

## **FY 2020 – FY 2022 DBE GOAL UPDATE**

**Airport Sponsor:** North Dakota Aeronautics Commission & North Dakota General Aviation Airports

**City/State:** PO Box 5020  
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**Goal Period:** October 1, 2019 to September 30, 2022

**Overall Goal:** **3.0%** (0.00% race neutral + 3.0% race conscious)

### **OVERALL GOAL:**

The overall goal of the North Dakota Aeronautics Commission & North Dakota General Aviation Airports for FY 2020 – FY 2022 is **3.0%** of the FAA grant program. The North Dakota Aeronautics Commission estimates that \$35,000,000 in federal funds will be received over that time period, of which \$1,050,000 will be anticipated with DBE participation in these fiscal years. The North Dakota Aeronautics Commission & North Dakota's General Aviation Airports compete for bidders with other public airports and with highway related work.

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### **METHODOLOGY:**

#### **STEP 1 BASELINE GOAL**

The North Dakota Department of Transportation (NDDOT) determined the availability of DBEs from information supplied by all federal-aid bidders on prime and consultant contracts from 1 April 2016 to 30 March 2017. The data from this timeframe is an accurate reflection of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on DOT-assisted contracts. As a note, several DBEs have been removed from the NDDOT DBE directory since the last goal setting period, due to firms withdrawing and/or graduating from the program. There were a total of 424 bidders and quote supplied on construction projects: 23 DBEs and 401 Non-DBEs. A total of 59 consultant bids were included in the bid on consulting projects: 7 DBEs and 52 Non-DBEs.

A weighted average was developed by determining the comparative percentage DBEs and Non-DBEs obtained in prime contracting (Asphalt, Bridge, Concrete, Dirt, and Additional Contracting Opportunities, Consulting) and subcontracting dollars. **This calculation establishes a base figure for Step 1 of 4.91%.**

## Description of Calculation Performed -

The relative availability was calculated by dividing the number of DBE primes that bid on **Asphalt** contracts (7) by the number of total prime bidders (99); and multiplying that quotient by the percentage of dollars projected for asphalt work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017 ( $\$531,882,780 / \$897,357,499 = 59.27\% \times 73.93\% = 43.82\%$ ).

$$7 \text{ DBE primes}/99 \text{ total primes} = 7.07\% \times 43.82\% = 3.10\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on **Bridge** contracts (0) by the number of total prime bidders (14); and multiplying that quotient by the percentage of dollars projected for bridge work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017 ( $\$56,783,293 / \$897,357,499 = 6.33\% \times 73.93\% = 4.68\%$ ).

$$0 \text{ DBE primes}/14 \text{ total primes} = 0.00\% \times 4.68\% = 0.00\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on **Concrete** contracts (0) by the number of total prime bidders (11); and multiplying that quotient by the percentage of dollars projected for concrete work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017 ( $\$87,331,642 / \$897,357,499 = 9.73\% \times 73.93\% = 7.19\%$ ).

$$0 \text{ DBE primes}/11 \text{ total primes} = 0.00\% \times 7.19\% = 0.00\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on **Dirt** contracts (2) by the number of total prime bidders (23); and multiplying that quotient by the percentage of dollars projected for dirt work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017 ( $\$82,738,018 / \$897,357,466 = 9.22\% \times 73.93\% = 6.82\%$ ).

$$2 \text{ DBE primes}/23 \text{ total primes} = 8.69\% \times 6.82\% = 0.59\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on **Additional Contracting Opportunities** contracts (0) by the number of total prime bidders (19); and multiplying that quotient by the percentage of dollars projected for other work in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017

$$(\$43,923,164 / \$897,357,466 = 4.89\% \times 73.93\% = 3.62\%).$$

$$0 \text{ DBE primes}/19 \text{ total primes} = 0.00\% \times 3.62\% = 0.00\%$$

The relative availability was calculated by dividing the number of DBE **Consultants** that responded to an RFP or were included in a consultants response to an RFP (7) by the number of total consultants (59); and multiplying that by the percentage of dollars projected for consultants in FY 2018-2020 as compared to overall dollars projected to be spent in FY 2018-2020 and multiplying that by the percent of work paid to primes in 2016-2017 ( $\$49,151,100 / \$897,357,466 = 5.48\% \times 3.94\% = 0.22\%$ ).

$$7 \text{ DBE consultants}/59 \text{ total consultants} = 11.86\% \times 0.22\% = 0.03\%$$

The relative availability was calculated by dividing the number of DBE **Subcontractors** that bid (18) by the number of total subcontractors (303); and multiplying that sum by the percentage of dollars in 4-1-16 to 3-31-17 (20.04%). This serves as an indicator of the overall total dollars projected to be spent in FY 2018-2020.

$$18 \text{ DBE subcontractors}/303 \text{ total subcontractors} = 5.94\% \times 20.04\% = 1.19\%$$

**Resulting Baseline Goal** - The baseline goal for North Dakota is **4.91%**.

$$3.10\% + 0.59\% + 0.03\% + 1.19\% = 4.91\%$$

**STEP 2**  
**ADJUSTMENTS**

Using cumulative data available for North Dakota GA airport and North Dakota Aeronautics Commission projects for 2012 - 2018, the calculation of the median participation can be achieved by sorting the DBE achievements in numerical order and then removing an equal number from the lowest achievement and the highest end.

Year	Participation Percentage
2012	<del>.71%</del>
2013	<del>3.09%</del>
2014	1.15%
2015	<del>0.23%</del>
2016	<del>3.19%</del>
2017	<del>1.46%</del>
2018	<del>.84%</del>

1) Description of Calculations Performed:

Median Past Participation Calculation

1.15%

2) Resulting Adjustments Performed:

Step 1 Base Figure adjusted for past participation

$1.15\% + 4.91\% = 6.06\% / 2 = 3.0\%$  (Rounded from 3.03%). **This calculation establishes a revised base figure for Step 1 of 3.0%.**

The NDDOT also considered available evidence from related fields that affect the opportunities for DBEs to form, grow, and compete. To determine the effects of discrimination on opportunities for DBEs to get financing, bonding, or insurance, the NDDOT contacted the following:

- ND Attorney General's Office
- ND Department of Banking and Financial Institutions
- ND Department of Commerce
- ND Department of Human Services
- ND Small Business Development Center
- ND Office of Management and Budget
- ND University System
- Independent Bankers Association

No Information was received from these sources. An adjustment based on this evidence was not warranted.

We estimated that we can obtain 3.0% from race conscious participation and 0.0% from race neutral participation measures. No disparity studies have been conducted in the state. This goal will be sent forward to consultation prior to publishing a public notice.

## **PROCESS**

The North Dakota Aeronautics Commission and North Dakota GA Airports submits its overall goal on August 1<sup>st</sup> of each three-year cycle for all FAA grants that exceed \$250,000. Before establishing the overall goal, the North Dakota Aeronautics Commission and North Dakota GA Airports will consult with NDDOT and then use the current listing of minority contract associations in the DBE roster (Minority Contractors Association of ND and Minority Association of Contractors) to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the efforts to establish a level playing field for participation of DBEs. The NDDOT web site provides information on the DBE program, goals, and certification.

Following this consultation, the North Dakota Aeronautics Commission and North Dakota GA Airports will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the North Dakota Aeronautics Office for 30 days following the date of this notice, and informing the public that the North Dakota Aeronautics Commission and North Dakota GA Airports will accept comments on the goals for 45 days from the date of notice. Normally, we will issue this notice by August 15<sup>th</sup> of each third year. The notice will be placed on the North Dakota Aeronautics Commission website and will include information on where comments may be sent and the address where the proposal may be reviewed. The North Dakota Aeronautics Commission and North Dakota GA Airports will begin using the overall goal on October 1 of each third year, unless other instruction is provided from the FAA or DOT.

## **BREAKOUT OF ESTIMATED RACE-NEUTRAL AND RACE CONSCIOUS PARTICIPATION:**

The North Dakota Aeronautics Commission and North Dakota GA Airports will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Airport uses the following race-neutral means to increase DBE participation:

- 1) Advertise program goals.
- 2) Encourage prime contractors to subcontract portions of their work they would otherwise perform.
- 3) Provide engineer consultants technical assistance and other services to fill out bids.
- 4) Ensure prime contractors have lists of potential DBE subcontractors.
- 5) Inform prime contractors of past DBE participants.
- 6) Ensure prime contractors have the website address for the NDDOT DBE Directory.

- 7) Utilize engineer consultants to administer and monitor compliance.

For reporting purposes, race-neutral DBE participation includes but is not necessarily limited to:

- 1) DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures or through the consultant selection process;
- 2) DBE participation through a subcontract on a prime contract that does not carry a DBE goal; and
- 3) DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

The North Dakota Aeronautics Commission estimates that, in meeting our overall goal of 3.0%, we will obtain 0.0% from race-neutral participation and 3.0% through race-conscious means.

### **Contract Goals**

The North Dakota Aeronautics Commission and North Dakota GA Airports will use contract goals to meet any portion of the overall goal. Contract goals are established so that over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every contract, the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBE's to perform the particular type of work).

We will express our contract goals as a percentage of the total amount of the DOT assisted contract.