



***Monroe Regional Airport
(MLU)***

Monroe, Louisiana

***Fiscal Years 2019 through 2021
Revised DBE GOAL METHODOLOGY***

Attachment

Sponsor: City of Monroe, Louisiana

**For the period
October 1, 2018 to September 30, 2021**

DBE Point of Contact:

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**Overall Goals and Methodology
Monroe Regional Airport (MLU)
Update for FYs 2019 through 2021**

OVERALL GOALS (\$26.45)

Amount of goal:

The overall goal for Monroe Regional Airport (MLU or the Airport) for Fiscal Years 2019 through 2021 (October 1, 2018 to September 30, 2021) is **5.15%** of the Federal financial assistance that it will expend in DOT-assisted contracts with DBE contractors.

Number of Projects to be covered by this contract goal:

The Airport expects to fund four (4) DOT-assisted contracts during FYs 2019-2021:

1. 2019 Runway 14-32 - Phase II Construction;
2. 2019 Runway 4-22 Blast Pads;
3. 2020 Taxiway C Realignment - Planning & Design; and
4. 2021 Taxiway C Realignment – Phase I Construction.

The first project, Runway 14-32 - Phase II Construction, involves engineering, trucking, runway construction, and pavement marking. The estimated value for this project is **\$4,950,000** (Federal portion).

The second project, Runway 4-22 Blast Pads, involves engineering, construction, and pavement marking. The estimated value for this project is **\$450,000** (Federal portion).

The third project, Design and Planning of Runway Extension, involves engineering and airport planning. The estimated value for this project is **\$1,300,000** (Federal portion).

The fourth project, Phase I Construction of Taxiway C Realignment, involves engineering, taxiway construction, pavement marking, and local trucking. The estimated value of this project is **\$6,000,000** (Federal portion).

The Airport has set a goal of expending **\$654,214** with certified DBE firms yielding a participation rate of **5.15%**.

Market Area:

After careful research of the historical bidding practices and responses to requests for professional services, the Airport has determined that its market area is made up of the following Parishes/Counties:

1. East Carroll Parish, Louisiana
2. Franklin Parish, Louisiana
3. Madison Parish, Louisiana
4. Morehouse Parish, Louisiana
5. Ouchita Parish, Louisiana
6. Richland Parish, Louisiana
7. Tensas Parish, Louisiana
8. Union Parish, Louisiana
9. West Carroll Parish, Louisiana

The analysis prepared in determining this included a review of the responses to advertised opportunities for projects awarded by the Airport over the last several years. This period has included the following projects:

- 2017 Runway 14-32 Design (prime located outside the State);
- 2016 Phase II Construction of Perimeter Road (prime contractor located in Ouachita Parish); and
- 2014 Phase I Construction of Perimeter Road (prime contractor located in Ouachita Parish)

As can be seen by this analysis, the majority of the respondents were located in the identified Market Area and a substantial amount of contracting dollars has been expended in the same area. Consequently, the Airport has determined that the appropriate Market Area includes the nine parishes described previously.

Method:

In accordance with the current FAA and DOT guidance, the Airport is utilizing a two-step process in setting its goals for FYs 2019-2021. The first step examines the relative availability of DBE firms in the established Market Area and the second step allows for adjustments to the relative availability based on:

- Information from available Disparity Studies;
- Information gained from research and outreach with:
 - Organizations servicing or representing DBE's;
 - Federal, State and Local agencies that procure services;
 - Agencies charged with enforcing Civil Rights Law; and
 - State and Local Agencies responsible for minority/women's affairs.
- Historical accomplishments of the Airport's DBE program.

Relative Availability:

The following documents the relative availability for the proposed project and will be used in the overall calculation of relative availability for FY 2019-2021 goals. The following is a summary of the method used to calculate this goal:

Step 1: The method used to calculate the relative availability of DBEs for Step 1 in this process is 26.45(c) (1) DBE Directories and Census Bureau Data. The base figure was determined by dividing the total DBE firms in the local market area by the total of all firms (both compiled according to the relevant NAICS/SIC project codes).

The following table identifies the components of the project broken down by trade with appropriate NAICS codes.

Project 1 – Runway 14-32 - Phase II Construction (2019)

This project will extend the runway from 5,000 feet to 6,300 feet to accommodate the anticipated passenger loading requirements and minimize the impacts to the Airport’s operation during required closures of the primary runway. It involves engineering design, runway construction, pavement marking, and local trucking and should provide opportunities for DBE participation as documented in the following table:

NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering Services	5%	0	36	0.00%
484110	Gen Freight Trucking, Local	10%	2	22	0.91%
237310	Runway Construction	75%	1	18	4.17%
237310	Pavement Marking (#732)	10%	0	18	0.00%
	Totals for this Contract	100%	3	94	5.08%

¹ Weighting factor is based on % of total project costs in each category.

The estimate for the Federally-funded portion of this project is **\$4,950,000**. As identified in the above table, this project involves engineering design, trucking, and runway construction. Therefore, the baseline DBE goal for this contract should be weighted to more accurately reflect the potential DBE participation, as shown below.

$$\text{Base Figure} = \frac{\% \text{ Eng} \times \# \text{ DBE} - \text{Local Market} (0)}{\# \text{ All Firms} (36)} + \frac{\% \text{ Truck} \times \# \text{ DBE} - \text{Local Market} (2)}{\# \text{ of All Firms} (22)} +$$

$$\frac{\% \text{ Rwy Constr} \times \# \text{ DBE} - \text{Local Market} (1)}{\# \text{ of All Firms} (18)} + \frac{\% \text{ Pvmt Mark} \times \# \text{ DBE} - \text{Local Market} (0)}{\# \text{ of All Firms} (18)}$$

$$\text{Base Figure} = 5\% \times 0/36 + 10\% \times 2/22 + 75\% \times 1/18 + 10\% \times 0/18$$

This calculation provides a Base Figure of **5.08%**.

Project 2 –Runway 4-22 Blast Pads

This project involves pavement overlay and remarking of the Blast Pads for Runway 4-22 and should provide opportunities for DBE participation as documented in the following table:

NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering Services	10%	0	36	0.00%
237310	Runway Construction	80%	1	18	4.44%
237310	Painted Pavement Striping (# 732)	10%	0	18	0.00%
	Totals for this Contract	100%	1	72	4.44%

¹ Weighting factor is based on % of total project costs in each category.

The estimate for the Federally-funded portion of this project is **\$450,000**. As identified in the above table, the relative availability of DBE contractors in the MLU market area includes engineering, trucking, and pavement marking. Therefore, the baseline DBE goal for this contract should be weighted to more accurately reflect the potential DBE participation, as shown below.

$$\begin{aligned} \text{Base Figure} = & \frac{\% \text{ Eng Serv} \times \# \text{ DBE} - \text{Local Market (0)}}{\# \text{ of All Firms (36)}} + \frac{\% \text{ Rwy Constr} \times \# \text{ DBE} - \text{Local Market (1)}}{\# \text{ of All Firms (18)}} + \\ & + \frac{\% \text{ Striping} \times \# \text{ DBE} - \text{Local Market (0)}}{\# \text{ of All Firms (18)}} \end{aligned}$$

$$\text{Base Figure} = 10\% \times 0/36 + 80\% \times 1/18 + 10\% \times 0/18$$

This calculation provides a Base Figure of **4.44%**.

Project 3 – Taxiway C Realignment – Planning & Design

This project involves planning and design of the realignment and construction of Taxiway C so that it is a standard parallel taxiway to Runway 4-22. It will include all planning and design for all grading, drainage, paving, lighting, and marking components for the standard taxiway, which at completion will be approximately 7,500' long x 50' wide. This project should provide opportunities for DBE participation as documented in the following table:

NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering Services	75%	0	36	0.00%
541990	Airport Planning (#C30)	25%	0	0	0.00%
	Totals for this Contract	100%	0	36	0.00%

¹ Weighting factor is based on % of total project costs in each category.

The estimate for the Federally-funded portion of this project is **\$1,300,000**. As identified in the above table, the relative availability of DBE contractors in the MLU market area includes engineering and airport planning. Therefore, the baseline DBE goal for this contract should be weighted to more accurately reflect the potential DBE participation, as shown below.

$$\text{Base Figure} = \frac{\% \text{ Eng Serv} \times \# \text{ DBE} - \text{Local Market} (0)}{\# \text{ All Firms} (36)} + \frac{\% \text{ Plan} \times \# \text{ DBE} - \text{Local Market} (0)}{\# \text{ of All Firms} (0)}$$

$$\text{Base Figure} = 75\% \times 0/36 + 25\% \times 0/0$$

This calculation provides a Base Figure of **0.00%**.

Project 4 – Taxiway C Realignment - Phase I Construction

This project includes Phases I construction to realign Taxiway C so that it is a standard parallel taxiway to Runway 4-22. It will include engineering, construction, trucking, and pavement marking for the taxiway, which at completion will be approximately 7,500' long x 50' wide. It should provide opportunities for DBE participation as documented in the following table:

NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering Services	10%	0	36	0.00%
484110	Gen Freight Trucking, Local	10%	2	22	0.91%
237310	Taxiway Construction	70%	1	18	3.89%
237310	Pavement Striping (#732)	10%	0	18	0.00%
	Totals for this Contract	100%	3	94	4.80%

¹ Weighting factor is based on % of total project costs in each category.

The estimated cost for the Federally-funded portion of this project is **\$6,000,000**. As identified in the above table, the relative availability of DBE contractors in the MLU market area includes engineering, taxiway construction, pavement marking, and local trucking. Therefore, the baseline DBE goal for this contract should be weighted to more accurately reflect the potential DBE participation, as shown below.

$$\text{Base Figure} = \frac{\% \text{ Eng} \times \# \text{ DBE} - \text{Local Market (0)}}{\# \text{ All Firms (36)}} + \frac{\% \text{ Constr} \times \# \text{ DBE} - \text{Local Market (1)}}{\# \text{ of All Firms (18)}} + \frac{\% \text{ Pvmt Mark} \times \# \text{ DBE} - \text{Local Market (0)}}{\# \text{ All Firms (18)}} + \frac{\% \text{ Truck} \times \# \text{ DBE} - \text{Local Market (2)}}{\# \text{ All Firms (22)}}$$

$$\text{Base Figure} = 10\% \times 0/36 + 70\% \times 1/18 + 10\% \times 0/18 + 10\% \times 2/22$$

This calculation provides a Base Figure of **4.80%**.

Data Source:

- DBEs in Local Market Area: State of Louisiana Department of Transportation and Development DBE directory for Federal Aid Projects in the following parishes: Calcasieu, Parish, Louisiana
- All Available Firms: Census Data from American Factfinder website

Weight Factors:

Following the procedures to add weight factors based on the individual project estimates, an additional weight factor is applied based on each project's percentage of the total amount of anticipated award construction dollars.

Project	Amount of Estimate	% of Total / Weight Factor
1-Rwy 14-32 Ph II Construction	\$4,950,000	39.0%
2-Rwy 4-22 Blast Pads	\$450,000	3.5%
3-Design of Twy C Realignment	\$1,300,000	10.2%
4-Ph I Construction of Twy C Realign	\$6,000,000	47.2%
Total	\$12,700,000	100.0%

Overall Base Figure:

The Overall Base Figure is calculated by multiplying each project's (contract) base figure by its weight factor, and adding them together.

$$\text{Overall Base Figure} = (5.08\% \times 0.39\%) + (4.44\% \times 0.035\%) + (0.0\% \times 0.102\%) + (4.80\% \times 0.472\%) = 1.98\% + 0.16\% + 0.00\% + 2.27\% = \mathbf{4.40\%}$$

Overall Base Figure = 4.40%

Step 2: This step is intended to adjust the “base figure” percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination.

First, the Airport searched out the availability of information from Disparity Studies. This was unable to document the preparation of any disparity studies for the area over the course of the last seven years. To document this fact, the Airport first performed an internet search which yielded two databases of disparity studies – both of which are maintained by the DOT Office of Small and Disadvantaged Business Utilization:

Disparity Studies Performed Since 1998 and found at <http://osdbuweb.dot.gov/disparity/>

- Disparity Studies Performed Since 1998 and found at <http://osdbuweb.dot.gov/disparity/>
- Partial List of Disparity Studies conducted for State and Local Agencies and found at <http://osdbuweb.dot.gov/business/Dbe/disparit3.xls>

Finding no available data at either of these sites, the Airport contacted the following entities in May of 2018 and was unable to document any other documentation of disparity studies performed for the region:

- The North Louisiana Economic Partnership located in Monroe, LA
- The North Delta Regional Planning & Development District, located in Monroe, LA

Historical DBE Accomplishments:

Since none of these sources was able to provide the Airport with any available disparity study information and with the lack of any disparity study being performed in the region, the Airport must then look to historical performance and DBE goal accomplishment under previous FAA grants for similar types of construction. The Airport reviewed its historical DBE participation achievement in order to ensure the goal’s reasonableness. By averaging the median historical DBE participation rate with the relative availability calculated in Step 1, an adjusted DBE goal is calculated.

The projects anticipated for FYs 2019-2021 include design and construction. A review of the historic overall DBE goals accomplished at the Airport for similar work in recent years revealed that two projects were of the same nature. Therefore, they have been included in the median accomplishment calculation, as summarized below.

MLU Historical DBE Accomplishments for DOT-Assisted Contracts Projects

Fiscal Year	Goal	Accomplishment	Type of Work
FY 2017	7.73%	4.60%	Runway 14-32 Design
FY 2016	7.73%	5.90%	Phase II Perimeter Road Construction
FY 2014	5.72%	6.00%	Phase I Perimeter Road Construction
		5.90%	Median Accomplishments for all Projects

The median percentage of accomplishment for all similar projects over recent years is therefore determined to be **5.90%**. When we compare this with the proposed base figure for FY 2019-2021, we determine that our adjusted overall goal is: **5.15%**.

(Base figure) **4.40%** + (Historical median) **5.90%** divided by 2 = **5.15%** (Adjusted Goal)

Breakout of Estimated Race-Neutral and Race-Conscious Participation:

The Airport will strive to 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: By arranging solicitations, times for the presentations of bids, quantities, specifications, and delivery schedules in ways to facilitate DBE, and other small businesses, participation (e.g. requiring and/or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces). Additionally, the Airport and its engineer provide all potential bidders with information about the State of Louisiana’s Department of Transportation and Development web site for certified DBE contractors found at:

<http://www.dotd.state.la.us/cgi-bin/construction.asp>

Over the history of data tracking, there have been few occasions when the Airport's annual goals were exceeded. As such, MLU intends to meet the entire goal through race-conscious means. When achievement exceeds the goal, MLU will be in a position to meet the goal through race-neutral means. However, since actual achievement has regularly fallen short of the goal, no race-neutral participation will be assumed.

Public Participation:

The Airport encourages the participation of DBEs in its Development Program. In an effort to reach the available DBE community, seek out public input into the goal setting process, and to ensure wide distribution of the information contained in this document, the Airport makes copies of its DBE Program and Annual Goals Setting Document available to the local chapter of the Associated General Contractors, local architects and engineers, prospective bidders, and other interested parties.

In order to encourage participation by Certified DBE firms, the Airport:

1. Provides prospective bidders with information on the State of Louisiana's certified list of DBE contractors.
2. Contacts the State of Louisiana to ascertain the availability of DBE contractors in the Market Area and work on ways to encourage participation.

To comply with Code of Federal Regulations Title 49, Part 26, Section 26.45(g)(1)(i), the Airport held a teleconference on July 23, 2018, to:

- Reach out to minority, women's and general contractor groups to discuss opportunities for DBEs;
- Discuss the process to become a certified-DBE;
- Address issues that contractors face with the DBE certification process;
- Present the proposed DBE Goal for FYs 2019-2021, and
- Discuss proposed construction projects that are planned at each airport during this period.

The following parties were invited to participate:

- North Louisiana Economic Council;
- North Delta Regional Planning & Development;
- Louisiana Minority Business Council;
- Women's Business Enterprise Council;
- Hispanic Chamber of Commerce of Louisiana;
- Louisiana Small Business Development Center, Monroe Chapter;
- Louisiana Association of General Contractors;
- LA DOTD DBE/SBE Program Manager; and
- All Certified DBEs in the market area.

Attached are the following appendices regarding the consultation teleconference:

- A – Email invitation to the July 23, 2018 teleconference.
- B – List of the participants invited to attend the teleconference.
- C – PDF of the online presentation.
- D – List of attendees.
- E – Questions/Comments.
- F – Screenshot of MLU website notice.

Published Notice:

The following is the notice of availability of the Airport's proposed goals and goal setting methodology:

WEBSITE PUBLIC NOTICE

**Disadvantaged Business Enterprise (DBE) Goals for
Federal Fiscal Years 2019-2021**

The Monroe Regional Airport hereby announces its fiscal years 2019-2021 DBE goals for airport construction projects. The proposed goals and goal setting methodology is available for inspection between 7:00 a.m. and 3:30 p.m., Monday through Friday beginning July 26, 2018, through August 25, 2018, in the offices of the Airport Director, 5400 Operations Road, Monroe, LA, 71203.

Comments can be sent to either of the following addresses:

Joycie Stewart
Administrative Clerk
5400 Operations Road #201
Monroe, LA 71203

Federal Aviation Administration
Civil Rights Staff, AWP-9
PO Box 92007
Los Angeles, CA 90009-2007

Contract Goals:

Historically, MLU has used race-conscious measures in obtaining its overall contract goals on federally assisted contracts. We estimate that, in meeting our overall adjusted goal of **5.15%** we will obtain **0%** from race-neutral participation and **5.15%** from race-conscious measures (e.g. setting contract goals). The estimation of race-neutral participation and race-conscious measures percentages are based on past participation and established goals.

The Airport will use contract goals to meet any portion of the overall goal the Airport 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 the Airport's overall goal that is not projected to be met through the use of race-neutral means.

The Airport will establish contract goals only for those DOT-assisted contracts that have subcontracting possibilities. It is not necessary to establish a contract goal on every contract, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

APPENDIX
PUBLIC CONSULTATION
DOCUMENTATION

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