

# Overview of the DBE Program Goal Update Federal Fiscal Years (FY) 2021 – 2023



May 19, 2022  
Revised



# Purpose

As a recipient of Federal funds from the U.S. Department of Transportation, Blue Grass Airport is required to establish goals for the participation of Disadvantaged Business Enterprises on federally-funded projects

# DBE Program Objectives

- **(a)** To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs;
- **(b)** To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- **(c)** To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law;
- **(d)** To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs;
- **(e)** To help remove barriers to the participation of DBEs in DOT-assisted contracts;
- **(f)** To promote the use of DBEs in all types of federally-assisted contracts and procurement activities conducted by recipients.
- **(g)** To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
- **(h)** To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

# Meeting Purpose

- In establishing its overall goal and prior to submission to the FAA the Airport must provide for consultation with stakeholders.
- Examples of stakeholders include 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 Airport's efforts to establish a level playing field for the participation of DBEs.

# DBE Program Overview

- 49 CFR Part 26 - <http://osdbuweb.dot.gov/DBEProgram/index.cfm>
- Must meet test of strict scrutiny
- Emphasis on 'process-over-product'
- 2-Step process: Goal Calculation & Goal Adjustment
- Breakout of Estimated Race-Neutral/Race-Conscious Participation
- Public Participation

# Most Refined Data Available

- Most recent County Business Patterns database
  - County Business Patterns database updated every spring or summer; 2 years behind (2017 database updated in 2019)
    - <http://www.census.gov/econ/cbp/index.html>
  - Most recent DBE directories and databases
  - Directories that are updated monthly, in real time, etc.

# Market Area Determination

- Market area based upon two (2) factors
  - Area from where the substantial majority (70-75%) of bidders (successful and unsuccessful) have come

AND

- Area where the substantial majority (70-75%) of contracting dollars have been spent historically

# Market Area Determination (cont'd)

- Where substantial majority of bidders come from
  - Bid tabulations from previous projects
  - Bidders' lists from pre-bid meetings
- Where substantial majority of dollars have been expended
  - Look at previous projects, previous prime contractors and subcontractors
  - County or MSA where prime contractors and subcontractors are based



# Market Area

County	Bidders	Percent of bidders	Dollars	Percent of dollars
Clark	1	6%	\$0	0%
Fayette	6	33%	\$26,942,984.52	57%
Laurel	2	11%	\$9,073,825.25	19%
Montgomery	2	11%	\$10,757,496	23%
<b>Market Area</b>	<b>11</b>	<b>61%</b>	<b>\$46,774,305.77</b>	<b>98%</b>
Other	7	39%	\$736,641	2%
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>\$47,510,946.77</b>	<b>100%</b>

# FY 2021 Projects & Activities

Project	Activity	NAICS
Rehabilitate Runway 4-22 (Design)	Engineering	541330
Rehabilitate Runway 4-22 & Runway 4 EMAS	Water & Sewer	237110
	Highway & Street	237310
	Electrical	238210
	Site Prep	238910
	Landscaping	561730
	EMAS	N/A

# FY 2022 Projects & Activities

Project	Activity	NAICS
ARFF Training Center Design	Engineering	541330
Master Plan	Engineering	541330
Rehabilitate Terminal Restrooms Phase I	Building Construction	236220
	Electrical Contractors	238210
	Plumbing, Heating, and Air-Conditioning Contractors	238220
	Drywall and Insulation Contractors	238310
	Other Building Finishing Contractors	238390
Construct Terminal (4 Passenger Boarding Bridges)	Electrical	238210
	Other Building Equipment Contractors	238290
	Site Prep	238910
	Elevator and Moving Stairway Manufacturing	333921
	Hauling	484220
	Engineering	541330

# FY 2023 Projects & Activities

<b>Project</b>	<b>Activity</b>	<b>NAICS</b>
Runway 22 EMAS	EMAS	N/A
Rehabilitate Terminal Restrooms Phase II	Building Construction	236220
	Electrical Contractors	238210
	Plumbing, Heating, and Air-Conditioning Contractors	238220
	Drywall and Insulation Contractors	238310
	Other Building Finishing Contractors	238390

# Step 1: Calculation of Base Figure

- Determine number of all firms by NAICS code; determine number of DBE firms by NAICS code
  - County Business Patterns database - <http://www.census.gov/econ/cbp>
  - DBE/MBE directories (KY UCP etc.)
  - Bidders' lists
  - Data from disparity study (if valid or applicable)
  - Goal of another DOT recipient
  - More information found in 49 CFR Part 26.45(c)

# Availability of DBEs by relevant NAICS Codes – FY 2021

**Table 3a: DBES—Blue Grass Airport - FY 2021  
by Relevant NAICS Codes— Rehabilitate Runway 4-22 (Design)**

<b>Activity</b>	<b>NAICS CODES</b>	<b>DBE Firms</b>	<b>All Firms</b>	<b>% of DBE Firms Available</b>	<b>NAICS Dollars</b>	<b>DBE Goal (Dollars)</b>
Engineering	541330	7	112	6.3%	\$1,124,247	\$70,828
<b>Total</b>					<b>\$1,124,247</b>	<b>\$70,828</b>
<b>Weighted Step 1 Goal =</b>						<b>6.3%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2021

**Table 3b: DBES—Blue Grass Airport - FY 2021  
by Relevant NAICS Codes— Rehabilitate Runway 4-22 & Runway 4 EMAS**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
Water & Sewer	237110	2	11	18.2%	\$200,000	\$36,400
Highway & Street	237310	2	25	8%	\$8,470,000	\$677,600
Electrical	238210	1	6	16.7%	\$2,750,000	\$459,250
Site Prep	238910	1	33	3%	\$500,000	\$15,000
Landscaping	561730	4	122	3.3%	\$50,000	\$1,650
EMAS	N/A	0	0	0%	\$11,205,000	\$0
<b>Total</b>					<b>\$23,175,000</b>	<b>\$1,189,900</b>
<b>Weighted Step 1 Goal =</b>						<b>5.1%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2022

**Table 3c: DBES—Blue Grass Airport - FY 2022  
by Relevant NAICS Codes— ARFF Training Center Design**

<b>Activity</b>	<b>NAICS CODES</b>	<b>DBE Firms</b>	<b>All Firms</b>	<b>% of DBE Firms Available</b>	<b>NAICS Dollars</b>	<b>Weighted Total Availability</b>
Engineering	541330	7	112	6.3%	\$810,000	\$50,625
<b>Total</b>					<b>\$810,000</b>	<b>\$50,625</b>
<b>Weighted Step 1 Goal</b>						<b>6.3%</b>



# Availability of DBEs by relevant NAICS Codes – FY 2022

**Table 3d: DBES—Blue Grass Airport - FY 2022  
by Relevant NAICS Codes— Master Plan**

<b>Activity</b>	<b>NAICS CODES</b>	<b>DBE Firms</b>	<b>All Firms</b>	<b>% of DBE Firms Available</b>	<b>NAICS Dollars</b>	<b>Weighted Total Availability</b>
Engineering	541330	7	112	6.3%	\$2,090,000	\$130,625
<b>Total</b>					<b>\$2,090,000</b>	<b>\$130,625</b>
<b>Weighted Step 1 Goal</b>						<b>6.3%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2022

**Table 3e: DBES—Blue Grass Airport - FY 2022  
by Relevant NAICS Codes— Rehabilitate Terminal Restrooms Phase I**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Building Construction	236220	2	68	2.9%	\$393,470	\$11,573
Electrical Contractors	238210	1	91	1.1%	\$80,644	\$886
Plumbing, Heating, and Air-Conditioning Contractors	238220	0	132	0.0%	\$124,953	\$0
Drywall and Insulation Contractors	238310	1	24	4.2%	\$56,716	\$2,363
Other Building Finishing Contractors	238390	2	12	16.7%	\$56,716	\$9,453
<b>Total</b>					<b>\$712,500</b>	<b>\$24,275</b>
<b>Weighted Step 1 Goal</b>						<b>3.4%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2022

**Table 3f: DBES—Blue Grass Airport - FY 2022  
by Relevant NAICS Codes— Construct Terminal (4 Passenger Boarding Bridges)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Electrical	238210	1	91	1.1%	\$204,148	\$2,243
Other Building Equipment Contractors	238290	0	12	0.0%	\$313,789	\$0
Site Prep	238910	1	33	3.0%	\$175,506	\$5,318
Elevator and Moving Stairway Manufacturing	333921	0	0	0.0%	\$2,842,824	\$0
Hauling	484220	2	29	6.9%	\$118,899	\$8,200
Engineering	541330	7	112	6.3%	\$144,834	\$9,052
<b>Total</b>					<b>\$3,800,000</b>	<b>\$24,814</b>
<b>Weighted Step 1 Goal</b>						<b>0.7%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2023

**Table 3g: DBES—Blue Grass Airport - FY 2023  
by Relevant NAICS Codes—Runway 22 EMAS**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
EMAS	N/A	0	0	0%	\$11,205,000	\$0
<b>Total</b>					<b>\$11,205,000</b>	<b>\$0</b>
<b>Weighted Step 1 Goal =</b>						<b>0%</b>

# Availability of DBEs by relevant NAICS Codes – FY 2023

**Table 3h: DBES—Blue Grass Airport - FY 2023  
by Relevant NAICS Codes— Rehabilitate Terminal Restrooms Phase II**

<b>Activity</b>	<b>NAICS CODES</b>	<b>DBE Firms</b>	<b>All Firms</b>	<b>% of DBE Firms Available</b>	<b>NAICS Dollars</b>	<b>Weighted Total Availability</b>
Building Construction	236220	2	68	2.9%	\$786,940	\$23,145
Electrical Contractors	238210	1	91	1.1%	\$161,287	\$1,772
Plumbing, Heating, and Air- Conditioning Contractors	238220	0	132	0.0%	\$249,907	\$0
Drywall and Insulation Contractors	238310	1	24	4.2%	\$113,433	\$4,726
Other Building Finishing Contractors	238390	2	12	16.7%	\$113,433	\$18,905
<b>Total</b>					<b>\$1,425,000</b>	<b>\$48,550</b>
<b>Weighted Step 1 Goal</b>						<b>3.4%</b>

# Step 2: Adjust the Base Goal

- Current Capacity of DBEs to perform work
- Evidence from disparity studies
- Statistical disparities in ability of DBEs to secure financing, bonding, and insurance
- Data on employment, self-employment, education, training programs
- Any other data that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination

<b>Report Period</b>	<b>DBE Goal</b>	<b>Total DBE % Achieved</b>	<b>Over-/Under-Achieved</b>
<b>FY 2017</b>	10%	22.5%	12.5%
<b>FY 2018</b>	4.5%	2.6%	-1.9%
<b>FY 2019</b>	4.5%	3.7%	-.80%
<b>Median</b>	<b>4.5%</b>	<b>3.7%</b>	<b>-.80%</b>

# Step 2: Adjust the Base Goal

Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total project costs	DBE Goal (dollars)
FY 2021	Rehabilitate Runway 4-22 (Design)	6.3%	3.7%	5.0%	\$1,124,247	\$56,212
	Rehabilitate Runway 4-22 & Runway 4 EMAS	5.1%	3.7%	4.4%	\$23,175,000	\$1,019,700
<b>FY 2021 Total</b>				<b>4.4%</b>	<b>\$24,299,247</b>	<b>\$1,075,912</b>
FY 2022	ARFF Training Center Design	6.3%	3.7%	5.0%	\$810,000	\$40,500
	Master Plan	6.3%	3.7%	5.0%	\$2,090,000	\$104,500
	Rehabilitate Terminal Restrooms Phase I	3.4%	3.7%	3.6%	\$712,500	\$25,294
	Construct Terminal (4 Passenger Boarding Bridges)	0.7%	3.7%	2.2%	\$3,800,000	\$83,600
<b>FY 2022 - No projects at this time</b>				<b>3.4%</b>	<b>\$7,412,500</b>	<b>\$253,894</b>
FY 2023	Rehabilitate Terminal Restrooms Phase II	3.4%	3.7%	3.6%	\$1,425,000	\$50,588
	Runway 22 EMAS	0.0%	N/A	0.0%	\$11,205,000	\$0
<b>FY 2023 Total</b>				<b>0.4%</b>	<b>\$12,630,000</b>	<b>\$50,588</b>
<b>FY 2021 - FY 2023 Overall Goal</b>				<b>3.1%</b>	<b>\$44,341,747</b>	<b>\$1,380,394</b>

# Race-Conscious/Race-Neutral Participation

- Must meet maximum feasible portion of goal using race-neutral means
- Examples of race-neutral means
  - Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs
  - Providing technical assistance and other services
  - Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors
  - Other means found in 49 CFR Part 26.51



# Race-Conscious/Race-Neutral Participation (continued)

- Overall DBE Goal = 3.1%
- Race-neutral participation = 0.0%
- Race-conscious participation = 3.1%

# Public Participation

- Community Groups
- Small Business, Women-owned Business, Minority-owned Business organizations
- Small Business Development Centers
- Public notice advertising the goal; 30-day review and comment period

# 2023 Construction Diversity Accelerator (CDA) Program Application



## 2023 Construction Diversity Accelerator (CDA) Program Application

Turner Construction & the University of Kentucky will be hosting its annual Construction Diversity Accelerator (CDA) program in person for the 2023 season. For the last 50 years, Turner has engaged minority-owned, women-owned, and other underrepresented construction-related businesses in a 10-week program focused on sharing tools, resources, and opportunities for business growth and expansion. In 2022, longstanding partners Turner and UK chose to join forces to bring a similar program to Central Kentucky in collaboration with the Kentucky Procurement Technical Assistance Center (KYPTAC). All those interested must apply via this form. A confirmation e-mail that your application was received will be sent to the e-mail address you provide below.

The application deadline for the 2023 program is **Friday, January 27, 2023 at 5 PM (EST)**.

<https://forms.office.com/r/Va1TtF44Gn>

# Public Participation & Consultation

What do you think?

1. Goal methodology (process) reasonable?
2. Any factors missing from our process?
3. Any data missing from our calculation?