

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: Capital Region Airport Commission – Richmond International Airport (RIC)

Goal Period: FFYs 2021, 2022, and 2023 (October 1, 2021 through September 30, 2023)

DOT/FAA-assisted contract amount: FY-2021: \$16,200,000

FY-2022: \$ 5,400,000

FY-2023: \$ 5,850,000

Total: **\$27,450,000**

Overall Three-Year Goal: 8.61%, to be accomplished 100% through race-neutral means.

Total dollar amount to be expended with DBEs: \$2,363,445.

Based on its proposed Capital Improvement Projects summary, the Commission intends to request funding from FAA for eight projects that are anticipated at RIC during FFYs 2021-2023, as shown in Table 1:

Table 1 – Anticipated FAA-funded Projects

Fiscal Year	Project Name	Anticipated AIP/FED Grant
2021	Expand Apron Concourse B (Construction)	\$14,400,000
2021	Construct Deicing Pad (Construction)	\$1,800,000
2022	Master Plan Update	\$1,350,000
2022	Reconstruct TW H (Design/Construction)	\$3,600,000
2022	Reconstruct Taxiway J,K,T (Design)	\$450,000
2023	Reconstruct Taxiway J,K,T (Construction)	\$3,150,000
2023	Reconstruct Taxiway C (Design)	\$450,000
2023	Reconstruct Midfield Terminal Apron (Asphalt to Concrete)	\$2,250,000
Three-year total:		\$27,450,000

Market Area. The relevant geographic market for contractors is the Commonwealth of Virginia. This is the area in which the Commission awarded most of its contract dollars at RIC and where the majority of businesses seeking RIC contract opportunities are located.

Step 1 base figure - 49 CFR Section 26.45(c). RIC staff identified the specific contract elements by NAICS code¹ and the percentages of the work in each of these codes that make up the components of each project anticipated during the FFY 2021-2023 goal period. As part of the availability analysis, Exstare Federal Services Group, LLC (“Exstare”), DBE consultant to the Commission, prepared dollar-weighted availability estimates to help set the overall DBE goal for RIC. Dollar-weighted availability

¹ “NAICS code” means the North American Industry Classification System code

estimates represent the percentage of FAA-funded contracting dollars that DBEs would be expected to receive based on their availability for the specific types and sizes of RIC’s FAA-funded prime contracts and subcontracts. According to USDOT’s “Tips for Goal-Setting”², weighting is not required by the Federal Regulations but it will make the goal calculation more accurate.

For each FAA-funded prime contract examined as part of the availability analysis and then, for the purposes of helping to establish a base figure, Exstare took the following steps to calculate the availability of DBEs:

1. Businesses in the Market Area that are DBE certified in the specific type of work (based on 6-digit NAICS code) were identified in the Virginia Unified Certification Program (VUCP) DBE directory that is maintained by the Virginia Department of Small Business and Supplier Diversity (DSBSD).
2. Businesses in the Market Area that are MBE certified and/or WBE certified (potential DBEs) in the specific type of work (based on 6-digit NAICS code) were identified in the Small, Women-owned and Minority-owned (SWaM) business directory maintained by the DSBSD.
3. U.S. Census Bureau 2018 County Business Patterns (CBP) data was used to determine the number of all businesses in the Market Area listed in each NAICS code.
4. The collective number of DBEs and potential DBEs was then divided by all businesses to determine numeric DBE availability, as shown in Table 2.

Table 2 – Numeric DBE Availability

NAICS Codes	All DBEs	All Firms	*DBE Availability
237110	38	1,210	3.14%
237310	113	1,278	8.84%
237990	24	617	3.89%
238210	50	3,996	1.25%
238910	74	3,622	2.04%
238990	50	5,738	0.87%
484220	261	3,097	8.43%
541330	122	3,628	3.36%
541370	14	1,031	1.36%
541380	18	563	3.20%
561730	59	4,987	1.18%
TOTAL	823	29,767	2.76%

* Percentages are rounded to the nearest tenth.

5. A dollar-weighted availability analysis of DBE firms by trade classification, and the dollar amount and percentage of anticipated federal dollars and DBE dollars by trade classification for each anticipated federally-funded project at RIC during FFYs 2021-2023 was then conducted. Tables 3, 4 and 5 present the dollar-weighted availability analysis. In each table, the DBE availability percentages are rounded to the nearest tenth, and DBE dollar amounts are rounded to the nearest dollar.

² Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

In FFY 2021, the Commission anticipates awarding the two projects shown in Table 3:

Table 3 – FFY 2021 Projects

Project Name	NAICS Code	Work Category	All DBE Firms	All Firms	DBE Availability	Ratio of Federal Dollars Per NAICS Code	Federal Dollars Per NAICS Code	Weighted DBE Availability	DBE (\$)
Concourse B Apron Expansion (Construction)	237310	Highway, Street & Bridge Construction	113	1,278	8.84%	50.50%	\$ 7,272,000.00	4.46%	\$ 324,331.00
	237990	Storm Sewer Installation	24	617	3.89%	8.00%	\$ 1,152,000.00	0.31%	\$ 3,585.00
	238210	Airport Runway Lighting	50	3,996	1.25%	8.00%	\$ 1,152,000.00	0.10%	\$ 1,152.00
	238910	Site Preparation	74	3,622	2.04%	10.00%	\$ 1,440,000.00	0.20%	\$ 2,880.00
	238990	Specialty Trades	50	5,738	0.87%	3.25%	\$ 468,000.00	0.02%	\$ 94.00
	484220	Hauling	261	3,097	8.43%	6.00%	\$ 864,000.00	0.51%	\$ 4,406.00
	541330	Engineering/Construction Management	122	3,628	3.36%	7.00%	\$ 1,008,000.00	0.24%	\$ 2,419.00
	541370	Surveying	14	1,031	1.36%	1.00%	\$ 144,000.00	0.01%	\$ 1,440.00
	541380	Engineering/Materials Testing	18	563	3.20%	2.00%	\$ 288,000.00	0.06%	\$ 173.00
	561730	Hydroseeding Services	59	4,987	1.18%	0.25%	\$ 36,000.00	0.00%	\$ 0.00
	N/A	Contractor Mobilization & Management	N/A	N/A	N/A	4.00%	\$ 576,000.00	N/A	N/A
Total Project #1			785	28,557	2.75%	100.00%	\$14,400,000.00	2.36%	\$ 340,480.00
Concourse B Centralized Deicing Pad (Construction)	237110	Sewer and Water Construction	38	1,210	3.14%	10.00%	\$ 180,000.00	0.31%	\$ 558.00
	237310	Highway, Street & Bridge Construction	113	1,278	8.84%	33.00%	\$ 594,000.00	2.92%	\$ 17,345.00
	237990	Storm Sewer Installation	24	617	3.89%	8.00%	\$ 144,000.00	0.31%	\$ 447.00
	238210	Airport Runway Lighting	50	3,996	1.25%	10.00%	\$ 180,000.00	0.13%	\$ 234.00
	238910	Site Preparation	74	3,622	2.04%	8.00%	\$ 144,000.00	0.16%	\$ 2,938.00
	238990	Specialty Trades	50	5,738	0.87%	10.00%	\$ 180,000.00	0.09%	\$ 162.00
	484220	Hauling	261	3,097	8.43%	6.00%	\$ 108,000.00	0.51%	\$ 551.00
	541330	Engineering/Construction Management	122	3,628	3.36%	8.00%	\$ 144,000.00	0.27%	\$ 389.00
	541370	Surveying	14	1,031	1.36%	1.00%	\$ 18,000.00	0.01%	\$ 2.00
	541380	Engineering/Materials Testing	18	563	3.20%	2.00%	\$ 36,000.00	0.06%	\$ 22.00
	N/A	Contractor Mobilization & Management	N/A	N/A	N/A	4.00%	\$ 72,000.00	N/A	N/A
Total Project #2			764	24,780	3.08%	100.00%	\$ 1,800,000.00	1.26%	\$ 22,648.00
TOTAL FFY 2021							\$ 16,200,000.00	2.24%	\$ 363,128.00

In FFY 2022, the Commission anticipates awarding the three projects shown in Table 4:

Table 4 – FFY 2022 Projects

Project Name	NAICS Code	Work Category	All DBE Firms	All Firms	DBE Availability	Ratio of Federal Dollars Per NAICS Code	Federal Dollars Per NAICS Code	Weighted DBE Availability	DBE (\$)
Master Plan Update	541330	Engineering	122	3,628	3.36%	100.00%	\$ 1,350,000.00	3.36%	\$ 45,360.00
	Total Project #1			122	3,628	3.36%	100.00%	\$ 1,350,000.00	3.36%
Reconstruct Taxiway H (Design and Construction)	237310	Highway, Street & Bridge Construction	113	1,278	8.84%	1.50%	\$ 54,000.00	0.13%	\$ 70.00
	237990	Storm Sewer Installation	24	617	3.89%	2.00%	\$ 72,000.00	0.08%	\$ 58.00
	238210	Airport Runway Lighting	50	3,996	1.25%	5.00%	\$ 180,000.00	0.06%	\$ 108.00
	238910	Site Preparation	74	3,622	2.04%	7.00%	\$ 252,000.00	0.14%	\$ 353.00
	238990	Specialty Trades	50	5,738	0.87%	5.00%	\$ 180,000.00	0.04%	\$ 72.00
	484220	Hauling	261	3,097	8.43%	5.00%	\$ 180,000.00	0.42%	\$ 76.00
	541330	Engineering-Civil & Engineering/Construction Management	122	3,628	3.36%	50.50%	\$1,818,000.00	1.70%	\$ 30,906.00
	541370	Surveying	14	1,031	1.36%	10.00%	\$ 360,000.00	0.14%	\$ 504.00
	541380	Engineering-Geotechnical/Materials Testing	18	563	3.20%	10.00%	\$ 360,000.00	0.32%	\$ 1,152.00
	N/A	Contractor Mobilization/Mgmt.	N/A	N/A	N/A	4.00%	\$ 144,000.00	N/A	N/A
Total Project #2			726	23,570	3.08%	100.00%	\$ 3,600,000.00	0.92%	\$33,299.00
Taxiway J,K,T (Design)	541330	Engineering - Civil & Electrical	122	3,628	3.36%	80.00%	\$ 360,000.00	2.69%	\$ 9,684.00
	541370	Surveying	14	1,031	1.36%	10.00%	\$ 45,000.00	0.14%	\$ 63.00
	541380	Engineering - Geotechnical	18	563	3.20%	10.00%	\$ 45,000.00	0.32%	\$ 144.00
Total Project #3			154	5,222	2.95%	100.00%	\$ 450,000.00	2.20%	\$ 9,891.00
TOTAL FFY 2022							\$ 5,400,000.00	1.64%	\$ 88,550.00

In FFY 2023, the Commission anticipates awarding the three projects shown in Table 5:

Table 5 – FFY 2023 Projects

Project Name	NAICS Code	Work Category	All DBE Firms	All Firms	*DBE Availability	Ratio of Federal Dollar Amount Per NAICS Code	Trade (\$)	Weighted DBE Availability	DBE (\$)
Reconstruct Taxiway J,K,T (Construction)	237310	Highway, Street & Bridge Construction	113	1,278	8.84%	51.50%	\$ 1,622,250.00	4.55%	\$ 73,812.00
	237990	Storm Sewer Installation	24	617	3.89%	10.00%	\$ 315,000.00	0.39%	\$ 1,128.00
	238210	Airport Runway Lighting	50	3,996	1.25%	5.00%	\$ 157,500.00	0.06%	\$ 95.00
	238910	Site Preparation	74	3,622	2.04%	7.00%	\$ 220,500.00	0.14%	\$ 309.00
	238990	Specialty Trades	50	5,738	0.87%	2.00%	\$ 63,000.00	0.02%	\$ 13.00
	484220	Hauling	261	3,097	8.43%	9.00%	\$ 283,500.00	0.76%	\$ 2,155.00
	541330	Engineering/Construction Management	122	3,628	3.36%	7.00%	\$ 220,500.00	0.23%	\$ 507.00
	541370	Surveying	14	1,031	1.36%	1.50%	\$ 47,250.00	0.02%	\$ 9.00
	541380	Engineering/Materials Testing	18	563	3.20%	3.00%	\$94,500.00	0.10%	\$ 95.00
	N/A	Contractor Mobilization/Mgmt.	N/A	N/A	N/A	4.00%	\$ 126,000.00	N/A	N/A
Total Project #1			726	23,570	3.08%	100.00%	\$3,150,000.00	2.48%	\$78,123.00
Reconstruct Taxiway C (Design)	541330	Engineering – Civil & Electrical	122	3,628	3.36%	80.00%	\$ 360,000.00	2.69	\$ 9,684.00
	541370	Surveying	14	1,031	1.36%	10.00%	\$ 45,000.00	0.13	\$ 59.00
	541380	Engineering - Geotechnical	18	563	3.20%	10.00%	\$ 45,000.00	0.32	\$ 144.00
	Total Project #2			154	5,222	2.95%	100.00%	\$ 450,000.00	2.20%
Reconstruct Midfield Terminal Apron (Asphalt to Concrete)	541330	Engineering – Civil and Electrical	122	3,628	3.36%	80.00%	\$1,800,000.00	2.69%	\$48,420.00
	541370	Surveying	14	1,031	1.36%	10.00%	\$ 225,000.00	0.13%	\$ 293.00
	541380	Engineering - Geotechnical	18	563	3.20%	10.00%	\$ 225,000.00	0.32%	\$ 720.00
	Total Project #3			154	5,222	2.95%	100.00%	\$2,250,000.00	2.20%
TOTAL FFY 2023							\$5,850,000.00	2.35%	\$137,443

As presented in Tables 3, 4 and 5, the Step 1 availability analysis shows that DBEs and potential DBEs in the Market Area could be considered available for 6.23% percent of RIC’s FAA-funded prime contracts and subcontracts, calculated as follows:

$$\text{FFY 2021: } 2.24\% + \text{FFY 2020: } 1.64\% + \text{FFY 2023: } 2.35\% = 6.23\%.$$

Thus, RIC considers 6.23% percent as its base figure.

Step 2. Determining if a Step 1 base figure adjustment is needed - 49 CFR Section 26.45(d). After establishing a base figure of the relative availability of DBEs, USDOT DBE Program regulations require an examination of the evidence available in your jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal.

The anticipated federally-funded projects at RIC for each fiscal year, the availability of DBE firms by trade classification, and the volume of work performed by DBE firms over previous years (i.e., past participation) were considered to help determine whether any adjustment was needed to the base figure to establish the overall DBE goal.

Past DBE participation on RIC’s federally-funded contracts. USDOT’s “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program”³ suggests that agencies should examine data on past DBE participation on their USDOT-funded contracts in recent years. Exstare examined race-conscious (RC) and race-neutral (RN) past participation achievements in projects during the past five years that are

³ Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

similar to the projects planned during FFYs 2021 – 2023. As shown in Table 6, median past DBE participation achieved in those projects was 11%.

Table 6 - Past DBE Achievements

Federal Fiscal Year	DBE Goals			*Accomplishments			Over/Under Achievement
	RC	RN	Total	RC	RN	Total	
2015**	0.00%	6.26%	6.26%	0.00%	0.00%	0.00%	0.00%
2016	0.00%	6.26%	6.26%	0.00%	14.88%	14.88%	+ 8.62%
2017	0.00%	6.26%	6.26%	0.00%	7.40%	7.40%	+ 1.14%
2018	0.00%	15.86%	15.86%	0.00%	48.60%	48.60%	+32.74%
2019	0.00%	14.89%	14.89%	0.00%	11.00%	11.00%	- 3.89%

Source: RIC Uniform Report of DBE Commitments/Awards and Payments, FFYs 2015-2019

*Total contracts and subcontracts awarded or committed during the reporting period.

**There were not any contract awards in 2015.

Disparity Study. The most recent Disparity Study for the Commonwealth of Virginia (“Study”), dated July 13, 2011, covers the period of July 1, 2005 through June 30, 2009. Given the age of the data in the Study, Exstare concluded that consideration of the Study data should be omitted from the Step 2 analysis.

Goal Adjustment. Based on review of the factors described above, a Step 2 upward adjustment was made to the Step 1 base figure, calculated as follows:

FFYs 2021-2023 base goal: 6.23% + median past participation: 11% ÷ 2 = 8.61%

Our proposed overall three-year goal is 8.61%.

Contract Goals. The Commission will use contract goals to meet any portion of the overall goal that it 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 Commission’s overall goal that is not projected to be met through the use of race-neutral means.

The Commission will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We will express our contract goals as a percentage of the Federal share of a DOT-assisted contract. A contract goal may not need to be established on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work and availability of DBE’s to perform the particular type of work).

Stakeholder Consultation. Before establishing the final overall goal and submitting it to the FAA, the Airport sent invitations to businesses and organizations to notify them of the proposed goal and to seek their participation in the Commission’s virtual stakeholder consultation meeting that was held on September 10, 2020 at 10:00 a.m. These individuals and organizations represent DBEs, minority-owned businesses, woman-owned businesses, general contractors, 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 Commission’s efforts to establish a level playing field for the participation of DBEs in its contracting opportunities.

Prior to the stakeholder consultation meeting, the notice and invitation was also posted on the Airport’s website <https://flyrichmond.com/public-notice/>, and it informed the public that the Commission would accept written comments on a proposed goal of 7.92% for 30 days following the date of the notice (*see Attachment A*). In addition, the Virginia Department of Small Business and Supplier Diversity sent the notice to all of the DBEs across the state.

At the stakeholder meeting, the Commission’s DBE consultant presented the purpose and requirements of the DBE program, the anticipated FAA-funded projects in FFYs 2021-2023, and the methodology utilized to develop a proposed 7.92% race-neutral goal for DBE participation in those projects. She also provided information on obtaining DBE certification in Virginia.

Meeting participants were asked whether they had any comments or questions on the proposed goal and methodology used to develop it. There were not any comments or questions. Stakeholders were also informed of the opportunity to provide written comments to the Commission through September 24, 2020, and of the next steps for FAA review of the goal methodology and the Airport’s implementation of the goal.

The Commission’s DBELO then presented the details of the anticipated federally-assisted contracts, and shared information on the Commission’s purchasing process and how to obtain its solicitations via eVA, Virginia's online, electronic procurement system. He also shared information on the Airport’s purchasing process and encouraged stakeholders to review the Airport’s business opportunities brochure that listed contracts and purchases the Commission anticipates over the three years. The brochure is available on the Airport’s website under the business opportunities tab.

Individuals representing the following organizations participated in the stakeholder consultation:

LaQuiana J. Bailey, CCA
Program Manager
Office of Minority Business Development

Russ Peaden
Director of Real Estate, DBELO
Capital Region Airport Commission/RIC

Paul S. Puckli
Vice President
CHA Consulting, Inc.

Tracey Feary
Assistant to Russ Peaden
Capital Region Airport Commission/RIC

Heather Outman
Chief Operating Officer
Metro Petroleum, Inc.

Kerry Hammond
Business/Research Manager
Exstare Federal Services Group

Perry J. Miller, A.A.E., I.A.P
President & CEO
Capital Region Airport Commission/RIC

Nancy West
Managing Member
Exstare Federal Services Group
(Commission’s DBE Consultant)

John Rutledge
Chief Operating Officer
Capital Region Airport Commission/RIC

Written Comments on the Proposed Goal. The Commission did not receive any written comments on the proposed FFYs 2021-2023 overall DBE goal of 7.92%. However, since then, our consultant found that adjustments were needed in some of the calculations, resulting in an increase in the overall goal from 7.92% to 8.61%. The updated goal is posted on the Airport’s website at <https://flyrichmond.com/public-notices/>.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation (26.51(b)(1-9))

The Commission will make every attempt to meet the maximum feasible portion of its overall goal by using some or all of the following race-neutral measures to increase DBE participation:

- a. Arranging solicitations or requests for proposals, time for presenting bids or proposals, quantities, specifications, and delivery schedules so as to facilitate DBE participation;

- b. Providing advice to DBEs and other small businesses in overcoming barriers in the procurement process such as the inability to obtain bonding, financing, or technical assistance;
- c. Providing information and communication programs on contracting procedures and specific contracting opportunities in a timely manner;
- d. Providing information to DBE and other firms about the Commission, its function and full range of contractual needs;
- e. Offering instructions and clarifications on bid specifications, the Commission's procurement policy, procedures, and general bidding requirements;
- f. Maintaining a file for successful bid documents from past procurements and permit DBEs and other firms to review and evaluate these documents;
- g. Conducting debriefing sessions to explain why certain bids were unsuccessful;
- h. Providing information to DBE and other firms on future procurements, contracting schedules, subcontracting opportunities and bonding requirements;
- i. Placing bid notices in periodicals of interest to the disadvantaged business community;
- j. Developing mailing lists for newsletters that include DBEs and their associations;
- k. Sending bid notices to DBE trade associations, technical assistance agencies, DBE economic development groups, and to identified DBEs with capabilities relevant to the bid notices;
- l. Making bid specifications available to DBE contractor associations and technical assistance agencies;
- m. Upon request, providing DBEs and DBE organizations with lists of majority firms bidding as prime contractors; and
- n. Use a lead time of at least 30 days, unless special circumstances prevail and approved by the DBELO for advertisement of all Invitations to Bid (ITB) so that all firms have ample time to develop a complete bid package or proposal and secure necessary assistance.

The Commission estimates that it will obtain 100% of its 8.61% overall goal from race-neutral participation based on the level of race-neutral DBE participation we have achieved in similar projects and that we anticipate achieving during this three-year goal period.

The Commission will adjust the estimated breakout of race-neutral and race-conscious DBE participation as needed to reflect actual DBE participation (see 49 CFR Section 26.51(f)) and track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract obtained through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal, DBE participation on a prime contract exceeding a contract goal and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.