

Overview of the DBE Program Goal Update Federal Fiscal Years (FY) 2024 – 2026



September 13, 2023



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 (2021 database updated in 2023)
 - <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	5.6%	-	0.0%
Fayette	7	38.9%	\$46,432,760	69.3%
Jefferson	2	11.1%	\$63,123	0.1%
Laurel	2	11.1%	\$9,073,825	13.5%
Montgomery	2	11.1%	\$10,757,496	16.1%
Market Area	13	72.2%	\$66,327,204	99.0%
Other	5	27.8%	\$673,518	1.0%
Total	18	100.0%	\$67,000,722	100.0%

FY 2024 Projects & Activities

Project	Step 1 Goal	AIP Dollars
Design (Prelim) Air Traffic Control Tower	2.7%	\$1,350,000
Replace West Airfield Lighting	1.0%	\$495,000
Construct ARFF Training Center	4.7%	\$2,700,000
Fuel Farm (Design)	2.7%	\$590,625
Rehabilitate Terminal (HVAC, Bldg Envelope) Ph 1	3.1%	\$1,350,000
Rehabilitate Terminal (Restrooms, LEDs, Elevators) Ph II	2.5%	\$1,800,000
Construct Terminal (4 Passenger Boarding Bridges)	0.4%	\$3,009,539
Construct Terminal (Airline Baggage Conveyor)	0.1%	\$1,330,000
Construct Terminal Solar Arrays	0.4%	\$2,565,000
Fiscal Year 2024 Total		\$15,190,164

FY 2025 Projects & Activities

Project	Step 1 Goal	AIP Dollars
Design (Final) Air Traffic Control Tower	2.7%	\$1,800,000
Rehabilitate Air Carrier Ramp	12.8%	\$2,250,000
Construct Baggage Claim Conveyors	0.1%	\$675,000
Rehabilitate Deicing Containment Facility	8.8%	\$1,080,000
Construct Fuel Farm Ph2 (Tanks)	5.8%	\$4,020,850
Fiscal Year 2025 Total		\$9,825,850

FY 2026 Projects & Activities

Project	Step 1 Goal	AIP Dollars
Construct Air Carrier Ramp	12.8%	\$2,970,000
Rehabilitate GA Ramps and Parking	12.8%	\$1,260,000
Rehabilitate Terminal (Restrooms, Roof)	3.7%	\$2,070,000
Construct Air Traffic Control Tower Ph 1	4.3%	\$7,550,000
Construct Central Terminal HVAC Plant	0.5%	\$1,900,000
Fiscal Year 2026 Total		\$15,750,000

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 2024

**Table 3a: FY 2024 - Blue Grass Airport
Step 1 Base Figure - Design (Prelim) Air Traffic Control Tower**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Engineering	541330	7	261	2.7%	\$1,350,000	\$36,207
Total					\$1,350,000	\$36,207
Weighted Step 1 Goal						2.7%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3b: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Replace West Airfield Lighting**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Electrical	238210	2	247	0.8%	\$445,500	\$3,607
Engineering	541330	7	261	2.7%	\$49,500	\$1,328
Total					\$495,000	\$4,935
Weighted Step 1 Goal						1.0%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3c: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Construct ARFF Training Center**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Building Construction	236220	11	149	7.4%	\$1,470,997	\$108,597
Land Subdivision	237210	0	16	0.0%	\$261,027	\$0
Concrete	238110	7	57	12.3%	\$59,819	\$7,346
Masonry Contractors	238140	2	40	5.0%	\$84,290	\$4,215
Electrical Contractors	238210	2	247	0.8%	\$247,432	\$2,003
Plumbing, Heating, and Air-Conditioning Contractors	238220	1	392	0.3%	\$383,384	\$978
Drywall and Insulation Contractors	238310	1	68	1.5%	\$174,018	\$2,559
Landscaping	561730	4	371	1.1%	\$19,033	\$205
Total					\$2,700,000	\$125,904
Weighted Step 1 Goal						4.7%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3d: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Fuel Farm (Design)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Engineering	541330	7	261	2.7%	\$590,625	\$15,841
Total					\$590,625	\$15,841
Weighted Step 1 Goal						2.7%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3e: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Rehabilitate Terminal (HVAC, Building Envelope) Ph 1**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Masonry	238140	2	40	5.0%	\$540,000	\$27,000
Mechanical	238220	1	392	0.3%	\$270,000	\$689
Carpentry	238350	2	78	2.6%	\$270,000	\$6,923
Architectural Services	541310	2	81	2.5%	\$135,000	\$3,333
Engineering	541330	7	261	2.7%	\$135,000	\$3,621
Total					\$1,350,000	\$41,566
Weighted Step 1 Goal						3.1%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3f: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Rehabilitate Terminal (Restrooms, LEDs, Elevators) Ph II**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Building Construction	236220	11	149	7.4%	\$560,449	\$41,375
Electrical Contractors	238210	2	247	0.8%	\$315,000	\$2,551
Plumbing, Heating, and Air-Conditioning Contractors	238220	1	392	0.3%	\$177,980	\$454
Other Building Equipment Contractors	238290	0	37		\$292,500	
Drywall and Insulation Contractors	238310	1	68	1.5%	\$80,785	\$1,188
Other Building Finishing Contractors	238390	2	40		\$80,785	
Elevator and Moving Stairway Manufacturing	333921	0	3	0.0%	\$292,500	\$0
Total					\$1,800,000	\$45,568
Weighted Step 1 Goal						2.5%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3g: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Construct Terminal (4 Passenger Boarding Bridges)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Electrical	238210	2	247	0.8%	\$161,682	\$1,309
Other Building Equipment Contractors	238290	0	37	0.0%	\$248,516	\$0
Site Prep	238910	2	73	2.7%	\$138,998	\$3,808
Elevator and Moving Stairway Manufacturing	333921	0	3	0.0%	\$2,251,471	\$0
Hauling	484220	3	80	3.8%	\$94,166	\$3,531
Engineering	541330	7	261	2.7%	\$114,706	\$3,076
Total					\$3,009,539	\$11,725
Weighted Step 1 Goal						0.4%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3h: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Construct Terminal (Airline Baggage Conveyor)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Structural Steel	238120	0	3	0.0%	\$14,066	\$0
Electrical	238210	2	247	0.8%	\$42,197	\$342
Mechanical	238220	1	392	0.3%	\$45,323	\$116
Other Building Equipment Contractors	238290	0	37	0.0%	\$478,237	\$0
All Other Specialty Trade Contractors	238990	7	92	7.6%	\$3,126	\$238
Conveyor & Conveying Equipment Manufacturing	333922	0	6	0.0%	\$718,919	\$0
Janitorial Services	561720	6	277	2.2%	\$28,132	\$609
Total					\$1,330,000	\$1,304
Weighted Step 1 Goal						0.1%

Availability of DBEs by relevant NAICS Codes – FY 2024

**Table 3i: FY 2024 - Blue Grass Airport
Step 1 Base Figure – Construct Terminal Solar Arrays**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Electrical	238210	2	247	0.8%	\$1,282,500	\$10,385
Electrical Apparatus and Equipment	423610	0	52	0.0%	\$1,282,500	\$0
Total					\$2,565,000	\$10,385
Weighted Step 1 Goal						0.4%

Availability of DBEs by relevant NAICS Codes – FY 2025

**Table 3j: FY 2025 - Blue Grass Airport
Step 1 Base Figure - Design (Final) Air Traffic Control Tower**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Engineering	541330	7	261	2.7%	\$1,800,000	\$48,276
Total					\$1,800,000	\$48,276
Weighted Step 1 Goal						2.7%

Availability of DBEs by relevant NAICS Codes – FY 2025

**Table 3k: FY 2025 - Blue Grass Airport
Step 1 Base Figure - Rehabilitate Air Carrier Ramp**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Highway & Street	237310	5	27	18.5%	\$1,458,333	\$270,062
Site Prep	238910	2	73	2.7%	\$427,500	\$11,712
Engineering	541330	7	261	2.7%	\$225,000	\$6,034
Geotechnical Testing	541380	0	31	0.0%	\$116,667	\$0
Landscaping	561730	4	371	1.1%	\$22,500	\$243
Total					\$2,250,000	\$288,051
Weighted Step 1 Goal						12.8%

Availability of DBEs by relevant NAICS Codes – FY 2025

**Table 3I: FY 2025 - Blue Grass Airport
Step 1 Base Figure – Construct Baggage Claim Conveyors**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Structural Steel	238120	0	3	0.0%	\$7,139	\$0
Electrical	238210	2	247	0.8%	\$21,416	\$173
Mechanical	238220	1	392	0.3%	\$23,002	\$59
Other Building Equipment Contractors	238290	0	37	0.0%	\$242,714	\$0
All Other Specialty Trade Contractors	238990	7	92	7.6%	\$1,586	\$121
Conveyor & Conveying Equipment Manufacturing	333922	0	6	0.0%	\$364,865	\$0
Janitorial Services	561720	6	277	2.2%	\$14,277	\$309
Total					\$675,000	\$662
Weighted Step 1 Goal						0.1%

Availability of DBEs by relevant NAICS Codes – FY 2025

**Table 3m: FY 2025 - Blue Grass Airport
Step 1 Base Figure – Rehabilitate Deicing Containment Facility**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Water & Sewer Line Construction	237110	4	16	25.0%	\$324,000	\$81,000
Electrical	238210	2	247	0.8%	\$324,000	\$2,623
Site Prep	238910	2	73	2.7%	\$324,000	\$8,877
Engineering	541330	7	261	2.7%	\$108,000	\$2,897
Total					\$1,080,000	\$95,397
Weighted Step 1 Goal						8.8%

Availability of DBEs by relevant NAICS Codes – FY 2025

**Table 3n: FY 2025 - Blue Grass Airport
Step 1 Base Figure – Construct Fuel Farm Ph2 (Tanks)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Electrical Contractors	238210	2	247	0.8%	\$91,383	\$740
Site Prep	238910	2	73	2.7%	\$420,362	\$11,517
All Other Specialty Trade Contractors	238990	7	92	7.6%	\$456,915	\$34,765
Petroleum Bulk Stations & Terminals	424710	1	13	7.7%	\$2,101,808	\$161,678
Engineering	541330	7	261	2.7%	\$855,344	\$22,940
Testing	541380	0	31	0.0%	\$95,038	\$0
Total					\$4,020,850	\$231,640
Weighted Step 1 Goal						5.8%

Availability of DBEs by relevant NAICS Codes – FY 2026

**Table 3o: FY 2026 - Blue Grass Airport
Step 1 Base Figure – Construct Air Carrier Ramp**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Highway & Street	237310	5	27	18.5%	\$1,925,000	\$356,481
Site Prep	238910	2	73	2.7%	\$564,300	\$15,460
Engineering	541330	7	261	2.7%	\$297,000	\$7,966
Geotechnical Testing	541380	0	31	0.0%	\$154,000	\$0
Total					\$2,970,000	\$380,721
Weighted Step 1 Goal						12.8%

Availability of DBEs by relevant NAICS Codes – FY 2026

**Table 3p: FY 2026 - Blue Grass Airport
Step 1 Base Figure – Rehabilitate GA Ramps and Parking**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Highway & Street	237310	5	27	18.5%	\$816,667	\$151,235
Site Prep	238910	2	73	2.7%	\$239,400	\$6,559
Engineering	541330	7	261	2.7%	\$126,000	\$3,379
Geotechnical Testing	541380	0	31	0.0%	\$65,333	\$0
Landscaping	561730	4	371	1.1%	\$12,600	\$136
Total					\$1,260,000	\$161,309
Weighted Step 1 Goal						12.8%

Availability of DBEs by relevant NAICS Codes – FY 2026

**Table 3q: FY 2026 - Blue Grass Airport
Step 1 Base Figure – Rehabilitate Terminal (Restrooms, Roof)**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Building Construction	236220	11	149	7.4%	\$784,628	\$57,926
Roofing	238160	1	77	1.3%	\$810,000	\$10,519
Plumbing, Heating, and Air-Conditioning Contractors	238220	1	392	0.3%	\$249,173	\$636
Drywall and Insulation Contractors	238310	1	68	1.5%	\$113,100	\$1,663
Other Building Finishing Contractors	238390	2	40	5.0%	\$113,099	\$5,655
Total					\$2,070,000	\$76,399
Weighted Step 1 Goal						3.7%

Availability of DBEs by relevant NAICS Codes – FY 2026

**Table 3r: FY 2026 - Blue Grass Airport
Step 1 Base Figure – Construct Air Traffic Control Tower Ph 1**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Building Construction	236220	11	149	7.4%	\$2,516,667	\$185,794
Site Prep	238910	2	73	2.7%	\$5,033,333	\$137,900
Total					\$7,550,000	\$323,694
Weighted Step 1 Goal						4.3%

Availability of DBEs by relevant NAICS Codes – FY 2026

**Table 3s: FY 2026 - Blue Grass Airport
Step 1 Base Figure – Construct Central Terminal HVAC Plant**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	Weighted Total Availability
Mechanical	238220	1	392	0.3%	\$1,520,000	\$3,878
Engineering	541330	7	261	2.7%	\$380,000	\$10,192
Total					\$1,900,000	\$10,192
Weighted Step 1 Goal						0.5%

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

**Table 4: Blue Grass Airport
DBE Accomplishment**

Report Period	DBE Goal	Total DBE % Achieved	Over-/Under-Achieved
FY 2020	4.5%	34.3%	29.77%
FY 2021	4.5%	4.9%	0.40%
FY 2022	3.2%	2.1%	-1.10%
Median	4.5%	4.9%	0.4%

Step 2: Adjust the Base Goal

Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total Federal Dollars	DBE Goal (dollars)
FY 2024	Design (Prelim) Air Traffic Control Tower	2.7%	4.9%	3.8%	\$1,350,000	\$51,300
	Replace West Airfield Lighting	1.0%	4.9%	3.0%	\$495,000	\$14,603
	Construct ARFF Training Center	4.7%	4.9%	4.8%	\$2,700,000	\$129,600
	Fuel Farm (Design)	2.7%	4.9%	3.8%	\$590,625	\$22,444
	Rehabilitate Terminal (HVAC, Bldg Envelope) Ph 1	3.1%	4.9%	4.0%	\$1,350,000	\$54,000
	Rehabilitate Terminal (Restrooms, LEDs, Elevators) Ph II	2.5%	4.9%	3.7%	\$1,800,000	\$66,600
	Construct Terminal (4 Passenger Boarding Bridges)	0.4%	4.9%	2.7%	\$3,009,539	\$79,753
	Construct Terminal (Airline Baggage Conveyor)	0.1%	4.9%	2.5%	\$1,330,000	\$33,250
	Construct Terminal Solar Arrays	0.4%	4.9%	2.7%	\$2,565,000	\$67,973
FY 2024 Total				3.4%	\$15,190,164	\$519,522
FY 2025	Design (Final) Air Traffic Control Tower	2.7%	4.9%	3.8%	\$1,800,000	\$68,400
	Rehabilitate Air Carrier Ramp	12.8%	4.9%	8.9%	\$2,250,000	\$199,125
	Construct Baggage Claim Conveyors	0.1%	4.9%	2.5%	\$675,000	\$16,875
	Rehabilitate Deicing Containment Facility	8.8%	4.9%	6.9%	\$1,080,000	\$73,980
	Construct Fuel Farm Ph2 (Tanks)	5.8%	4.9%	5.4%	\$4,020,850	\$215,115
FY 2025 Total				5.8%	\$9,825,850	\$573,495
FY 2026	Construct Air Carrier Ramp	12.8%	4.9%	8.9%	\$2,970,000	\$262,845
	Rehabilitate GA Ramps and Parking	12.8%	4.9%	8.9%	\$1,260,000	\$111,510
	Rehabilitate Terminal (Restrooms, Roof)	3.7%	4.9%	4.3%	\$2,070,000	\$89,010
	Construct Air Traffic Control Tower Ph 1	4.3%	4.9%	4.6%	\$7,550,000	\$347,300
	Construct Central Terminal HVAC Plant	0.5%	4.9%	2.7%	\$1,900,000	\$51,300
FY 2026 Total				5.5%	\$15,750,000	\$861,965
FY 2024 - FY 2026 Overall Goal				4.8%	\$40,766,014	\$1,954,982

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 = 4.8%
- Race-neutral participation = 0.4%
- Race-conscious participation = 4.4%

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

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?