

Attachment 5

SECTION 26.45: OVERALL DBE THREE-YEAR GOAL METHODOLOGY

Name of Recipient: *City of Kenai, Owner of Kenai Municipal Airport*

Goal Period: *FY 2024 – October 1, 2023 through September 30, 2024**

DOT-assisted contract amount:

FY-2024	\$	<u>4,782,500</u>
Total	\$	<u>4,782,500</u>

**The goal period is FY22-FY24, but due to late submission, only FY24 is included.*

Overall Three-Year Goal: 4.2%, to be accomplished through 0.0% RC and 4.2% RN

Total dollar amount to be expended on DBE's: \$ 229,560

Describe the Number and Type of Projects that the airport anticipates awarding:

Projects Fiscal Year #1 – FY 2022 – N/A

Projects Fiscal Year #2 – FY 2023 – N/A

Projects Fiscal Year #3 – FY 2024

1. Apron Improvements (Crack Seal, Pavement Markings) - \$2,170,200
2. Acquire SRE - \$1,218,800
3. Airport Master Plan, Phase 1 - \$738,300
4. Boiler Replacement - \$655,300

Market Area: The market area for the Kenai Municipal Airport includes the Kenai Peninsula Borough, Matanuska-Susitna Borough, and Municipality of Anchorage.

Step 1. Determining a Base Figure Actual Relative Availability of DBEs

The base figure was determined using the actual relative availability of DBEs method. The actual relative availability of DBEs was calculated using DBE directories and census bureau data, to establish the weighted availability of DBE firms based on the scope and preliminary cost estimate of the anticipated projects during the goal setting period. Work items from project estimates were divided into relevant North American Industry Classification System (NAICS) Codes.

The Alaska Department of Transportation and Public Facilities Civil Rights Office maintains the Alaska Unified Certification Program (AUCP) DBE directory. The directory shows DBEs available within each NAICS code, and specifies regions where the DBE is willing to perform work. Alaska is split into three regions: Northern, Central, and South Coast. DBEs located within the State of Alaska, and willing to perform work in the Central region were included as the number of DBE firms.

The federal government's data from the US Census County Business Patterns was accessed to determine the total number of businesses available per NAICS code. To stay consistent with the DBE directory, the statewide number was used when considering the total number of available firms.

Data Sources:

- DBE Directories:

- Census Bureau Data from <https://data.census.gov/cedsci/table?g=0400000US02&n=N0600.00>

A summary of the total contract awards per fiscal year is summarized in the table below.

<i>Fiscal Year</i>	<i>Total Projected Contract Amounts Per Fiscal Year*</i>	<i>Total Projected DBE Amounts Per Fiscal Year, Based on Availability Per Applicable Trade & Region</i>	<i>Projected DBE Participation, %</i>
2024	\$4,782,500	\$360,668	7.5%
Total Projected Contracts, FY24:		\$4,782,500	
Total DBE Availability/Trade & Region, FY22-FY24:		\$360,668	
DBE Base Goal:		7.5%	

**Cost breakdowns of each contract and their projected amounts can found under Appendix A-1 at the back of this report.*

When multiple years of projected contract awards are available, dividing the weighted DBE totals by the total estimate for all trades gives a base DBE availability figure for the projects anticipated during the goal-setting period. This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

DBE Base Goal: 7.5%

Step 2. Adjustments to Step 1 Base Figure:

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment to the base figure was needed in order to arrive at the overall goal.

Past History Participation

One piece of data used to determine the adjustment to the base figure was the median of historical DBE participation accomplishments. From FY18 – FY21, the City of Kenai entered into contracts for DOT-assisted projects similar in nature to the anticipated contracts during this goal period. DBE participation accomplishments are shown below:

<i>FY</i>	<i>Total Contract Amounts Awarded</i>	<i>DBE Goals</i>			<i>Accomplishments</i>			<i>Type of work</i>
		<i>RC</i>	<i>RN</i>	<i>Total</i>	<i>RC</i>	<i>RN</i>	<i>Total</i>	
2018	\$10,619,995	0%	21.0%	21.0%	0%	3.2%	3.2%	Terminal Building Construction and Professional Services
2019	\$6,553,963	0%	2.0%	2.0%	0%	0.9%	0.9%	Runway, Taxiway, Apron Construction; ARFF Training Facility Construction; ARFF Vehicle Acquisition
2020	\$265,681	0%	2.0%	2.0%	0%	0.0%	0.0%	Land Acquisition; SRE Acquisition; Professional Services; and Sand Storage Building Construction
2021	\$5,422,433	0%	2.0%	2.0%	0%	0%	0%	Professional Services; ARFF Training Facility Construction; ARFF Vehicle and SRE Acquisition; Sand Storage Building

								<i>Construction; and Runway Safety Area Improvements</i>
2022	\$0	0%	2.0%	2.0%	0%	0%	0%	N/A

The type of work listed in FY 2018 was dissimilar to the work anticipated in FY 2024 and was therefore excluded from the historical DBE participation analysis. FY 2019 provided the only DBE accomplishments that were similar in nature to the anticipated projects and thus was used to compare past history participation. To arrive at an overall goal, the Step 1 base figure of 7.5% and the Step 2 historical participation of 0.9% were averaged, arriving at an overall goal of **4.2%**.

The City of Kenai believes this adjusted goal of 4.2% accurately reflects DBE participation that can be achieved for the type of work being awarded during this three-year period.

Disparity Study

The City of Kenai has not completed its own disparity study, but rather relies on the disparity study of the Alaska Department of Transportation & Public Facilities. ADOT&PF completed a disparity study in 2020, conducted by MGT of America, Inc. While the study found disparity during the 2014-2019 study period, "DOT&PF should be commended for maintaining fairly strong M/W/DBE subcontractor utilization in the absence of DBE goals. Based on this level of non-goal M/W/DBE subcontractor participation, there continues to not be a strong factual predicate for across-the-board race- and gender-conscious DBE subcontractor goals or setting a race-conscious component of the annual DBE goal."

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

The recipient will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation, including:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates 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. Providing information 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 prime bidders lists of potential subcontractors.);
3. Providing technical assistance and other services;
4. Providing services to help DBE's and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
5. Utilizing the ACUP program and statewide DBE directory and making the directory location known to prime contractors.

The City of Kenai estimates that in meeting its overall 4.2% goal, it will obtain 4.2% from RN participation and 0% through RC measures.

This breakout is based on the ADOT&PF 2020 Disparity Study that found that there was not evidence to support setting a race-conscious goal.

The City of Kenai 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

In establishing the overall goal, the City of Kenai provided opportunity for consultation and publication. This process included consultation with minority, women's, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effect of discrimination on opportunities for DBEs, and the City of Kenai's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and was conducted before the goal methodology was submitted to the FAA for review.

The consultation included a meeting held in person and through teleconference on November 7, 2023. The following groups were invited via email: Associated General Contractors of Alaska, American Council of Engineering Companies of Alaska, ADOT&PF Civil Rights, Municipality of Anchorage Civil Rights, and all firms listed in the DBE directory as interested in doing work in the DOT&PF Central Region. There were four attendees that participated in the meeting, but no comments were received during the course of the consultation that would affect the goal setting process.

A notice of the proposed goal was published on the City of Kenai official website before the methodology was submitted to the FAA. If the proposed goal changes following review by the FAA, the revised goal will also be posted on the City of Kenai official website.

Notwithstanding paragraph (f)(4) of §26.45, the City of Kenai proposed goals will not be implemented until this requirement has been met.

Appendix A1 - Anticipated Projects and Contract Awards
Kenai Municipal Airport

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #1: Apron Improvements (Crack Seal and Marking) (EA, Design, Construction)	Mobilization, Safety, Pavement Maintenance (Crack Sealing) and Markings	Highway, Street, And Bridge Construction	237310	\$1,131,900	87	31	35.6%	\$402,956
	SWPPP	Environmental Consulting Services	541620	\$64,800	73	22	30.1%	\$19,505
	Construction Surveying	Surveying and Mapping (except geophysical) services	541370	\$184,300	162	4	2.5%	\$4,608
	Traffic Maintenance	All Other Specialty Trade Contractors	238990	\$228,400	73	22	30.1%	\$68,748
	Equipment Rental	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	532412	\$69,800	37	3	8.1%	\$5,654
	Trucking	General Freight Trucking, Local	484110	\$13,000	56	9	16.1%	\$2,093
	Design and Construction Management Services	Engineering Services	541330	\$403,300	246	21	8.5%	\$34,281
	City Administration	NA	NA	\$74,700	NA	0	0.0%	\$0
Total Contract #1				\$2,170,200			24.8%	\$537,845

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #2: Acquire SRE (Loader & Sander)	Acquire SRE	NA	NA	\$1,157,813	NA	0	0.0%	\$0
	Trucking	General Freight Trucking, Local	484110	\$60,900	56	9	16.1%	\$9,805
	City Administration	NA	#REF!	\$0	NA	0	0.0%	\$0
Total Contract #2				\$1,218,700			0.8%	\$9,805

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #3: Airport Master Plan, Phase 1	Airport Planning	Engineering Services	541330	\$703,100	246	21	8.5%	\$59,764
	City Administration	NA	NA	\$35,200	NA	0	0.0%	\$0
Total Contract #3				\$738,300			8.1%	\$59,764

Contract Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Contract #4: Airport Operations Center - Boiler Replacement	Mobilization, Safety	Highway, Street, And Bridge Construction	237310	\$34,000	20	7	35.0%	\$11,900
	Boiler Replacement	Plumbing, Heating, and Air-Conditioning Contractors	238220	\$455,500	251	6	2.4%	\$10,932
	Trucking	General Freight Trucking, Local	484110	\$4,500	56	9	16.1%	\$725
	Equipment Rental	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	532412	\$16,600	37	3	8.1%	\$1,345
	Design and Construction Management Services	Engineering Services	541330	\$122,000	246	21	8.5%	\$10,370
	City Administration	NA	NA	\$22,600	NA	0	0.0%	\$0
Total Contract #4				\$655,200			5.4%	\$35,272
Total FY- [2024]				\$4,782,400			13.4%	\$642,686