

METHODOLOGY for Establishing the FY 2018-FY 2020 Disadvantaged Business Enterprise (DBE) Goal for:

Cleveland Municipal Airport
Cleveland, MS

Name of Recipient: The City of Cleveland (City) owner of Cleveland Municipal Airport

Goal Period: FY 2018-FY 2020

DOT-assisted contract amount:	FY-2018	\$0
	FY-2019	\$823,500
	FY-2020	\$0
	Total	\$823,500

Overall Three-Year Goal: 10.5%, to be accomplished through 10.5% RC and 0.0% RN
(Note: the goal may be reflected as (1) an average of the three years; (2) three-year Median; or (3) weighted percentage)

Total dollar amount to be expended on DBE's: \$86,468 [multiply goal % x DOT-assisted amount]

Describe the number of DOT-assisted contracts that the airport anticipates awarding:

Contracts Fiscal Year 2018

No federally funded projects exceeding \$250,000 anticipated

Contracts Fiscal Year 2019

1. North Ramp Expansion - \$823,500

Contracts Fiscal Year 2020

No federally funded projects exceeding \$250,000 anticipated

Market Area:

The market area is the area where a substantial majority of the airport’s contractors and subcontractors come from and the area which the airports spend a substantial amount of their contracting dollars. Based on conversations with the consulting engineer with similar projects in the airport’s vicinity the normal market area for the Airport is based on four (5) counties in Mississippi. The normal market area is located in the following counties: Attala, Bolivar, Hinds, LeFlore, and Rankin.

Step 1. 26.45(c) Actual relative availability of DBE’s

The method used to calculate the relative availability of DBEs for Step 1 in this process is 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).

FY 2019 Project – North Ramp Expansion

This project involves expansion of the north ramp. This project lends itself to several opportunities to attract meaningful participation by certified DBE contractors, and the following table documents the relative availability of each of these trades. Note that available engineering firms will not be considered, as the airport currently has an engineering firm under contract, therefore no DBE opportunities will exist for this discipline.

This project should provide opportunities for DBE participation as documented in the following table:

Activity	NAICS CODES	DBE Firms	All Firms	Percentage of DBE Firms Available	Grant Amount	DBE Amount
Heavy Construction	237310					
Site Preparation	238910	17	162	10.5%	\$823,500	\$86,468
Seeding, erosion control	561730					

SOURCES:

1. *2015 County Business Patterns*, U.S. Census Bureau, April 20, 2017.
2. *Disadvantaged Business Enterprise Directory*, Mississippi Department of Transportation

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

Step 2: Adjustment to the Step 1 DBE Base Figure

After the Step 1 DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that *must* be considered when adjusting the base figure. These include:

“(i) The current capacity of DBEs to perform work in your DOT-assisted contracting program, as measured by the volume of work DBE’s have performed in recent years.” (26.45(d)(i))

“(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure...”

The airport has not had any similar projects that required a DBE goal in the past three years, so no adjustment will be made using past participation data.

49 CFR Part 26.45(d)(2) also states that the following must be considered for the purposes of considering an adjustment to the base figure:

“(i) Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in your program;

(ii) Data on employment, self-employment, education, training and union apprenticeship programs, to the extent you can relate it to the opportunities for DBEs to perform in your program.”

No disparity studies have been conducted for Bolivar County or for any of the surrounding counties in the area. There is no disparity data available to be used to adjust the base figure.

There were no data on statistical disparities in the jurisdiction that referenced the ability of DBEs to secure insurance, bonding, capital, etc.

Adjustment to Step 1 DBE Base Figure: Cleveland Municipal Airport

With all of the factors in Step 2 considered to this point, the City will not adjust the Step 1 base figure calculated above.

Fiscal Year	Project	Step 1	Step 2 adjustment	Overall Goal	Federal portion project costs	DBE Goal (dollars)
FY 2019	North Apron Expansion	10.5%	n/a%	10.5%	\$823,500	\$86,468

Since there are no other projects proposed that would require a DBE goal, the goal for FY 2019 is the overall DBE goal.

Resources: Cleveland Municipal Airport - Disadvantaged Business Enterprise Program Methodology (FY 2018 – FY 2020)

A. Resource Documents:

1. 2015 County Business Patterns, U.S. Census Bureau, April 20, 2017.
2. MDOT DBE List, June, 2018.

APPENDIX A:

PUBLIC COMMENTS

No comments were received from the public regarding the DBE goal for Cleveland Municipal Airport for FY 2018-FY 2020. The notice to the public was posted at <https://cityofclevelandms.com/> (see Appendix B).

The DBE subconsultant consultant hosted a tele-conference on Thursday, July 5, 2018, at 10:00 a.m. CST. There were 6 invitations sent out, however no one participated in the teleconference. A copy of the notice for the public consultation meeting is depicted below:

Cleveland Municipal Airport DBE public consultation teleconference **Thursday, July 5, 2018 10:00 AM – 10:30 AM CST.**

Call in number:

1-855-724-6501

Access Code: 28202

You are in receipt of this message because of the following:

- Your company is listed in the Mississippi Department of Transportation Certified DBE Directory
- Your company may be a prime contractor bidding on the project
- An organization that may have information regarding DBE businesses

The City of Cleveland, as owner and operator of the **Cleveland Municipal Airport** is a recipient of federal grant funds from the Federal Aviation Administration (FAA) to complete an Airport Improvement Project (AIP). As a condition of receiving the funds, the City of Cleveland is required to establish a Disadvantaged Business Enterprise (DBE) program plan. One of the requirements of the DBE plan is to have a [scheduled, direct, interactive exchange](#) with stakeholders. The purpose of the exchange is to give stakeholders the opportunity to become educated on the DBE program and to give input on the goal-setting process. Stakeholders are also asked to give their input on:

- **Barriers to participation in federally-funded projects**
- **The effects of discrimination on opportunities for DBE firms**
- **Ways to level the playing field to increase opportunities for all firms, including DBE firms.**

You are invited to take part in a short teleconference. The teleconference will be led by Keith Shippey of Barge Design Solutions on behalf of the City of Cleveland.

APPENDIX B:

NOTICE TO THE PUBLIC

**NOTICE TO THE PUBLIC
DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL
for
CLEVELAND MUNICIPAL AIRPORT
JANUARY 2, 2019**

The City of Cleveland hereby publishes a proposed overall goal for its Disadvantaged Business Enterprise (DBE) Program at Cleveland Municipal Airport for FY 2018-FY 2020. The proposed goal is **10.5%** for all FAA-AIP funded projects in FY 2018-FY 2020. The methodology used in developing this goal is available for inspection during normal business hours at the office of the **Airport Manager, Cleveland Municipal Airport, 1021 Airport Terminal Road, Cleveland, Mississippi 38732**, or at <https://cityofclevelandms.com/>. The City will receive and consider public comments on the proposed goal until **February 2, 2019**. Comments may be submitted to the City at the above address, or to keith.shippey@bargedesign.com.

For additional information and questions, please contact **Keith Shippey of Barge Design at 334-793-6266**, during normal business hours.

Attachment 6

Breakout of Estimated Race-
Neutral & Race-Conscious
Participation

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

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

1. *Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
2. *Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).*

The City estimates that in meeting its overall goal of 10.5%, it will obtain 0.0% from RN participation and 10.5% through RC measures.

This breakout is based on:

The City does not have a history of DBE participation or over-achievement of goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation. Therefore, we are applying the entire goal of 10.5% to race-conscious participation.

The City will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation (see Section 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.

PUBLIC PARTICIPATION

Consultation: Section 26.45(g)(1)

The City submits its overall DBE three-year goal to DOT on August 1 as required by the set schedule.

In establishing the overall goal, the City provided for consultation and publication. The consultation included minority-, women's and general contractor groups, and small business organizations that 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 City's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange via a tele-conference with as many interested stakeholders as possible focused on obtaining information relevant to the City's goal setting process. The consultation tele-conference was held on **July 5, 2018**, prior to the submission of the DBE goal methodology to the FAA for review pursuant to paragraph (f) of this section. The City documented in the goal submission the consultation process that was utilized (see Appendix A of Attachment 5).

Following this consultation, the City published a notice of the proposed overall goal on the City's website, informing the public that the proposed goal and its rationale were available for inspection during normal business hours at the office of the City of Cleveland for 30 days from the date of the notice.

Contract Goals

The City 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 our overall goal that is not projected to be met through the use of race-neutral means.

The City will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. The Airport 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 its contract goals as a percentage of the Federal share of a DOT-assisted contract.