

FY 2023 – FY 2025 DBE GOAL UPDATE

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

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Goal Period: October 1, 2022 to September 30, 2025

Overall Goal: **3.47%** (3.47% race conscious + 0% race neutral)

OVERALL GOAL:

The overall goal of the North Dakota Aeronautics Commission and North Dakota General Aviation Airports for FY 2023 – FY 2025 is 3.47% of the FAA grant program. We anticipate approximately \$28,530,000 of FAA funding of which \$989,991 will be anticipated with DBE participation in these fiscal years. The Commission and General Aviation airports compete for bidders with other public airports and with highway-related work.

METHOD:

Step 1: The North Dakota Department of Transportation determined the availability of DBEs from information supplied by all bidders on prime contracts and subcontracts from April 1, 2019 to March 30, 2020. This information was used to determine the pool of ready, willing, and able DBEs and non-DBEs. There was a total of 264 bidders: 229 non-DBEs and 35 DBEs. A total of 78 consultants bid on consulting projects: 67 non-DBEs and 11 DBEs. A weighted average was developed by determining what percent non-DBEs and DBEs did of both the prime contracting and subcontracting work. **This calculation established a base figure for Step 1 of 4.66%.**

Description of Calculation Performed - The relative availability was calculated by dividing the number of DBE primes that bid on Asphalt contracts (0) by the number of total prime bidders (60); and multiplying that quotient by the percentage of dollars projected for asphalt work in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$634,644,331 / \$1,442,388,984 = 43.99\% \times 66.66\% = 29.32\%$).

$$0 \text{ DBE primes} / 60 \text{ total primes} = 0.00\% \times 29.32\% = 0.00\%$$

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 (20); and multiplying that quotient by the percentage of dollars projected for bridge work in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$295,652,438 / \$1,442,388,984 = 20.49\% \times 66.66\% = 13.65\%$).

$$0 \text{ DBE primes} / 9 \text{ total primes} = 0.00\% \times 13.65\% = 0.00\%$$

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 (35); and multiplying that quotient by the percentage of dollars projected for concrete work in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$87,028,051 / \$1,442,388,984 = 6.03\% \times 66.66\% = 4.01\%$).

$$0 \text{ DBE primes} / 8 \text{ total primes} = 0.00\% \times 4.01\% = 0.00\%$$

The relative availability was calculated by dividing the number of DBE primes that bid on Dirt contracts (1) by the number of total prime bidders (30); and multiplying that quotient by the percentage of dollars projected for dirt work in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$185,297,017 / \$1,442,388,984 = 12.84\% \times 66.66\% = 8.55\%$).

$$1 \text{ DBE primes} / 30 \text{ total primes} = 3.33\% \times 8.55\% = 0.28\%$$

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 (23); and multiplying that quotient by the percentage of dollars projected for other work in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$68,282,614 / \$1,442,388,984 = 4.73\% \times 66.66\% = 3.15\%$).

$$0 \text{ DBE primes} / 23 \text{ total primes} = 0.00\% \times 3.15\% = 0.00\%$$

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 (2) by the number of total consultants (24); and multiplying that by the percentage of dollars projected for consultants in FY 2021-2023 as compared to overall dollars projected to be spent in FY 2021-2023 and multiplying that by the percent of work paid to primes in 2019-2020 ($\$37,570,200 / \$1,442,388,984 = 2.60\% \times 2.32\% = 0.06\%$).

$$2 \text{ DBE consultants} / 24 \text{ total consultants} = 8.33\% \times 0.06\% = 0.004\%$$

The relative availability was calculated by dividing the number of DBE Subcontractors that bid (33) by the number of total subcontractors (183); and multiplying that sum by the percentage of dollars in 2019-2020 (24.30%). This serves as an indicator of the overall total dollars projected to be spent in FY 2021-2023.

$$33 \text{ DBE subcontractors} / 183 \text{ total subcontractors} = 18.03\% \times 24.30\% = 4.38\%$$

Resulting Baseline Goal - The baseline goal for North Dakota is **4.66%**.

$$0.28\% + 0.004\% + 4.38\% = 4.66\%$$

Step 2: We calculated the median participation from the past eight years which came to 2.27%. Averaging 2.27% and 4.66% brings the adjusted base figure to 3.47%.

The median past participation was calculated by sorting the DBE achievements in numerical order and then removing an equal number of entries from the lowest and the highest achievements. The remaining percentages were summed and then divided by the count of the remaining entries.

Fiscal Year	Percent Achieved
2015	0.23%
2018	0.84%
2014	1.09%
2017	1.46%
2020	3.08%
2016	3.19%
2021	4.39%
2019	14.86%

$$\text{Median Past Participation Calculation: } 1.46\% + 3.08\% = 4.54\% / 2 = 2.27\%$$

The average of the Step One Base Figure and the median past participation was calculated by adding the Median Past Participation in Step 1 and dividing by two.

$$2.27\% + 4.66\% = 6.93\% / 2 = 3.47\% \text{ Step One Base Figure adjusted for past participation.}$$

ADJUSTMENTS

ND DOT 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 ND DOT 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.

It is estimated that the Commission and General Aviation airports would achieve 3.47% from race conscious participation and 0% through race neutral measures. This goal will be sent forward to consultation prior to publishing a public notice.

PROCESS

The North Dakota Aeronautics Commission and North Dakota's General Aviation airports submit an overall goal on August 1st of each three-year cycle for all FAA grants that exceed \$250,000. Before establishing the overall goal, the Commission and General Aviation airports will consult with the North Dakota Department of Transportation and then utilize 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, and prior to submitting the goal to the operating administration, the North Dakota Aeronautics Commission will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection and comments during normal business hours at the North Dakota Aeronautics Commission offices for a period of 30 days following the date of this notice. The notice will be posted on the agency's website at <https://aero.nd.gov> and will include addresses to which comments may be sent and where the proposal may be reviewed. The North Dakota Aeronautics Commission and North Dakota General Aviation airports will begin using the updated overall goal on October 1st of each third year, unless different instructions are received from the FAA or DOT.

BREAKOUT OF ESTIMATED RACE-NEUTRAL AND RACE CONSCIOUS PARTICIPATION:

The North Dakota Aeronautics Commission and North Dakota General Aviation airports will meet the maximum feasible portion of their overall goal by using race-neutral means of facilitating DBE participation. The Commission and airports use 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 consultant 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 web address for the ND DOT 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.

It is estimated that, in meeting the overall goal of 3.47%, the Commission and General Aviation airports will achieve 3.47% from race-conscious participation and 0% through race-neutral means.

CONTRACT GOALS

The Commission and General Aviation 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 the overall goal that is not projected to be met through the use of race-conscious means.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. A contract goal need not be established 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 DBEs to perform the particular type of work).

Contract goals will be expressed as a percentage of the total amount of the DOT-assisted contract.