

The Port of Walla Walla, Washington Walla Walla Regional Airport



FY 2019-2021 Goal Disadvantaged Business Enterprise (DBE) Program



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FY 2019-2021 DBE Goal

Overall Goals (\$26.45)

Amount of Goal – FY 2019-2021 Improvements

This document proposes a DBE goal for FY 2019-2021 for Walla Walla Regional Airport in Walla Walla, Washington. The projects referred to in this report appear on the most recent Capital Improvement Plan (CIP) for the Walla Walla Regional Airport.

The purpose of establishing a DBE goal is to promote the use of disadvantaged businesses in our geographical area and to assure FAA grant eligibility for projects at the Walla Walla Regional Airport.

The overall goal for FY 2019-2021 is 3.68% (Race Neutral Goal: 3.68%, Race Conscious Goal: 0%).

Method

Determining Types of Work

Table 1 below shows the upcoming projects for FY 2019-2021 at the Walla Walla Regional Airport based on their current Capital Improvement Plan (CIP). Estimated costs are also listed in Table 1. The equipment portion of the SRE procurement will not be included in the goal calculation, as no DBE opportunities are available when purchasing a piece of equipment from a supplier. The remaining projects create possible subcontracting opportunities in twelve (12) different disciplines, as listed in Table 2, paired with their respective NAICS codes.

Table 1: FY 2019-2021 Capital Improvement Projects

FY 2019 Project		FY 2020 Project		FY 2021 Project	
RW 2/20 RSA Design/Study	\$ 500,000	RW 2/20 RSA Construction	\$ 5,000,000	No project	\$ 0
RW 2/20 Fog Seal & Remarking	\$400,000	SRE Building Design/Build	\$2,000,000		
Snow Removal Equipment (\$100,00 – Engineering \$900,000 - Equipment Procurement, therefore not included in goal setting)	\$1,000,000				

Table 2: Disciplines Anticipated in FY 2019-2021 Projects

Discipline	NAICS	Discipline	NAICS	Discipline	NAICS
Airport Terminal Construction	236220	Electrical Contractors	238210	Engineering	541330
Storm Drainage	237110	Site Preparation Contractors	238910	Surveying	541370

Highway, Street, and Bridge Construction	237310	All Other Specialty Trade Contractors (Fence Installation)	238990	Material Testing	541380
Concrete Work (Foundations)	238110	Trucking	484220	Traffic Control	561990

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 Walla Walla as the reference point, the Market Area includes Columbia County to the west, Walla Walla County to the east, Franklin County to the north and Benton County to the south. The NAICS code that includes asphalt paving and pavement repair (237310) constitutes a large enough quantity of work that contractors may be willing to come from a larger distance to participate in the project. For this NAICS code, the Market Area was expanded to include Spokane, Yakima, Garfield, and Asotin counties. Additionally, geotechnical engineers are more willing to travel farther distances, so the four additional counties were also included for this work.

After establishing the Market Area, the “U.S. Census Bureau, 2016 County Business Patterns” was used to determine the number of available contractors and subcontractors for the work anticipated on these projects. The “DBE Directory” on the Washington State Office of Minority & Women’s Business Enterprises website was used to find DBE businesses in the Market area that did the type of work called out.

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 2019-2021 Projects

A two-step process is conducted to determine the opportunities for DBE: (1) Analysis and (2) Adjustment.

Step 1 – Analysis

Tables 3-7 below summarizes the total available businesses, total DBE businesses, and estimated available DBE contract dollars for each aspect of the FY 2019-2021 projects. The data source for the total available businesses comes from the US Census Bureau – County Business Patterns website. The Washington state OMWBE Directory provided the list of DBE businesses available. Table 8 lists the individual DBE contractors available in the Market Area.

Tables 3-7 are used to determine the percentage of the total estimated project costs which is available to DBE Contractors for each project. 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 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 for each category is multiplied by this percentage to determine the amount that would be paid to DBE firms if they were to do this work. Next, the amounts available for DBE firms in each category are totaled. Finally, the dollar value available to DBE firms is divided by the estimated combined project total. The result is the percentage of contract work available to DBE firms for each project. An overall goal for all the projects will be determined using a cumulative weighted average.

Table 3 2019 - RW 2/20 RSA Design/Study

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2019	Contract Dollars DBE
541330	Engineering	192	0	0.0%	\$475,000.00	\$0.00
541370	Land Surveying	8	2	25.0%	\$25,000.00	\$6,250.00
Total					\$500,000.00	\$6,250.00
Contract Work Available to DBE Firms:						1.25%

Table 4 2019 - RW 2/20 Fog Seal and Remarking

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2019	Contract Dollars DBE
237310	Highway, Street, and Bridge Construction	35	3	8.6%	\$250,000.00	\$21,428.57
541330	Engineering	192	0	0.0%	\$100,000.00	\$0.00
561990	Traffic Control	18	0	0.0%	\$50,000.00	\$0.00
Total					\$400,000.00	\$21,428.57
Contract Work Available to DBE Firms:						5.36%

Table 5 2019 - SRE Procurement \$1,000,000 Project, \$900,000 in Equipment

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2019	Contract Dollars DBE
541330	Engineering	192	0	0.0%	\$100,000.00	\$0.00
Total					\$100,000.00	\$0.00
Contract Work Available to DBE Firms:						0.00%

Table 6 2020 - SRE Building Design/Build

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2020	Contract Dollars DBE
236220	Airport Building Construction	9	0	0.0%	\$780,000.00	\$0.00
237310	Highway, Street, and Bridge Construction	35	3	8.6%	\$100,000.00	\$8,571.43
238110	Concrete Work	39	0	0.0%	\$100,000.00	\$0.00
238210	Electrical Contractors	78	0	0.0%	\$160,000.00	\$0.00
238910	Site Preparation Contractors	44	1	2.3%	\$60,000.00	\$1,363.64
238990	Fence Installation	30	0	0.0%	\$20,000.00	\$0.00
484220	Trucking	33	0	0.0%	\$100,000.00	\$0.00
541330	Engineering	192	0	0.0%	\$500,000.00	\$0.00
541370	Surveying	8	2	25.0%	\$40,000.00	\$10,000.00
541380	Material Testing	15	0	0.0%	\$100,000.00	\$0.00
561990	Traffic Control	18	0	0.0%	\$40,000.00	\$0.00
Total					\$2,000,000.00	\$19,935.07
Contract Work Available to DBE Firms:						1.00%

Table 7 20 - RW 2/20 RSA Construction

NAICS Code	Classification	Total Businesses	Total DBE Businesses	% DBE Business	Contract Dollars FY 2020	Contract Dollars DBE
237110	Storm Drainage	23	1	4.3%	\$750,000.00	\$32,608.70
237310	Highway, Street, and Bridge Construction	35	3	8.6%	\$2,500,000.00	\$214,285.71
238210	Electrical Contractors	78	0	0.0%	\$350,000.00	\$0.00
484220	Trucking	33	0	0.0%	\$500,000.00	\$0.00
541330	Engineering	192	0	0.0%	\$600,000.00	\$0.00
541380	Material Testing	15	0	0.0%	\$150,000.00	\$0.00
561990	Traffic Control	18	0	0.0%	\$150,000.00	\$0.00
Total					\$5,000,000.00	\$246,894.41
Contract Work Available to DBE Firms:						4.94%

A weighted average is used to determine the overall goal for these projects across the 3-year goal period:

$$\begin{aligned} & 1.25\% \times \$500,000 + 5.36\% \times \$400,000 + 0.00\% \times \$100,000 \\ & + 1.00\% \times \$2,000,000 + 4.94\% \times \$5,000,000 \\ \text{Weighted Ave} = & \frac{\text{-----}}{\$500,000 + \$400,000 + \$100,000 + \$2,000,000 + \$5,000,000} = 3.68\% \end{aligned}$$

The overall goal for 2019-2021 based on availability of DBE firms is 3.68%.

Table 8 lists the DBE firm in the Market Area that is available for the types of services required in the FY 2019-2021 projects.

Table 8: Disadvantaged Business Enterprises in the Market Area

	Business Name	Type of Work
1	Eller Corporation (Spokane)	Highway, Street, Bridge Construction (237310)
2	FFrazure Earthworks (Walla Walla)	Site Preparation Contractors (238910)
3	Guitz Tague Construction (Benton)	Surveying (541370)
4	Scout Lake Construction (Spokane)	Highway, Street, Bridge Construction (237310)
5	Total Site Services (Benton)	Storm Drainage (237110) Highway, Street, Bridge Construction (237310) Dump Trucking (484220)
6	White Shield (Franklin)	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 9 shows that no DBE participation occurred on the airport projects over the last five years.

Table 9: Past Participation

Year	Project	Goal	Achieved
2013	Environmental Assessment	1.46%	0.00%
2014	No Project		
2015	Rehab TW (Design), Fencing (Design & Const) ARFF Vehicle (Design)	1.86%	0.00%
2015	Update Airport Master Plan Study	1.86%	0.00%
2016	ARFF Procurement	1.86%	0.00%
2016	Rehab TW (Ph 2 Const)	1.86%	0.00%
2017	Rehab TW (Ph 3 Const)	1.86%	0.00%

No adjustment will be made based on past participation.

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, and therefore results from that study are not considered in this goal calculation. The Washington State Department of Transportation Aviation division is currently gathering data for a new disparity study for airports in the state. It is estimated to be completed in 2019.

Step 2(c) – Consultation

The FAA Civil Rights 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 will be 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 July 31, 2018 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 were sent to local Chamber of Commerce in Walla Walla, WA. DBE businesses shown in Table 8 were also contacted when possible regarding the teleconference. The Chambers of Commerce distributed the meeting notice to their entire membership. There was no participation on this call.

Step 2(d) – Adjusted DBE Goal

The overall DBE Goal will remain at the calculated 3.68%.

Breakout of Race Neutral and Race Conscious Participation

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

- Contracts will be unbundled to include pricing for separate items thus encouraging DBE participation;
- Notice of Invitation for Bids will be sent to the local newspaper to make minority, women, and/or small businesses aware of the project.

The Port of Walla Walla estimates that in meeting the established overall goal of 3.68%, it will obtain 3.68% from RN participation and 0.0% through RC measures.

This breakout is based on the fact that the state of Washington is in the United States Ninth Circuit Court of Appeal, which currently states that no Race Conscious goals are to be set. This may change after the Disparity Study that is being conducted is complete.

The Port will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation [see §26.51(f)] and track and report RN and RC participation separately.

For reporting purposes, RN 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.

Process

The Port of Walla Walla will submit this DBE goal to FAA prior to the issuance of the 2019 grant. Subsequent goals will be submitted by August 1 prior to the beginning of each goal period, starting in 2022.

Public Notice

The Port of Walla Walla will publish a notice of the proposed overall goal on their website (<http://www.portwallawalla.com>) informing the public that the proposed goal and its rationale are available for inspection and comment during normal business hours at the airport's principal office for 30 days following the date of the notice.

Our overall goal submission to the FAA will include a summary of information and comments received and the airport'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 upcoming construction project.

Sample Public Notice Language:

PUBLIC NOTICE

The Port of Walla Walla hereby announces its FY 2019-2021 Disadvantaged Business Enterprise (DBE) Race-Neutral goal of 3.68% for upcoming airport project. The proposed goal and rationale are available for inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday at the Walla Walla Regional Airport Administrative Office, 310 A Street, Walla Walla, WA for 30 days from the date of this publication.

Comments on the DBE overall goal may be sent to:

Port of Walla Walla
Attn: Jennifer Skoglund,
Airport Manager
310 A Street
Walla Walla, WA 99362

or

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