1%	3.1%	0%	2.8	2.8%	Blast Pad Paving
FY 21	\$47,422	0%	3.1%	3.1%	0%	0%	0%	Various professional services

Arranging those projects with DBE participation in order from low to high (0.2%, 2.8%, 3.6%, 7.3%), the median is 3.2% (the median is middle number in the data set, or when the data set is even, the mean of the middle two numbers).

To arrive at an overall goal, the Step 1 base figure of 16.6% and the Step 2 median historical participation of 3.2% were averaged, arriving at an overall goal of **9.9%**.

The City of Palmer believes this adjusted goal of 9.9% accurately reflects DBE participation that can be achieved for the type of work being awarded during this three-year period.

## Disparity Study

The City of Palmer has not completed its own disparity study, but rather relies on the disparity study of the Alaska Department of Transportation & Public Facilities. ADOT&PF completed a disparity study in 2020, conducted by MGT of America, Inc. While the study found disparity during the 2014-2019 study period, "DOT&PF should be commended for maintaining fairly strong M/W/DBE subcontractor utilization in the absence of DBE goals. Based on this level of non-goal M/W/DBE subcontractor participation, there continues to not be a strong factual predicate for across-the-board race- and gender-conscious DBE subcontractor goals or setting a race-conscious component of the annual DBE goal."

## **Breakout of Estimated "Race and Gender Neutral" (RN) and "Race and Gender Conscious" (RC) Participation. 26.51(b) (1-9)**

The recipient will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation, including:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates 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);
2. Providing information 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 prime bidders lists of potential subcontractors.);
3. Providing technical assistance and other services;

4. Providing services to help DBE's 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;
5. Utilizing the ACUP program and statewide DBE directory and making the directory location known to prime contractors.

The City of Palmer estimates that in meeting its overall 9.9% goal, it will obtain 9.9% from RN participation and 0% through RC measures.

This breakout is based on the ADOT&PF 2020 Disparity Study that found that there was not evidence to support setting a race-conscious goal.

The City of Palmer will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation (see Section 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**

In establishing the overall goal, the City of Palmer 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 effect of discrimination on opportunities for DBEs, and the City of Palmer'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 FAA for review.

The consultation included a meeting held through videoconference on August 19, 2022. The following groups were invited via email: Associated General Contractors of Alaska, American Council of Engineering Companies of Alaska, ADOT&PF Civil Rights, Municipality of Anchorage Civil Rights, and all firms listed in the DBE directory as interested in doing work in the DOT&PF Central Region. There were no attendees.

No comments were received during the course of the consultation.

A notice of the proposed goal was published on the City of Palmer official website before the methodology was submitted to the FAA. If the proposed goal changes following review by the FAA, the revised goal will also be posted on the City of Palmer official website.

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