

**DBE GOAL METHODOLOGY
CITY OF MADISON
BRUCE CAMPBELL FIELD
FISCAL YEAR 2020**

A. UPDATE OF GOALS - To make the program as useful as possible to the public. The City of Madison will update the "amount," "method," and "breakout" portions of this section of the program annually, or as required. Unless the City changes the method by which the goals are established, these program updates would not need to be submitted to the FAA for DBE program purposes. The material on overall goals in the DBE program will be a shorter summary of the material submitted annually or as required, in the overall goal submission.

B. AMOUNT OF GOAL - The City's overall goal for FY 2020 is 6.69% of the Federal financial assistance we will expend in DOT-assisted contracts. With \$260,000.00 proposed for the DOT-assisted contract, the overall goal to be expended is \$17,394.00 with DBE's during this fiscal year. The City of Madison expects to let during FY 2020, \$260,000.00 in construction during this fiscal year, which means that we have set a goal of expending \$17,394.00 with DBEs for this Fiscal Year. This overall goal is intended for information of public users of the program and does not imply that the FAA, as such, has approved the goal.

C. METHOD STEP 1: In the development of the DBE goal for the Bruce Campbell Field the first step was to establish the availability of ready, willing and able DBE businesses that were capable of participating in the type of contracts that were programmed during FY 2020. The grant that is anticipated involves the Installation of New AWOS, Design for Apron Construction along with the Associated Professional Efforts. An analysis of the project indicates that funds will be expended in the following areas.

| BRUCE CAMPBELL FIELD PROJECT ANALYSIS FY 2020 | | | |
|--|--------------|---------------------|-------------------|
| TASK | NAICS | AMOUNT | PERCENTAGE |
| Electrical | 238210 | \$70,000 | 26.92% |
| AWOS | 334511 | \$100,000 | 38.46% |
| Trucking | 484220 | \$10,000 | 3.85% |
| Engineering | 541330 | \$74,500 | 28.65% |
| Survey | 541370 | \$2,000 | 0.77% |
| Consulting | 541611 | \$3,500 | 1.35% |
| TOTAL | | \$260,000.00 | 100.00% |

The weighting factor is the value of each work item based on cost as a fraction of the whole project.

The formula to be used to calculate the Base Figure for the DBE goal is as follows:

$$\frac{\text{Total DBE Firms in Counties listed by NAICS Code of Work to be Performed}}{\text{Total Firms in Counties listed by NAICS Code of Work to be Performed}} \times 100 = \text{Base Figure}$$

Recent bidder history revealed bidders and contract dollars spent came from the following counties: Lowndes, Madison, Rankin, Lincoln, Covington, and Hinds, with Montgomery County, Alabama. Montgomery, Alabama is considered an outlier and will not be included in the market area. The above referenced counties in Mississippi and these counties are established as the market area. Therefore the market area for the development of the Base Figure was established as the above referenced counties in the state of Mississippi. A search was initiated with a series of DBE agencies within Mississippi that included the Mississippi Department of Transportation (MDOT), The Minority Business Development Agency (MBDA), and The Small Business Administration, for an appropriate DBE directory. It was agreed, that the most comprehensive directory for DBE firms in the State of Mississippi was the “Mississippi Unified Certification Program List of Certified DBE Firms” that is developed and published by the Mississippi Department of Transportation. The firms were then identified that could participate in the project from the appropriate NAICS and County in the February Mississippi UCP DBE directory. The resulting number will be used as the numerator in determining the Base Figure.

$$\frac{\text{Base Figure}}{\text{Base Figure}} = \begin{aligned} &.2692\left(\frac{\text{MNAICS238210}}{\text{NAICS238210}}\right) + .3846\left(\frac{\text{MNAICS334511}}{\text{NAICS334511}}\right) + .0385\left(\frac{\text{MNAICS484220}}{\text{NAICS484220}}\right) + \\ &.2865\left(\frac{\text{MNAICS541330}}{\text{NAICS541330}}\right) + .0077\left(\frac{\text{MNAICS541370}}{\text{NAICS541370}}\right) + .0135\left(\frac{\text{MNAICS541611}}{\text{NAICS541611}}\right) \end{aligned}$$

**MNAICS- Mississippi DBE Directory NAICS
NAICS – Census Bureau’s County Business Pattern (CBCBP) Data Base**

$$\frac{\text{Base Figure}}{\text{Base Figure}} = \begin{aligned} &.2692\left(\frac{8}{112}\right) + .3846\left(\frac{0}{4}\right) + .0385\left(\frac{10}{74}\right) + .2865\left(\frac{3}{109}\right) + \\ &.0077\left(\frac{0}{18}\right) + .0135\left(\frac{12}{80}\right) \end{aligned}$$

$$\frac{\text{Base Figure}}{\text{Base Figure}} = \begin{aligned} &.0192 + .0000 + .0052 + .0079 + \\ &.0000 + .0020 \end{aligned}$$

$$\frac{\text{Base Figure}}{\text{Base Figure}} = 3.43\%$$

STEP 2: With the Base Figure established our next step was to more finely tailor this figure to reflect conditions which have occurred at Bruce Campbell Field. Currently there are no known disparity studies completed in this area of the State of Mississippi. The City of Madison has considered the suggested options outlined in 49 CFR Part 26 and determined that past performance data will be utilized to determine if an adjustment to our Base Figure is warranted. To this end, we investigated other airports with like type projects. Listed below are the projects that were included for analysis. As you will note,

each of these projects are of a similar nature and elements to the project that is being anticipated in the 2020 time frame at Bruce Campbell Field:

| PREVIOUS FAA PROJECTS | | | |
|-----------------------|------------|-------------------|------------------------|
| YEAR | LOCATION | PROJECT TYPE | % OF DBE PARTICIPATION |
| 2012 | Batesville | Install Hangar | 9.94%* |
| 2012 | Brookhaven | Install Hangar | 9.02% |
| 2006 | Raymond | AWOS Installation | 12.88% |
| *Median | | | |

The next step was to determine if any adjustment might be needed to the Base Figure. It was determined that the Median of the three previous projects was 9.94% and it was felt that the Base Figure should be adjusted to cater for this variance.

A summary of this analysis yields the following:

| | |
|-------------------|--------------------|
| MEDIAN PERCENTAGE | 9.94% |
| BASE FIGURE | <u>+ 3.43%</u> |
| | 13.37% ÷ 2 = 6.69% |

Satisfied that this percentage was valid, the final step in the comparison was the development of a simple average of the Like Type FAA Projects. It was felt that the Base Figure of 3.43% should be adjusted for this variance. The Base Figure and the Like Type FAA Project Median were combined and yielded an average of 6.69%, which is established as the goal for DBE participation at Bruce Campbell Field for FY 2020.

D. PROCESS - The City of Madison submitted its interim overall goal to the FAA in April 2020 for their consideration and approval. Before establishing the overall goal each year, the City has consulted with stakeholders to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, and the effects of discrimination on opportunities for DBEs, as well as to discuss outreach, good faith efforts, and the goal setting process. The City’s efforts are to establish a level playing field for the participation of DBEs. Following this consultation, The City has published 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 City’s principal office for 30 days following the date of the notice, and informing the public that the City and FAA will accept comments on the goals for 30 days from the date of the notice. This information was posted on the FAA website and the City of Madison website at <http://www.madisonthecity.com/> and made available to the Office of Minority Business Development at the State of Mississippi. Normally, the City will issue this notice by June 1 of each year. The notice will include the City’s address to which comments may be sent. The overall goal submission to the FAA will include a summary of information and comments received during this public participation process and the City’s responses. We will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT (or if the goal is established on a project basis, by

the time of the first solicitation for a DOT-assisted contract for the project). The following agencies were invited to attend the stakeholder teleconference: City of Madison, City Clerk, Board Aldermen, Neel Schaffer, MDOT, FAA, and Taffy Pippin Consulting. The stakeholder consultation teleconference discussions were held with the following agencies and persons on April 28, 2020, 2:00 pm, CDT with no comments received.

| BRUCE CAMPBELL FIELD | |
|--|---|
| AGENCIES/PERSONS CONSULTED WITH | |
| <i>Agency/Organization</i> | <i>Discussion/Information</i> |
| Mr. Tom Henderson, PE Neel Schaffer | Availabilities of DBEs, Directories and DBE Goal setting process, prompt payment. |
| Mr. Chris Tutor, PE Neel Schaffer | Availabilities of DBEs, Directories and DBE Goal setting process, prompt payment. |
| Ms. Taffy Pippin, Consultant Taffy Pippin Consulting, LLC | Availabilities of DBEs, Directories and DBE Goal setting process, prompt payment. |
| Mr. Clayton Pippin, Planner Taffy Pippin Consulting, LLC | Availabilities of DBEs, Directories and DBE Goal setting process, prompt payment. |

Public comments have been requested for the FY 2020 goal and the 30 day comment period is underway. Any comments received from the public advertisement will be evaluated and necessary changes will be made to the goal and included in the contract documents for the project.

E. RACE CONSCIOUS AND RACE NEUTRAL GOALS: Each time The City of Madison submits an overall goal for review by the FAA, the Airport will also submit a projection of the portion of the goal that is expected to be met through race-neutral means and the basis for that projection. This projection is subject to approval by the FAA, in conjunction with its review of the Airport’s overall goal. The Airport will establish contract goals to meet any portion of an overall goal when the Airport does not project being able to meet its goals using race-neutral means.

We estimate that, in meeting our overall goal of 6.69%, we will obtain 6.69% of the goal from race-conscious participation and 0.00% via race-neutral participation measures.

This breakout was established by computing the median of the three previous projects of the variance of the level of DBE participation vs. DBE goal on the three projects considered in Step 2 of the Like Type FAA Projects. We do not feel it unreasonable to establish a 0.00% race-neutral goal for FY 2020 as the median is a negative number. The following is the data base upon which the level of variance was computed using the “Like Type FAA Projects” information:

| BRUCE CAMPBELL FIELD LIKE TYPE FAA PROJECTS PROJECT DBE GOAL VARIANCE | | | | |
|---|------------|----------|------------------------|----------|
| YEAR | LOCATION | DBE GOAL | % OF DBE PARTICIPATION | VARIANCE |
| 2012 | Batesville | 10.78% | 9.94% | -0.84% |
| 2012 | Brookhaven | 10.30% | 9.02% | -1.28%* |
| 2006 | Raymond | 10.24% | 12.88% | 2.64% |
| *Median | | | | |

F. CONTRACT GOALS: Contract goals will be used to meet any portion of the overall goal which the City does not project being able to meet using race-neutral means. 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 such contract and 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).

The City will express the contract goals as a percentage of the Federal share of a DOT-assisted contract.

G. THREE YEAR DBE GOAL

The Three Year DBE Goal based on the current information available is as follows:

| | |
|--------------------|--------------------|
| FY – 2018 DBE GOAL | 8.15% |
| FY – 2019 DBE GOAL | 10.33% |
| FY – 2020 DBE GOAL | + <u>6.69%</u> |
| THREE YEAR GOAL | 25.17% ÷ 3 = 8.39% |

References:
Mississippi UCP List of Certified DBE Firms, April 2020
2017 – U.S. Census Bureau, County Business Patterns, April 2020