

ATTACHMENT 5

Overall DBE Three-Year Goal Methodology

Name of Recipient: Carter County, (The Sponsor)

Goal Period: Federal Fiscal Years 2024-2026 – October 1, 2023, through September 30, 2026

The Sponsor calculates the goal using the criteria set forth in 49 CFR Part 26.45. The determination of the level of DBE participation is based on the availability of all DBE businesses that are ready, willing, and able to participate in FAA-assisted contracts in the State of Montana in relationship to all comparable businesses which are known to be available to compete for FAA-assisted contracts.

Overall Three-Year Goal: 8.3%, to be accomplished through 0.0% Race Conscious and 8.3% Race Neutral means.

This methodology and the supporting evidence comply with the requirements of the federal regulations and federal guidance, as well as relevant court decisions, including *Western States Paving v. Washington State Dept. of Transportation*, 907 F.3d 963 (9th Cir. 2005).

For Federal Fiscal Years 2024 through 2026, the following projects are anticipated for the Ekalaka Airport:

Contract(s) Fiscal Year 2024 - \$256,500

Project 1: Rehabilitate Runway, Taxiway, and Apron

Project 2: Conduct Environmental Study

Contract(s) Fiscal Year 2025 - \$180,000

Project 1: Land Acquisition for Runway Extension

Contract(s) Fiscal Year 2026 - \$0.00

No Projects

Market Area: The market area is the area in which most of the Airport's contractors and subcontractors that seek to do business with the Airport are located and the area in which the Airport spends the majority of its contracting dollars. For the type of work proposed, this market area consists of the State of Montana.

Step 1. Determining the Base Figure

For the Step 1 Base Figure, the Sponsor determined the relative DBE availability in accordance with 49 CFR Part 26.45 (c)(3), which is to use data from a Disparity Study. Since the Disparity Study did not look at vertical construction, the Sponsor used 49 CFR Part 26.45 (c)(1) DBE Directory and Census Bureau Data to establish availability for the building construction. Land Acquisition projects do not require a DBE goal, so it will not be included in the Step 1 analysis. However, because it is AIP funded, it is included as an anticipated project.

Table 1 calculates the DBE availability using the 2022 Disparity Study data and anticipated work types and associated costs for all projects in 2024, 2025 and 2026 for the Ekalaka Airport. Appendix A provides the cost breakdown by year and project and the weighted DBE goal associated with the costs.

Table 1 – Weighted DBE Availability using 2022 Disparity Study Data

Work Type	Work Type Description						
Construction							
Runway and taxiway construction	Heavy construction work on runways and taxiways	Y	\$ 117,000.00	4.6%	0%	4.6%	\$5,438
Asphalt paving	Paving, resurfacing, and pavement marking			9.0%	0%	9.0%	\$0
Excavation, site prep, grading, and drainage	Preparing land for construction			9.0%	0%	9.0%	\$0
Traffic control, barricades, and signs	Traffic control goods and services	Y	\$ 9,000.00	0.0%	0%	0.0%	\$0
Fencing	Installation and sale of fencing			26.9%	0%	26.9%	\$0
Water, sewer, and utility lines	Underground utility work and drainage			9.0%	0%	9.0%	\$0
Concrete, asphalt, sand, and gravel products	Sale of concrete, asphalt, and aggregates			5.4%	0%	5.4%	\$0
Electrical equipment and supplies	Sale of electrical equipment and supplies			9.0%	0%	9.0%	\$0
Building construction	Vertical construction related to buildings			4.4%	0%	4.4%	\$0
Electrical work	Installation of airport lights and signals			14.0%	0%	14.0%	\$0
Concrete work	Concrete pouring and maintenance			17.0%	0%	17.0%	\$0
Landscape services	Landscape including seeding and mulching			12.7%	0%	12.7%	\$0
Trucking, hauling and storage	Any type of trucking			17.4%	0%	17.4%	\$0
Plumbing and HVAC	Plumbing, heating, and air conditioning work			7.7%	0%	7.7%	\$0
Professional Services							
Engineering	Engineering services	Y	\$ 130,500.00	12.2%	0%	12.2%	\$15,877
Environmental services and transportation consulting	Environmental consulting and airport obstruction analysis			12.2%	0%	12.2%	\$0
Testing and inspection	Safety testing			16.3%	0%	16.3%	\$0
Surveying and mapping	Collection of geospatial data related to construction			12.2%	0%	12.2%	\$0
Advertising, marketing and public relations	Marketing and public relations firms			12.2%	0%	12.2%	\$0
Other Industries							
Other construction services	Other construction services not in previous categories			9.0%	0%	9.0%	\$0
Other construction materials	Other construction materials not in previous categories			9.0%	0%	9.0%	\$0
Other professional services	Other professional services not in previous categories			12.2%	0%	12.2%	\$0
<i>*National Market products or services are those for which local firms cannot compete with a national vendor, resulting in no local availability</i>							
Sum of Available Work Item Amounts (L):							\$21,315
Total Project Amount (M):							\$256,500
Base Contract Goal (N):							8.3%

The weighed DBE availability calculation and step 1 base figure is **8.3%**.

Step 2: Adjustments to the Base Figure

During Step 2, the Sponsor examined all evidence available in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall DBE participation goal. The Sponsor considered the following Step 2 adjustments:

- Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
- Information related to employment, self-employment, education, training and unions;
- Any disparities in the ability of DBEs to get financing, bonding, and insurance; and
- Other relevant factors

Current Capacity

Not enough historical data on DBE participation for projects at the Ekalaka Airport is available to reference to make an adjustment to the Step 1 base figure; therefore, the Sponsor did not make a current capacity adjustment to the Step 1 figure.

Employment, Education, Training, and Unions

The 2022 Disparity Study conducted analysis related to marketplace conditions in Montana and found that there are barriers that certain minority groups and women face related to entry and advancement and business ownership in the Montana construction and engineering industries. Specifically, Native Americans working in the Montana construction industry were less likely than non-minorities to own construction businesses and women working in the Montana engineering industry were less likely than men to own engineering companies.

The Study also estimated the availability of minority- and women-owned firms but for the effects of race- and gender-based discrimination and determined there could be a possible upward adjustment to the base figure.

The amount as it relates to the work types at the Ekalaka Airport is not quantifiable, therefore, the Sponsor chose not to make a step 2 adjustment based on this data.

Financing, Bonding, and Insurance

The 2022 Disparity Study found quantitative and qualitative evidence of disadvantages for minorities, women, and minority- and women-owned firms relating to access to financing and bonding. Although the analysis indicates an upward adjustment could be made to address these barriers, the impact of those factors could not be quantified. As a result, the Sponsor chose not to make this Step 2 adjustment.

Other Factors

The other factors examined in the 2022 Disparity Study were related to success of minority- and women-owned firms relative to majority-owned businesses in the Montana marketplace. The Study noted quantitative evidence that minority- and women-owned firms are less successful than majority-owned firms and face greater barriers in the marketplace. There was also qualitative information that suggests discrimination based on race, ethnicity and gender affects minority- and women-owned firms in the Montana transportation contracting industry. Although the analysis indicates an upward adjustment could be made to address these barriers, the impact of those factors could not be quantified (2022 Disparity Study). As a result, the Sponsor chose not to make this Step 2 adjustment.

Final Step 2 Adjustments to Step 1 Base Figure

After examining all evidence available and evaluating all Step 2 adjustment options, the Sponsor elected to not make any adjustments to the Base Figure. The overall DBE participation goal for the Ekalaka Airport (97M) for Fiscal Years 2024 through 2026 is **8.3%**.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation.

Per 49 CFR Section 26.51, the Federal DBE Program requires state and local transportation agencies to meet the maximum feasible portion of their overall DBE goals using race- and gender-neutral measures. Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs.

MDT engaged a consultant to conduct a Disparity Study, which focused on participation of minority- and women-owned firms in MDT’s contracts from October 2015 through September 2020. The Study was completed in October of 2022.

The Study found that minority- and women-owned firms were underutilized based on their availability. The Study also noted both quantitative and qualitative information suggesting that there is not a level playing field for minority- and women-owned businesses in the Montana transportation contracting industry. As a result, the Study indicated that race- and possibly gender-conscious means may need to be implemented for the portion of the overall goal that cannot be met solely through race neutral measures. While race- and possibly gender-conscious methods may be used, the Sponsor believes that it can meet the maximum feasible portion of the overall DBE goal solely through race- and gender-neutral measures, in accordance with 49 CFR 26.51. In order to meet the overall DBE goal, the Sponsor is committed to working with MDT to implement race neutral measures that encourage small business and DBE participation. If the Uniform Report indicates that the Sponsor fell short or will fall short of meeting the overall goal, the Sponsor will re-evaluate how much of the overall goal can be met through race neutral means and whether additional race- and gender-neutral

measures might further encourage the participation of minority- and woman-owned businesses in its contracts and procurements.

In order to meet the overall **8.3%** DBE goal, the Sponsor is committed to implementing race neutral measures that encourage small business and DBE participation. Race-and gender-neutral steps include:

- A Quote Request System that allows prime contractors to solicit bids from DBE firms.
<https://app.mdt.mt.gov/dbeqt/>
- Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
- Unbundling of large contracts;
- Subcontract work the prime contractor may self-perform;
- Provide technical assistance;
- Carrying out information and communications programs on contracting procedures and specific contract opportunities;
- Ensuring distribution of MDT's DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

For reporting purposes, Race Neutral DBE participation includes, but is not 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;
- 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:

In establishing the overall goal, the Sponsor provided 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 effects of discrimination on opportunities for DBEs, and the Sponsor'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 operating administration for review. Details of the consultation are as follows.

The consultation engaged in was an in-person Public Meeting (with a virtual meeting option) hosted by the Montana Department of Transportation (MDT), which was held at 11:00AM, June 28, 2023, in Helena, MT. MDT sent out a notification of invitation to attend the meeting.

The following comments were received during the course of the consultation:

[summary of comments]

A notice of the proposed goal was published on the Sponsor's official website before the methodology was submitted to FAA.

If the proposed goal changes following review by FAA, the revised goal will be posted on the Sponsor's official website.

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

Sample Public Notice Language:

PUBLIC NOTICE

Carter County hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of **8.3%** for FAA-funded contracts/agreements. The proposed goal pertains to federal fiscal years 2024 through 2026.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

Troy Fruit, DBELO
Ekalaka Airport
PO Box 315
Ekalaka, MT 59324
fruit@midrivers.com

AND

Sonia G. Cruz
FAA Compliance Specialist
Office of Civil Rights – ACR-4
Federal Aviation Administration
Sonia.cruz@faa.gov

Appendix A – Weighted DBE Goal by Year and Project

FY2024 Project 1 – Rehabilitate Runway, Taxiway, Apron

Type of Work	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Engineering	12.2%	58,500	31.7%	3.9
Runway and taxiway construction	4.6%	117,000	63.4%	2.9
Traffic control, barricades, and signs	0%	9,000	4.9%	0
		184,500		
Total				6.80

FY2024 Project 2 – Conduct Environmental Study

Type of Work	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Engineering	12.2%	72,000	100%	12.2
		72,000		
Total				12.20

FY2024 – All Projects Combined

Type of Work	DBE Availability	Estimated Dollar Value	% of Total Contract	Weighted DBE Availability
Engineering	12.2%	130,500	50.8%	6.2
Runway and taxiway construction	4.6%	117,000	45.7%	2.1
Traffic control, barricades, and signs	0%	9,000	3.5%	0
		256,500		
Total				8.30