

**FAA DBE Goal Methodology
Lincoln Airport (S69)
Montana Department of Transportation
Federal Fiscal Year 2018 – 2020**

The Montana Department of Transportation (MDT), in accordance with United States Department of Transportation (USDOT) guidelines, determines MDT's Disadvantaged Business Enterprise (DBE) Goal for Federal Aviation Administration (FAA) funded contracts on a staggered three-year schedule.

MDT calculates the goal using the criteria set forth in 49 CFR Part 26.45. The determination of the level of DBE participation is based on the availability of all DBE businesses that are ready, willing, and able to participate in FAA-assisted contracts in the State of Montana in relationship to all comparable businesses which are known to be available to compete for FAA-assisted contracts.

For Federal Fiscal Year 2018 – 2020, MDT has established an overall DBE goal of 5.95% for the Lincoln Airport to be accomplished through the use of race neutral means.

This methodology and the supporting evidence complies with the requirements of the federal regulations and federal guidance, as well as relevant court decisions, including *Western States Paving v. Washington State Dept. of Transportation*, 907 F.3d 963 (9th Cir. 2005).

For Federal Fiscal Years 2018 through 2020, the following projects are anticipated for the Lincoln Airport:

Contract(s) FY 2018 – *no projects planned*

Contract(s) FY 2019 – \$342,900

Project 1. Construct Hangar Access TW

Contract(s) FY 2020 – \$291,000

Project 1. Rehabilitate Runway, Taxiway and Apron

Project 2. AGIS Approach Survey and Remove Obstructions

Step 1: Determining the Base Figure

For the Step 1 Base Figure, MDT determined the relative DBE availability in accordance with 49 CFR Part 26.45 (c)(3), which is to use data from a Disparity Study. MDT engaged a consultant (Keen Independent) to conduct an Availability and Disparity Study, which focused on participation of minority- and women-owned firms in MDT's contracts from October 2009 through September 2014. The Study was completed in July of 2016. Although this Study did not examine contracts using Federal Aviation Administration (FAA) funds; MDT and other agencies might review information in the

report regarding DBE availability as they relate to operating the Program for FAA-funded contracts. Since contractors that participated on MDT contracts during the Study period are in most cases the same contractors that are awarded FAA-funded contracts, MDT used the DBE availability data from the 2016 Disparity Study to calculate the goal for the Lincoln Airport.

When reviewing these datasets, MDT used the State of Montana as the market area because the 2016 Disparity Study found that 89% of MDT contract dollars during the study period went to firms with Montana offices.

Table 1 indicates the anticipated work types and associated costs for 2019 and 2020 at the Lincoln Airport and compares to the availability information from the 2016 Disparity Study to calculate the weighted DBE availability. Appendix A provides the cost breakdown by year and project and the weighted DBE goal associated with the costs.

Table 1 – Weighted DBE Availability using 2016 Disparity Study Data

Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Asphalt and concrete paving	5	54	9.26%	\$96,400	15.21%	1.41%
Excavation, site prep, grading, and drainage	6	75	8.00%	\$160,000	25.24%	2.02%
Electrical work including lighting and signals	0	32	0.00%	\$3,500	0.55%	0.00%
Temporary traffic control	5	41	12.20%	\$6,500	1.03%	0.13%
Striping or pavement marking	1	23	4.35%	\$29,500	4.65%	0.20%
Landscaping and related work including erosion control	5	74	6.76%	\$5,500	0.87%	0.06%
Pavement surface treatment (such as sealing)	2	32	6.25%	\$107,000	16.88%	1.05%
Pavement milling	3	28	10.71%	\$1,000	0.16%	0.02%
Trucking and hauling	3	112	2.68%	\$23,000	3.63%	0.10%
Surveying and mapping	1	55	1.82%	\$82,500	13.01%	0.24%
Engineering	3	72	4.17%	\$109,000	17.20%	0.72%
Other	0	0	0.00%	\$10,000	1.58%	0.00%
Total Estimated Contract Amount				\$633,900	DBE Goal	5.95%

Based on the DBE availability data from the Disparity Study weighted by the anticipated project costs at Lincoln Airport, the base figure is 5.95%.

Step 2: Adjustments to the Base Figure

During Step 2, MDT examined all evidence available in its jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall DBE participation goal. MDT considered the following Step 2 adjustments:

- Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
- Information related to employment, self-employment, education, training and unions;
- Any disparities in the ability of DBEs to get financing, bonding and insurance; and
- Other relevant factors

Current Capacity

The Lincoln Airport did not have any projects over the past 7 years (Fiscal Years 2011 through 2017) that met the threshold for a DBE goal. Since there is not any current past participation information for the Lincoln Airport, MDT did not make a current capacity adjustment to the Step 1 figure.

Employment, Education, Training, and Unions

The 2016 Disparity Study conducted analysis related to marketplace conditions in Montana and found that there are barriers that certain minority groups and women face related to entry and advancement and business ownership in the Montana construction and engineering industries. Specifically, Native Americans working in the Montana construction industry were less likely than non-minorities to own construction businesses and women working in the Montana engineering industry were less likely than men to own engineering companies.

Keen Independent estimated the availability of minority- and women-owned firms but for the effects of race- and gender-based discrimination and determined there could be a possible upward adjustment to the base figure (calculation shown in Figure 9-3 in the Disparity Study). The amount as it relates to the work types at the Lincoln Airport is not quantifiable, therefore, MDT chose not to make a step 2 adjustment based on this data.

Financing, Bonding, and Insurance

The 2016 Disparity Study found quantitative and qualitative evidence of disadvantages for minorities, women, and minority- and women-owned firms relating to access to financing and bonding. Although the analysis indicates an upward adjustment could be made to address these barriers, the impact of those factors could not be quantified (2016 Disparity Study, Chapter 9, Page 9). As a result, MDT chose not to make this Step 2 adjustment.

Other Factors

The other factors examined in the 2016 Disparity Study were related to success of minority- and women-owned firms relative to majority-owned businesses in the Montana marketplace. The Study noted quantitative evidence that minority- and women-owned firms are less successful than majority-owned firms and face greater barriers in the marketplace. There was also qualitative information that suggests discrimination on the basis of race, ethnicity and gender affects minority- and women-owned firms in the Montana transportation contracting industry. Although the analysis indicates an upward adjustment could be made to address these barriers, the impact of those factors could

not be quantified (2016 Disparity Study, Chapter 9, Page 9). As a result, MDT chose not to make this Step 2 adjustment.

Final Step 2 Adjustments to Step 1 Base Figure

After examining all evidence available and evaluating all Step 2 adjustment options, MDT elected to not make any adjustments to the Base Figure. The overall DBE participation goal for Lincoln Airport (S69) for Fiscal Years 2018 through 2020 is 5.95%.

Race Conscious / Race Neutral Evaluation

The 2016 Disparity Study indicated that race- and possibly gender-conscious means may need to be implemented for the portion of the overall goal that cannot be met solely through race neutral measures. While race- and possibly gender-conscious methods may be used, MDT has shown through DBE utilization at other airports and through other Department of Transportation Operating Administrations that it can meet its overall DBE goal solely through race neutral measures. Furthermore, to comply with 49 CFR 26.51, where the maximum feasible portion of the overall DBE goal must be met through race- and gender-neutral measures MDT proposes to meet the overall goal solely through race neutral measures. If the Uniform Report indicates that the Airport fell short or will fall short of meeting the overall goal, MDT will re-evaluate how much of the overall goal can be met through race neutral means and implement race conscious measures (i.e. project specific goals) to meet the remainder of the goal.

Race Neutral Initiatives

In order to meet the overall 5.95% DBE goal, MDT is committed to implementing race neutral measures that encourage small business and DBE participation. MDT has implemented several race neutral measures to ensure the maximum feasible portion of the overall goal is achieved through race neutral means, in accordance with 49 CFR 26.51. These include:

- A Quote Request System that allows a prime contractor to solicit bids from DBE and SBE firms. <https://app.mdt.mt.gov/dbeqt/>
- An Annual Needs Assessment to solicit input from minority, women, and contractor groups to gauge the availability of disadvantaged and non-disadvantaged small businesses.
- A Business Development Program where MDT works with DBEs and SBEs to retrieve information on the current state of business in Montana and to determine the workforce obstacles in order to define the most effective strategies needed to increase the capacity and availability of small businesses.
- MDT continues to develop its relationship with trade organizations including, Montana Contractor's Association (MCA) and American Council of Engineering Companies (ACEC), by training and educating contractors

and consultants about the DBE and SBE program and the overall goal. Information is provided on the availability of DBE/SBEs, the capacity of DBE/SBEs, and the newest certified DBE/SBEs within the state. These meetings allow disadvantaged and non-disadvantaged businesses opportunities to provide feedback about the program. This relationship is strengthened with the intent of creating greater opportunity to conduct business with DBEs and SBEs.

- Ensuring a reasonable number of prime contracts are of a size that small businesses can reasonably perform. As indicated in the 2016 Disparity Study, more than one-half of MDT's projects were categorized as being small contracts (under \$250,000). The proposed projects at the Airport are broken into phases to allow for smaller contract sizes.

MDT provides the following Supportive Services for DBEs and SBEs:

- Long-term development assistance to increase opportunities
- Trainings in contracting procedures
- Assistance to start-up firms; and
- Identification of potential DBEs and SBEs

Submission and Publication of Goal

On April 21, 2017, MDT published its proposed DBE goal and methodology (1.95% for 2018-2020) for its two airports combined (Yellowstone (WYS) and Lincoln (S69) Airports). MDT posted the information on its website and distributed to MDT's certified DBE firms and partnering agencies.

MDT held a public hearing on May 4, 2017 in Helena and via webinar concerning the proposed overall DBE goal. Attendance included participants from 3 firms (2 of which were DBE firms), MDT's DBE Program, and MDT's Aeronautics Division. The proposed Goal Methodology was available for review on MDT's website and at MDT's Headquarters Building, Office of Civil Rights, 2701 Prospect Avenue, Room 201, Helena, Montana.

MDT asked for and accepted public comments about its proposed overall three-year DBE goal and the availability of disadvantaged and non-disadvantaged businesses from April 21 through June 9, 2017. No comments were received; therefore, MDT did not make any adjustment to the goal.

In November 2017, MDT received feedback from FAA to do separate goal methodologies for each airport. MDT re-evaluated the projected projects for the S69 Airport and re-calculated the availability for those projects and is proposing a 5.95% DBE goal. The proposed goal methodology is published on MDT's website.

Appendix A – Weighted DBE Goal by Year and Project

FY 2019 – Project 1. Construct Hangar Access TW

Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Asphalt and concrete paving	5	54	9.26%	\$96,400	28.11%	2.60%
Excavation, site prep, grading, and drainage	6	75	8.00%	\$160,000	46.66%	3.73%
Electrical work including lighting and signals	0	32	0.00%	\$3,500	1.02%	0.00%
Temporary traffic control	5	41	12.20%	\$2,500	0.73%	0.09%
Striping or pavement marking	1	23	4.35%	\$4,500	1.31%	0.06%
Landscaping and related work including erosion control	5	74	6.76%	\$5,500	1.60%	0.11%
Pavement milling	3	28	10.71%	\$1,000	0.29%	0.03%
Trucking and hauling	3	112	2.68%	\$13,000	3.79%	0.10%
Surveying and mapping	1	55	1.82%	\$6,500	1.90%	0.03%
Engineering	3	72	4.17%	\$50,000	14.58%	0.61%
Total Estimated Contract Amount				\$342,900	DBE Goal	7.36%

FY 2020 – Project 1. Rehabilitate Runway, Taxiway and Apron

Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Temporary traffic control	5	41	12.20%	\$4,000	2.27%	0.28%
Striping or pavement marking	1	23	4.35%	\$25,000	14.20%	0.62%
Pavement surface treatment (such as sealing)	2	32	6.25%	\$107,000	60.80%	3.80%
Trucking and hauling	3	112	2.68%	\$5,000	2.84%	0.08%
Surveying and mapping	1	55	1.82%	\$1,000	0.57%	0.01%
Engineering	3	72	4.17%	\$34,000	19.32%	0.80%
Total Estimated Contract Amount				\$176,000	DBE Goal	5.59%

FY 2020 – Project 2. AGIS Approach Survey and Remove Obstructions

Work Type	# of DBE Firms	# of Total Firms	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Trucking and hauling	3	112	2.68%	\$5,000	4.35%	0.12%
Surveying and mapping	1	55	1.82%	\$75,000	65.22%	1.19%
Engineering	3	72	4.17%	\$25,000	21.74%	0.91%
Other	0	0	0.00%	\$10,000	8.70%	0.00%
Total Estimated Contract Amount				\$115,000	DBE Goal	2.22%