

The Port of Pasco, Washington
Tri-Cities Airport
FY 2017-2018
Overall Goal to the
Disadvantaged Business Enterprise (DBE)
Program



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FY 2017-2018 Overall Goal Amendment

Overall Goals (\$26.45)

Amount of Goal – FY 2017-2018 Improvements

This document proposes a DBE goal for FY 2017 and FY 2018 for the Tri-Cities Airport. The projects referred to in this report appear on the most recent Capital Improvement Plan (CIP) for the Tri-Cities Airport.

The purpose of establishing a DBE goal is to promote the use of disadvantaged and women-owned businesses in our geographical area, and to assure FAA grant eligibility for projects at the Tri-Cities Airport.

The amended overall goal for FY 2017-2018 is 0.89% (race neutral).

Method

Determining Types of Work

The FY 2017-2018 Tri-Cities Airport capital improvement projects and estimated costs are listed below in Table 1. The projects planned for this period create subcontracting in an estimated twelve (12) different disciplines, as listed in Table 2 below, paired with their respective NAICS codes. Engineering and Construction Engineering are not included in the total number, as those contracts have been signed prior to establishing this goal and no DBE subcontracting opportunities are available.

Table 1: FY 2017-2018 Capital Improvement Projects

FY 2017 Projects		FY 2018 Projects	
GA Apron Phase 2	\$5,850,000	TWY A Relocation (Construction)	\$8,140,000
TWY A Relocation (Design Only)	\$474,000	Master Plan Update / ALP	\$400,000
		AGIS	\$200,000

Table 2: Disciplines Employed in FY 2017-2018 Projects

Discipline	NAICS	Discipline	NAICS	Discipline	NAICS
Storm Drainage	237110	Electrical	238210	Engineering	541330
Pavement Marking	237310	Excavation/Backfill	238910	Geotechnical Engr	541330
Asphalt Paving	237310	Fencing Installation	238990	Land Surveying	541370
Asphalt Removal	237310	Traffic Control	561990	Material Testing	541380
Concrete Paving	237310			Construction Engr	541330

Determining the Geographical Area

Based on past federally funded airport projects, the prime contractors that generally bid on projects are predominately from a specific geographic region. That region is hereafter referred to as our Market Area. Using the Port of Pasco as the reference point, the Market Area includes Yakima County to the west, Walla Walla County to the east, Franklin County to the north and Benton County to the south. If the work on a project is large enough, the Tri-Cities Airport will occasionally see contractors from Spokane County participate in the bid process.

This information was derived using records of recent construction projects for the Port of Pasco and other nearby ports, cities, and municipalities, and the "U.S. Census Bureau, 2014 County Business Patterns, Benton, Washington Major Industry Group."

Federal grant authorities prohibit recipients from using geographic preference in the evaluation of bids or proposals for DOT-assisted contracts, including contracts funded with AIP grants. The specific regulation outlining this requirement is 49 CFR, Part 18, "Uniform Administration Requirements for Grants and Cooperative Agreements to State and Local Governments."

Determining the Common Opportunities in the FY 2017-2018 Projects

Table 3 below summarizes the total available businesses, total DBE businesses, and estimated available DBE contract dollars for each aspect of the projects planned for 2017-2018. Table 4 lists the individual DBE contractors available, per the OMWBE Directory, in the Market Area. A two-step process is conducted to determine the opportunities for DBE: (1) Analysis and (2) Adjustment.

Step 1 – Analysis

Table 3 is used to determine the percentage of the total estimated project costs which is available to DBE Contractors. The number of total contractors and the number of DBE contractors available for each relevant category of work are listed. A rough estimate of the combined project costs is tabulated along with a breakdown of costs by construction category. From these figures, a weighted percentage of contract dollars available to DBE's in the Market Area can be calculated. First, the percent of DBE firms in each category is calculated. The estimated cost of construction for each category is multiplied by this percentage to determine a reasonable amount that could be available to be paid to DBE firms in each category. Next, the reasonable amounts available for DBE firms in each category are totaled. Finally, the dollar value reasonably available to DBE firms is divided by the estimated combined project total. The result is the percentage of contract work reasonably available to DBE firms. For the FY 2017-2018 projects, that percentage for work, referred to as the base figure percentage, on the Tri-Cities Airport projects is 2.35%.

Table 3: Determination of DBE Opportunities

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2017	Contract Dollars DBE
237110	Storm Drainage	29	2	6.9%	\$684,465.00	\$47,228.06
237310	Pavement Marking	2	1	50.0%	\$179,432.00	\$89,716.14
237310	Asphalt Paving	3	0	0.0%	\$5,654,271.00	\$0.00
237310	Asphalt Removal	11	0	0.0%	\$1,028,461.00	\$0.00
237310	Concrete Paving	4	0	0.0%	\$1,303,281.00	\$0.00
238210	Electrical	66	0	0.0%	\$814,881.00	\$0.00
238910	Excavation/Backfill	71	2	2.8%	\$1,909,871.00	\$53,476.40
238990	Fence Installation	66	0	0.0%	\$49,017.00	\$0.00
561990	Traffic Control	25	1	4.0%	\$130,417.00	\$5,216.67
541330	Engineering ²	1	0	0.0%	\$2,719,698.00	\$0.00
541330	Geotechnical Engr.	4	0	0.0%	\$46,168.00	\$0.00
541370	Land Surveying	12	2	16.7%	\$348,882.00	\$58,263.33
541380	Material Testing	17	0	0.0%	\$195,156.00	\$0.00
Total					\$15,064,000.00	\$253,900.59
Contract Work Available to DBE Firms:						1.69%

These are total dollars. FAA funds 90% of these amounts

¹ Dollar figures include 8.6% Washington State Sales Tax.

² In 2015, the Port of Pasco awarded a 5 year engineering services contract to J-U-B Engineers, Inc. for Design and Construction Engineering Services. The Contract will expire in 2020.

Table 4 lists the DBE firms in the Market Area that are available for the types of services required in the construction of the FY 2017-2018 projects. This table was updated to include the firms that currently appear in the OMWBE Directory and will be used for the updating of the goal calculation.

Table 4: Disadvantaged Business Enterprises in the Market Area (2017-2018 Projects)

	Business Name	Type of Work
1	Pavement Surface Control (Kennewick)	Pavement Marking (237310)
2	White Shield, Inc. (Pasco)	Construction Surveying (541370)
3	C I Lovell Inc. (Brownstown)	Storm Drainage (237110), Excavation (238910)
4	Scout Lake Construction Inc. (Selah)	Storm Drainage (237110), Excavation (238910), Traffic Control (561990)
5	Guitz Tague Construction Surveys LLC (Kennewick)	Construction surveying (541370)

Step 2 – Adjustment

The regulations allow for an adjustment to the base figure percentage (derived above) for circumstances or issues that might impact the availability.

Step 2(a) – Past Participation

The need for an adjustment to the base figure can be determined through an evaluation of past DBE goals and participation. Table 5 averages the actual DBE participation during past AIP projects since 2010.

Table 5: Actual Historical DBE Participation

Type of Work	No. of Contracts ¹	Total \$ Awarded	Actual \$ to DBE	% DBE
2012 – Sand Storage Bldg/Recon East GA Apron Ph. 1	2	\$2,399,033.00	\$4,725.00	0.20%
2013 - Rehabilitate Taxiway D/Regulator Room	2	\$3,014,139.00	\$0.00	0.00%
2014 – TWY D Rehabilitation and Realignment	1	\$10,587,120.00	\$0.00	0.00%
2014 – Security Enhancements	1	\$8,495,132.00	\$14,466.36	0.17%
2015 – Rehabilitate Apron, Rehabilitate Terminal Building	1	\$1,957,702.00	\$3,333.77	0.17%
2016 – No Project				
Totals		\$26,453,126.00	\$22,525.13	0.085%

¹ The number of contracts applies only to those awarded to construction contractors. Engineering services were completed under a 5-year Engineering Service Agreement in place with the Tri-Cities airport.

The weighted average percentage from Table 3 in Step 1 is then adjusted by incorporating past participation. The method for adjustment is taken from the “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program,” which was issued by U.S. Department of Transportation Office of Small and Disadvantaged Business Utilization.

The adjustment is made by averaging the Historical DBE Participation percentage from Table 5 with the weighted percentage from Table 3. The adjusted percentage is 0.83%.

$$\frac{0.085\% + 1.69\%}{2} = 0.89\%$$

Step 2(b) – Disparity Studies

WSDOT conducted a disparity study that became available in 2012. This study focused mainly on state highway construction projects. The aviation projects were not included in this study due to the low number of projects available for analysis. The Port of Pasco will continue to monitor available media for Disparity Studies in preparation of future amendments to the DBE Program. The Washington State Department of Transportation Aviation division is beginning a new disparity study for airports in the state. It is estimated to be completed in 2018.

Step 2(c) – Consultation

The FAA dbE-Connect website has a DBE Directory which was used to determine DBEs in the area that may bid on the above projects.

Prior to finalizing the goal, a teleconference call was held to allow businesses in the Market Area to provide input on the methodology used in this goal calculation.

A teleconference call was held on March 24, 2017 from 10:30 am to 11:30 am to allow businesses in the Market Area to provide input on the draft DBE goals. Notice of this meeting was sent to the Tri City Regional Chamber of Commerce for distribution to its membership. DBE businesses shown in Table 3 were also contacted when possible regarding the teleconference. Tara White from the Port of Pasco and Diane Zipperer from J-U-B Engineers were on the call, but no businesses participated.

Step 2(d) – Adjusted DBE Goal

After considering the past participation adjustment, and the 2017-2018 goal, the overall DBE Goal will be adjusted to 0.89%.

Breakout of Race Neutral and Race Conscious Participation

Considerations for Race Neutral

The Port of Pasco will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Port of Pasco uses the following race-neutral means to increase DBE participation:

- Holding pre-bid meetings when necessary to introduce DBEs and other small businesses.
- Providing referrals to organizations that cover DBEs and other small businesses in bonding, financing, certification, business plans, bidding, estimating and day-to-day operations of construct and design projects.
- Advertising opportunities in publications that reach the DBEs and other small businesses in the contracting. This includes publishing the DBE Program Public Notice inside and outside the Market Area. By doing so, this may bring the awareness to DBE firms of potential participation.

Through the bid and award process of past projects there appears to be no prejudices shown towards those DBE Contractors wishing to participate. DBE Contractors within the Port's market area have participated consistently on projects awarded by the Port.

Considerations for Race Conscious

Race conscious participation has not been considered.

Process

The Port of Pasco will submit this DBE goal to the FAA prior to issuance of the 2017 grants, and will maintain goals based on the established three year cycle. Before establishing the overall goal each term, the Port of Pasco will consult with the WSDOT OMWBE Directory and local DBE firms, trade associations, DBE Economic development groups, and DBE contractor associations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Port of Pasco's efforts to establish a level playing field for the participation of DBEs.

Public Notice

The Port will publish a notice of the proposed overall goal on their website (portofpasco@portofpasco.org) informing the public that the proposed goal and its rationale are available for inspection and comment during normal business hours at the Port's principal office for 30 days following the date of the notice. We will accept comments on the goals for 45 days from the date of notice.

Our overall goal submission to the FAA will include a summary of information and comments received and the Port's responses during the public participation process. We will begin applying our overall goal effective October 1st of each year, if possible. In all cases the overall goal will be effective prior to the publication of the Invitation for Bids of the construction projects.

Sample Public Notice Language:

PUBLIC NOTICE

The Port of Pasco hereby announces its FY 2017-2018 Disadvantaged Business Enterprise (DBE) Race-Neutral goal of 0.83% for airport construction projects. The proposed goal and rationale are available for inspection between 7:30 a.m. and 4:00 p.m., Monday through Friday at the Tri-Cities Airport Administrative Office, 3601 N. 20th Avenue, Pasco, WA for 30 days from the date of this publication.

Comments on the DBE overall goal may be sent to:

Port of Pasco
3601 N. 20th Avenue
Attn: Buck Taft, Deputy
Director of Airports
Pasco, WA 99301

or

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