

DBE GOAL METHODOLOGY
49 CFR PART 26
TROY MUNICIPAL AIRPORT
TROY, ALABAMA
FY 2021-FY2023
FISCAL YEAR 2021

A. UPDATE OF GOALS - To make the program as useful as possible to the public, the City of Troy, Troy, Alabama will update the "amount," "method," and "breakout" portions of this section of the program annually, or as required. The following sections will be submitted to the FAA every year for approval: Amount of Overall goal section, Method used for establishing overall goals, Process, Race-neutral/Race conscious breakout, and contract goals. The material on overall goals in the DBE program will be a shorter summary of the material submitted annually, or as required, in the overall goal submission.

B. AMOUNT OF GOAL - The City of Troy's overall goal for FY 2021 is 9.88% of the Federal financial assistance we will expend in FAA-assisted contracts. We expect to let projects during this FY in the amount of \$1,955,925.00 this means that our DBE goal is set at \$193,245.00 for this Fiscal Year. This overall goal is intended for information of public users of the program, and does not imply that the FAA, as such, has approved the goal.

C. METHOD STEP 1: In the development of the DBE goal for the Troy Municipal Airport, the first step was to establish the availability of ready, willing, and able DBE businesses that were capable of participating in the type of contracts that were programmed during FY 2021. The total grant that is anticipated at the Troy Municipal Airport is \$1,955,925.00 and includes Runway 7/25 Mill and Overlay, along with the professional effort associated with such a project. An analysis of the project indicates that funds will be expended in the following areas:

TROY MUNICIPAL AIRPORT PROJECT ANALYSIS FY 2021			
TASK	NAICS	AMOUNT	PERCENTAGE
General Contractors	236220	\$189,000	9.66%
Street & Highway	237310	\$1,340,775	68.55%
Trucking	484220	\$171,000	8.74%
Engineering	541330	\$221,130	11.31%
Survey	541370	\$34,020	1.74%
TOTAL		\$1,955,925	100.00%

The weighting factor is the value of each work item based on cost as a fraction of the whole project.

The formula to be used to calculate the Base Figure for the DBE goal is as follows:

$$\frac{\text{Total DBE Firms in the State by County/ NAICS Code of Work to be Performed}}{\text{Total Firms in the State by County/NAICS Code of Work to be Performed}} \times 100 = \text{Base Figure}$$

A review of recent bidder information revealed bidders from the following counties in Alabama: Houston, Montgomery, Pike and Covington counties. These counties will be used as the market area for this project.. It was generally agreed that the most comprehensive directory for DBE firms in Alabama was the UCP DBE Directory that has been established by the Alabama Department of Transportation. This directory contains DBE firms that are certified in accordance with 49 CFR Part 26. The list was refined by identifying firms that could participate in the project by their appropriate NAICS code. The resulting number will be used as the numerator in determining the Base Figure.

The next step in establishing the Base Figure was to determine our denominator. This was accomplished through the use of the Census Bureau's County Business Pattern (CBCBP) and the identification of the NAICSs that were the same as those identified from the Directory. With these figures in hand, we compute our Base Figure using the following mathematics:

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0966\left(\frac{\text{ANAI}CS236220}{\text{NAICS}236220}\right) + .6855\left(\frac{\text{ANAI}CS237310}{\text{NAICS}237310}\right) + .0874\left(\frac{\text{ANAI}CS484220}{\text{NAICS}484220}\right) + .1131\left(\frac{\text{ANAI}CS541330}{\text{NAICS}541330}\right) + .0174\left(\frac{\text{ANAI}CS541370}{\text{NAICS}541370}\right)}{}$$

ANAI CS- Alabama DBE Directory NAICS

NAICS – Census Bureau's County Business Pattern (CBCBP) Data Base

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0966\left(\frac{1}{72}\right) + .6855\left(\frac{3}{29}\right) + .0874\left(\frac{8}{32}\right) + .1131\left(\frac{1}{77}\right) + .0174\left(\frac{0}{7}\right)}{}$$

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0013 + .0709 + .0219 + .0015 + .0000}{}$$

$$\frac{\text{Base}}{\text{Figure}} = 9.56\%$$

STEP 2: With the Base Figure established our next step was to more finely tailor this figure to reflect conditions which have occurred at the Troy Municipal Airport. Currently there are no known disparity studies completed in this area of the State of Alabama. The City of Troy has considered the suggested options outlined in 49 CFR Part 26 and determined that past performance is the information available to determine if an adjustment to our Base Figure is warranted. It was felt that a sampling of like type projects that have taken place in Alabama would be appropriate for use in determining if an adjustment was required to the Base Figure. Listed below are the projects that were included for analysis. As you will note, each of these projects is of a similar nature to the project that is being anticipated in the 2021 time frame at the Troy Municipal Airport:

<p>LIKE TYPE FAA PROJECT TROY MUNICIPAL AIRPORT</p>
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YEAR	LOCATION	PROJECT TYPE	% OF DBE PARTICIPATION
2014	Scottsboro	Runway Overlay	4.30%
2013	Ozark	Apron Overlay	10.20%*
2000	Wetumpka	Runway Overlay	13.64%
*MEDIAN			

The next step was to determine if any adjustment might be needed to the Base Figure. It was determined that the Median of the three projects was 10.20%, and it was felt that the Base Figure should be adjusted to cater for this variance.

A summary of this analysis yields the following:

MEDIAN PERCENTAGE	10.20%
BASE FIGURE	+ <u>9.56%</u>
	19.76% ÷ 2 = 9.88%

Satisfied that the Median Percentage was valid, the final step in the comparison was the development of a simple average of the Base Figure and the Median Percentage to establish a final percentage. The result was 9.88%. It was felt that the Base Figure of 9.56% should be adjusted for this variance. The Average Percentage of 9.88% is established as the goal for DBE participation at the Troy Municipal Airport for FY 2021.

D. PROCESS - The City of Troy submits its overall goal for FY 2021 to the FAA in September, 2020 for their consideration and approval. Before establishing the overall goal each year, the City has personally consulted with the stakeholders to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on opportunities for DBEs. The City's efforts are to establish a level playing field for the participation of DBEs. The City has conducted a stakeholder consultation via teleconference to discuss the DBE goal setting process and efforts to achieve the goal along with outreach. The City has published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the City's principal office for 30 days following the date of the notice, and informing the public that the City and FAA will accept comments on the goals for 30 days from the date of the notice. This information was published on the City of Troy Airport's website at <http://www.troyal.gov/KTOI> and made available to the Office of Minority Business Development at the State of Alabama. Normally, the City will issue this notice by June 1 of each year. The notice will include the City's addresses to which comments may be sent. The overall goal submission to the FAA will include a summary of information and comments received during this public participation process and the City's responses. We will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT (or if the goal is established on a project basis, by the time of the first solicitation for a DOT-assisted contract for the project). The consultation discussions were held on September 24, 2020 at 9:00 am CST with the following agencies/persons with no comments received

CITY OF TROY AGENCIES/PERSONS CONSULTED WITH	
Agency/Organization	Discussion/Information
Ms. Melissa Sanders, Planning Administrator City of Troy	Availabilities of DBEs, Certification, Directories, DBE Goal Setting, Good Faith Efforts
Michelle Conway, PE GMC	Availabilities of DBEs, Certification, Directories, DBE Goal Setting, Good Faith Efforts
Taffy Pippin, Consultant Taffy Pippin Consulting, LLC	Availabilities of DBEs, Certification, Directories, DBE Goal Setting, Good Faith Efforts
Clayton Pippin, Planner Taffy Pippin Consulting, LLC	Availabilities of DBEs, Certification, Directories, DBE Goal Setting, Good Faith Efforts

Public comments have been requested for the FY 2021 goal and the 30 day comment period is underway. Any comments received from the public advertisement or the other coordination will be evaluated and necessary changes will be made to the goal and included in the contract documents for the project.

E. RACE CONSCIOUS AND RACE NEUTRAL GOALS: The City of Troy will make every feasible effort to meet its goal through race-neutral means. Each time The City of Troy submits an overall goal for review by the FAA, the City will also submit a projection of the portion of the goal that is expected to be met through race-neutral means and the basis for that projection. This projection is subject to approval by the FAA, in conjunction with its review of the City's overall goal. The City will establish contract goals to meet any portion of an overall goal when the City does not project being able to meet using race-neutral means.

We estimate that, in meeting the overall goal of 9.88%, that 9.82% of the goal will be attained from race-conscious participation and 0.06% via race-neutral participation measures. This is an attainable goal based on the history of DBE participation in prior projects and the availability of current DBE contractors.

This breakout was established by computing the median of the variance of the level of DBE participation vs. DBE goal on the three projects considered in Step 2 (see page 3) of the overall goal participation computation. The Median Percentage was 0.06% and we felt it is an attainable goal for race-neutral participation. The following is the level of variance in each of the projects:

LIKE TYPE FAA PROJECT VARIANCE TROY MUNICIPAL AIRPORT				
YEAR	LOCATION	DBE GOAL	% OF DBE PARTICIPATION	VARIANCE
2014	Scottsboro	10.01%	4.30%	-5.71%
2013	Ozark	10.14%	10.20%	0.06% *
2000	Wetumpka	13.01%	13.64%	0.63%
*Median				

F. CONTRACT GOALS

The City of Troy will use contract goals to meet any portion of the overall goal that the City 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.

G. THREE YEAR GOAL - As FY 2023 did not meet the monetary threshold requiring a DBE goal, 0.00% will serve merely as a place holder. Based on the methodologies and calculations for FY 2021 – FY 2023, Troy Municipal Airport submits the following average as a three year goal.

FY 2021		9.88%
FY 2022		10.07%
FY 2023	+	<u>0.00%</u>
		19.95% ÷ 2 = 9.98%

References:

Alabama UCP List of Certified DBE Firms, September 2020
2018 – U.S. Census Bureau/American Fact Finder September 2020

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B. Amount of Goal - The City of Troy's overall goal for FY 2022 is 10.07% of the Federal financial assistance we will expend in FAA-assisted contracts. We expect to let projects during this FY in the amount of \$1,082,970.00 this means that our DBE goal is set at \$109,055.00 for this Fiscal Year. This overall goal is intended for information of public users of the program, and does not imply that the FAA, as such, has approved the goal.

C. METHOD STEP 1: In the development of the DBE goal for the Troy Municipal Airport, the first step was to establish the availability of ready, willing, and able DBE businesses that were capable of participating in the type of contracts that were programmed during FY 2022. The total grant that is anticipated at the Troy Municipal Airport is \$1,082,970.00 and includes Parallel Taxiway Mill and Overlay, along with the professional effort associated with such a project. An analysis of the project indicates that funds will be expended in the following areas:

TROY MUNICIPAL AIRPORT PROJECT ANALYSIS FY 2022			
TASK	NAICS	AMOUNT	PERCENTAGE
General Contractors	236220	\$45,000	4.16%
Street & Highway	237310	\$811,080	74.89%
Trucking	484220	\$85,500	7.89%
Engineering	541330	\$122,490	11.31%
Survey	541370	\$18,900	1.75%
TOTAL		\$1,082,970	100.00%

The weighting factor is the value of each work item based on cost as a fraction of the whole project.

The formula to be used to calculate the Base Figure for the DBE goal is as follows:

$$\frac{\text{Total DBE Firms in the State by County/ NAICS Code of Work to be Performed}}{\text{Figure Total Firms in the State by County/NAICS Code of Work to be Performed}} \times 100 = \text{Base}$$

A review of recent bidder information revealed bidders from the following counties in Alabama: Houston, Montgomery, Pike and Covington counties. These counties will be used as the market area for this project. It was generally agreed that the most comprehensive directory for DBE firms in Alabama was the UCP DBE Directory that has been established by the Alabama Department of Transportation. This directory contains DBE firms that are certified in accordance with 49 CFR Part 26. The list was refined by identifying firms that could participate in the

project by their appropriate NAICS code. The resulting number will be used as the numerator in determining the Base Figure.

The next step in establishing the Base Figure was to determine our denominator. This was accomplished through the use of the Census Bureau's County Business Pattern (CBCBP) and the identification of the NAICSs that were the same as those identified from the Directory. With these figures in hand, we compute our Base Figure using the following mathematics:

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0416\left(\frac{\text{ANAICS236220}}{\text{NAICS236220}}\right) + .7489\left(\frac{\text{ANAICS237310}}{\text{NAICS237310}}\right) + .0789\left(\frac{\text{ANAICS484220}}{\text{NAICS484220}}\right) + .1131\left(\frac{\text{ANAICS541330}}{\text{NAICS541330}}\right) + .0175\left(\frac{\text{ANAICS541370}}{\text{NAICS541370}}\right)}{}$$

ANAICS- Alabama DBE Directory NAICS

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$$\frac{\text{Base}}{\text{Figure}} = \frac{.0416\left(\frac{1}{72}\right) + .7489\left(\frac{3}{29}\right) + .0789\left(\frac{8}{32}\right) + .1131\left(\frac{1}{77}\right) + .0175\left(\frac{0}{7}\right)}{}$$

$$\frac{\text{Base}}{\text{Figure}} = \frac{.0006 + .0775 + .0197 + .0015 + .0000}{}$$

$$\frac{\text{Base}}{\text{Figure}} = 9.93\%$$

STEP 2: With the Base Figure established our next step was to more finely tailor this figure to reflect conditions which have occurred at the Troy Municipal Airport. Currently there are no known disparity studies completed in this area of the State of Alabama. The City of Troy has considered the suggested options outlined in 49 CFR Part 26 and determined that past performance is the information available to determine if an adjustment to our Base Figure is warranted. It was felt that a sampling of like type projects that have taken place in Alabama would be appropriate for use in determining if an adjustment was required to the Base Figure. Listed below are the projects that were included for analysis. As you will note, each of these projects is of a similar nature to the project that is being anticipated in the 2021 time frame at the Troy Municipal Airport:

LIKE TYPE FAA PROJECT TROY MUNICIPAL AIRPORT			
YEAR	LOCATION	PROJECT TYPE	% OF DBE

			PARTICIPATION
2014	Scottsboro	Runway Overlay	4.30%
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The next step was to determine if any adjustment might be needed to the Base Figure. It was determined that the Median of the three projects was 10.20%, and it was felt that the Base Figure should be adjusted to cater for this variance.

A summary of this analysis yields the following:

$$\begin{array}{rcl}
 \text{MEDIAN PERCENTAGE} & & 10.20\% \\
 \text{BASE FIGURE} & + & \underline{9.93\%} \\
 & & 20.13\% \div 2 = 10.07\%
 \end{array}$$

Satisfied that the Median Percentage was valid, the final step in the comparison was the development of a simple average of the Base Figure and the Median Percentage to establish a final percentage. The result was 10.07%. It was felt that the Base Figure of 9.93% should be adjusted for this variance. The Average Percentage of 10.07% is established as the goal for DBE participation at the Troy Municipal Airport for FY 2022.

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We estimate that, in meeting the overall goal of 10.07%, that 10.01% of the goal will be attained from race-conscious participation and 0.06% via race-neutral participation measures. This is an attainable goal based on the history of DBE participation in prior projects and the availability of current DBE contractors.

This breakout was established by computing the median of the variance of the level of DBE participation vs. DBE goal on the three projects considered in Step 2 (see page 8) of the overall goal participation computation. The Median Percentage was 0.06% and we felt it is an attainable goal for race-neutral participation. The following is the level of variance in each of the projects:

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G. THREE YEAR GOAL - As FY 2023 did not meet the monetary threshold requiring a DBE goal, 0.00% will serve merely as a place holder. Based on the methodologies and calculations for FY 2021 – FY 2023, Troy Municipal Airport submits the following average as a three year goal.

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