ATTACHMENT 1

Hillsborough County Aviation Authority

FY 2020 - 2022 Disadvantaged Business Enterprise Goal Methodology

FOR



TAMPA, FLORIDA

OCTOBER 2019

AIRPORT SPONSOR: Hillsborough County Aviation Authority (Authority)

AIRPORT: Tampa International Airport

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I. Introduction

The United States Congress has determined that certain groups of people described as Disadvantaged Business Enterprises (DBEs) have been disadvantaged due to discrimination in the transportation industry. It is, therefore, the policy of the Hillsborough County Aviation Authority (Authority) that small businesses owned and controlled by socially and economically disadvantaged individuals, referred to by Congress as DBEs, will have a fair opportunity to compete for and participate in the performance of construction, architectural, engineering, and professional services contracts procured by the Authority funded in whole or in part by the United States Department of Transportation (USDOT).

As a recipient of USDOT financial assistance, the Authority is required to set an overall goal for DBE participation in USDOT-assisted contracts on a triennial basis. In accordance with 49 CFR Part 26, the overall goal must be prepared using a two-step process. The recipient must first determine a base figure for the relative availability of DBEs in the relevant market area. Second, the recipient must examine all relevant evidence available to determine what adjustments to the base figure, if any, is needed in order to arrive at an overall goal. The final adjusted figure is the recipient's overall goal, which represents the proportion of federal transportation funding the recipient is expected to allocate to DBEs during the subsequent three fiscal years. Once the adjusted overall goal is determined, the regulations require consideration of what portion of the goal should be met by race-neutral and race-conscious measures.

II. Step One - Detailed Methodology: Specified Steps

A. Amount of Goal

The Authority's FY 2020-2022 overall goal for the Federal financial assistance it will award in USDOT-assisted contracts is the following:

	<u>Overall</u>	<u>Race</u>	Race-
		<u>Neutral</u>	Conscious
Total Goal	14.6%	3.4%	11.2%

The Authority expects to award \$15,604,372 in USDOT-assisted contracts in FY 2020 – FY 2022. The Authority has set a goal of committing approximately \$2,271,343 of its USDOT-assisted contracts with DBEs during this period, or 14.6%, which will be accomplished through 11.2% race-conscious and 3.4% race-neutral means.

B. Determination of the Market Area

The Authority's Market Area was determined to be **Hernando**, **Hillsborough**, **Orange**, **Pasco**, **Pinellas**, **and Sarasota counties**. Capital projects from the last three years were reviewed to determine the market area. Specifically, the market area is based on where the substantial majority of prime bidders, both successful and unsuccessful, are located and where the substantial majority of funding was spent, as illustrated in **Table 1** below.

Table 1: Market Area for Tampa International Airport

County	Bidders	Percent of bidders		
Hernando	3	2.9%	\$1,143,073	0.7%
Hillsborough	37	35.9%	\$109,706,995	65.5%
Orange	6	5.8%	\$9,003,644	5.4%
Pasco	4	3.9%	\$1,714,500	1.0%
Pinellas	14	13.6%	\$15,555,207	9.3%
Sarasota	8	7.8%	\$22,802,329	13.6%
Market Area	72	69.9%	\$159,925,748	95.5%
Other	31	30.1%	\$7,452,316	4.5%
Total	103	100.0%	\$167,378,064	100.0%

C. Determination of relevant NAICS codes

Based on the Authority's Capital Improvement Program (CIP) concerning the proposed projects for fiscal years 2020 - 2022, the following list of AIP projects was developed:

Table 2: Tampa International Airport FY 2020-FY 2022 AIP Projects

AIP Projects	AIP Dollars
North Remain Over Night Parking Apron	\$3,497,950
RW 5-23 & Connector Taxiway Rehabilitation (VDF)	\$3,835,467
Construct New Airside D	\$7,050,855
Taxiway E Rehabilitation	\$1,220,100

SOURCE: Tampa International Airport, CIP List.

D. Determination of Relative Availability Of DBEs in Market Area, Compared to all Firms

¹Table 3a: Firms in Market Area by Relevant NAICS Codes—FY 2020 North Remain Over Night Parking Apron

NAICS	Trades	(a) # of DBE Firms (FLUCP)	(b) All Firms (Co Business Patterns - Census)	(c) %DBE Availability = a / b	(d) % Est. Value of Trades	(e) Weighted DBE Availability = c x d	(f) AIP Dollars	(g) DBE Dollars = c x f
	Highway, Street,						\$1,375,624	
237310	Bridge Construction	25	96	26.04%	39.33%	10.24%	\$1,373,024	\$358,236
238110	Concrete	13	297	4.38%	10.50%	0.46%	\$367,449	\$16,084
238210	Electrical	23	1074	2.14%	6.22%	0.13%	\$217,428	\$4,656
238910	Site Prep	23	275	8.36%	27.45%	2.30%	\$960,025	\$80,293
484220	Trucking/Hauling	41	214	19.16%	6.03%	1.16%	\$211,045	\$40,434
541330	Engineering	74	1215	6.09%	8.75%	0.53%	\$305,930	\$18,633
541370	Surveying	13	128	10.16%	0.54%	0.05%	\$18,854	\$1,915
541380	Materials Testing	7	100	7.00%	0.60%	0.04%	\$20,988	\$1,469
561730	Landscaping	17	1997	0.85%	0.59%	0.01%	\$20,607	\$175
	То		\$3,497,950	\$521,895				
COLID	Weig		14.92%					

SOURCES:

^{1. 2016} County Business Patterns, U.S. Census Bureau.

^{2.} Florida UCP DBE Directory, July 2019, Market Area.

¹Tables 3a – 3d, columns (d) % Est. Value of Trades and (f) AIP Dollars, are inclusive of overhead, profit and construction cost.

¹Table 3b: Firms in Market Area by Relevant NAICS Codes—FY 2020

RW 5-23 & Connector Taxiway Rehabilitation (VDF)

NAICS	Trades	(a) # of DBE Firms (FLUCP)	(b) All Firms (Co Business Patterns - Census)	(c) %DBE Availability = a / b	(d) % Est. Value of Trades	(e) Weighted DBE Availability = c x d	(f) AIP Dollars	(g) DBE Dollars = c x f
	Highway, Street,							
237310	Bridge Construction	25	96	26.04%	30.20%	7.86%	\$1,158,311	\$301,643
238110	Concrete	13	297	4.38%	2.10%	0.09%	\$80,545	\$3,526
238210	Electrical	23	1074	2.14%	34.70%	0.74%	\$1,330,907	\$28,502
	Painting and Wall							
238320	Covering	14	834	1.68%	2.40%	0.04%	\$92,051	\$1,545
238910	Site Prep	23	275	8.36%	1.60%	0.13%	\$61,367	\$5,133
484220	Trucking/Hauling	41	214	19.16%	5.30%	1.02%	\$203,280	\$38,946
541330	Engineering	74	1215	6.09%	20.10%	1.22%	\$770,929	\$46,954
541370	Surveying	13	128	10.16%	1.20%	0.12%	\$46,026	\$4,674
541380	Materials Testing	7	100	7.00%	2.40%	0.17%	\$92,051	\$6,444
	То		\$3,835,467	\$437,366				
SOURC	Weig		11.40%					

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.

2. Florida UCP DBE Directory, July 2019, Market Area.

 $^{^{1}}$ Tables 3a – 3d, columns (d) % Est. Value of Trades and (f) AIP Dollars, are inclusive of overhead, profit and construction cost.

¹Table 3c: Firms in Market Area by Relevant NAICS Codes—FY 2021 Construct New Airside D

NAICS	Trades	(a) # of DBE Firms (FLUCP)	(b) All Firms (Co Business Patterns - Census)	(c) %DBE Availability = a / b	(d) % Est. Value of Trades	(e) Weighted DBE Availability = c x d	(f) AIP Dollars	(g) DBE Dollars = c x f
207212	Highway, Street,				10.0001		4-0- 000	
237310	Bridge Construction	25	96	26.04%	10.00%	2.60%	\$705,086	\$183,616
238110	Concrete	13	297	4.38%	30.00%	1.31%	\$2,115,257	\$92,587
238120	Structural Steel	13	42	30.95%	25.00%	7.74%	\$1,762,714	\$545,602
238210	Electrical	23	1074	2.14%	10.00%	0.21%	\$705,086	\$15,100
	Painting and Wall							
238320	Covering	14	834	1.68%	1.00%	0.02%	\$70,509	\$1,184
238910	Site Prep	23	275	8.36%	1.00%	0.08%	\$70,509	\$5,897
238990	Specialty Trade	64	786	8.14%	1.30%	0.11%	\$91,661	\$7,464
484220	Trucking/Hauling	41	214	19.16%	1.00%	0.19%	\$70,509	\$13,509
541330	Engineering	74	1215	6.09%	15.00%	0.91%	\$1,057,628	\$64,415
541370	Surveying	13	128	10.16%	2.30%	0.23%	\$162,170	\$16,470
541380	Materials Testing	7	100	7.00%	2.40%	0.17%	\$169,221	\$11,845
561730	Landscaping	17	1997	0.85%	1.00%	0.01%	\$70,509	\$600
	Total 100.00%						\$7,050,856	\$958,289
SOURC	Weig		13.59%					

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.

^{2.} Florida UCP DBE Directory, July 2019, Market Area.

 $^{^{1}}$ Tables 3a – 3d, columns (d) % Est. Value of Trades and (f) AIP Dollars, are inclusive of overhead, profit and construction cost.

¹Table 3d: Firms in Market Area by Relevant NAICS Codes—FY 2021 Taxiway E Rehabilitation

NAICS	Trades	(a) # of DBE Firms (FLUCP)	(b) All Firms (Co Business Patterns - Census)	(c) %DBE Availability = a / b	(d) % Est. Value of Trades	(e) Weighted DBE Availability = c x d	(f) AIP Dollars	(g) DBE Dollars = c x f
	Highway, Street,							
237310	Bridge Construction	25	96	26.04%	40.50%	10.55%	\$494,141	\$128,682
238210	Electrical	23	1074	2.14%	17.20%	0.37%	\$209,857	\$4,494
	Painting and Wall							
238320	Covering	14	834	1.68%	3.20%	0.05%	\$39,043	\$655
484220	Trucking/Hauling	41	214	19.16%	7.10%	1.36%	\$86,627	\$16,597
541330	Engineering	74	1215	6.09%	27.10%	1.65%	\$330,647	\$20,138
541370	Surveying	13	128	10.16%	1.70%	0.17%	\$20,742	\$2,107
541380	Materials Testing	7	100	7.00%	3.20%	0.22%	\$39,043	\$2,733
	Total 100.00%						\$1,220,100	\$175,407
	Weighted Base Figure							

SOURCES:

- 1. 2016 County Business Patterns, U.S. Census Bureau.
- 2. Florida UCP DBE Directory, July 2019, Market Area.

E. Step One - Determination of the "Weighted" DBE Base Figure

The Step One DBE Base Figure for each project was derived by multiplying the percentage of estimated value for each trade by the percentage of relevant DBE firms to all relevant firms. The weighted DBE availability for each trade was totaled to derive the step one goals.

The Step One DBE Base Figures for the Authority are as follows:

North Remain Over Night Parking Apron	14.92%
RW 5-23 & Connector Taxiway Rehabilitation (VDF)	11.40%
Construct New Airside D	13.59%
Taxiway E Rehabilitation	14.38%

III. Step Two - Adjustments to the DBE Base Figure

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

¹Tables 3a – 3d, columns (d) % Est. Value of Trades and (f) AIP Dollars, are inclusive of overhead, profit and construction cost.

"...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 USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

The historical overall DBE goals achieved at the Tampa International Airport in recent years were examined relative to the above consideration. Notice the annual DBE percent achievement indicated in Table 4 below:

Table 4: Tampa International Airport

DBE Achievement – Based on completed and on-going projects

Report Period	DBE Goal	DBE Achievement	Achieved Over/Under	
FY 2016	12.4%	10.4%	-2.0%	
FY 2017	12.3%	23.2%	10.9%	
FY 2018	12.3%	15.7%	3.4%	
Median	12.3%	15.7%	3.4%	

Source: Uniform Report of DBE Commitments/Awards and Payments.

The median DBE accomplishment for the periods as shown above for the Authority is 15.7%.

B. Adjustment to Step One DBE Base Figures

With the adjustment factors considered to this point, the Authority will adjust the Step One base figures as calculated above by adding the annual achievement factor derived in Table 4 above (15.7%) to the base figures, and averaging the total, for an adjusted overall DBE goal.

Table 5: Tampa International Airport FY 2020 – FY 2022 Overall Goal

Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total AIP costs	DBE Goal (dollars)		
	North Remain Over Night Parking Apron	14.92%	15.70%	15.31%	\$3,497,950	\$535,536		
FY 2020	RW 5-23 & Connector Taxiway Rehabilitation (VDF)	11.40%	15.70%	13.55%	\$3,835,467	\$519,706		
	FY 2020 Total			14.39%	\$7,333,417	\$1,055,242		
FY 2021	Construct New Airside D	13.59%	15.70%	14.65%	\$7,050,855	\$1,032,598		
FY 2021	Taxiway E Rehabilitation	14.38%	15.70%	15.04%	\$1,220,100	\$183,503		
	FY 2021 Total		14.70%	\$8,270,955	\$1,216,101			
FY 2022	FY 2022 No projects at this time							
	FY 2020 - FY 2022 Ove	rall Goal		14.56%	\$15,604,372	\$2,271,343		

The total DBE goal in dollars was divided by the total anticipated federal portion of project costs to derive the overall DBE goal of 14.6% (14.56% rounded) for FY 2020-FY 2022.

\$2,271,343 / \$15,604,372 = 14.6% (Overall Goal)

IV. Consultation Process

The Authority published a notice to the public of the Disadvantaged Business Enterprise (DBE) FY 2020 - FY 2022 proposed overall goal methodology for Hillsborough County Aviation Authority (Authority). The notice was placed on the Authority's website at https://www.tampaairport.com/business-diversity, informing the public that the proposed goal methodology and its rationale will be presented to the public on Tuesday, August 27, 2019, from 10:30 a.m. to 11:30 a.m. and will allow attendees to comment during the question and answer session. The methodology used in developing the goal was also made available for review and comment during normal business hours. The notice included email and office addresses to where the proposal could be reviewed and where comments could be sent. This process was used to establish the DBE goal for FY 2020 - FY 2022.

Appendix A includes a summary of public comments and questions received during the public participation process and our responses.

The Authority will begin using the overall goal October 2019.

V. Breakout of Estimated Race-Conscious/Race-Neutral Participation

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

- Encourage prime contractors to subcontract portions of work that they might otherwise perform with their own forces.
- Ensure availability of the Florida Unified Certification Program's (FLUCP) DBE directory through electronic means to the widest universe of potential prime contractors.
- Use the Authority's website and Supplier Portal Directory to announce bid opportunities and post all invitations to bid, requests for proposals and requests for qualifications documents for greater convenience to contractors and all other interested parties.
- Transmit notices of outreach activities via email and other online services.
- Recognize contractors and consultants who exceed DBE utilization on contracts.

The Authority proposes a race-conscious goal of **11.2%** and a race-neutral goal of **3.4%**, for a total of **14.6%**. The reason for this breakout is that the projects from the previous years show that the median amount by which the past DBE goals were over-achieved is **3.4%** (see **Table 4**).

The Authority will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation and it will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract a DBE obtains 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.

VI. Contract Goals

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

VII. DBE Program Outreach Efforts

The Authority has incorporated various outreach activities into its DBE program. For example, the Authority communicates its overall DBE goal and individual projects goals to registered suppliers, including DBEs, via email and at all pre-bid and pre-proposal meetings. Pre-bid and pre-proposal meetings are attended by the general public, which includes prime contractors, sub-contractors, DBE subcontractors, suppliers, and DBE suppliers. In addition to pre-bid and pre-proposal meetings, DBE outreach presentations were made with the following groups to explain upcoming projects and DBE goals as well as answer any questions concerning the DBE policy and program:

- Minority Enterprise Development (MED) Week
- Airport Minority Advisory Council (AMAC) Business Opportunity Summit
- Hillsborough County Open Doors 2018 Reverse Trade Show
- Moffitt Supplier Diversity Day Vendor Fair
- Pinellas Suncoast Transit Authority (PSTA) and Hillsborough Area Regional Transit Authority (HART) – DBE and Minority Business Outreach
- National Association of Women in Construction (NAWIC)
- Airport Rental Car Supplier Diversity Outreach
- HCAA Buyer- Supplier Connect 2019 Outreach Event
- Florida State Minority Supplier Development Council (FSMSDC)
- Hispanic Chamber of Commerce Tampa Bay (HCCTB)
- 2019 Conference of Minority Transportation Officials (COMTO) 48th National Conference

VIII. Disparity Study

In September 2015, the Authority completed a Disparity Study Update to determine if a significant disparity existed between the availability of ready, willing, and able woman and minority owned business enterprises and the utilization of such businesses in the Authority's procurement process. The results of the Disparity Study Update included a statistical analysis and evaluation of the procurement of goods and supplies, construction, professional services, and non-professional services prime contracts and subcontracts awarded to contractors located in the Authority's market area, which the study defined as Hillsborough, Pinellas, Pasco, and Hernando counties. The study found that woman and minority firms make up approximately 44.8% of the available construction firms in the market area, but received only 11.4% of the federally-funded construction dollars. The Disparity Study Update, as well as other relevant evidence including but not limited to Congressional findings, will be used as the evidentiary basis for the remedial actions in this DBE Policy and Program.

Resources: Tampa International Airport FY 2020 – FY 2022, Disadvantaged Business Enterprise Program Methodology

A. Resource Documents:

- 1. 2016 County Business Patterns, U.S. Census Bureau
- 2. Florida Unified Certification Program, DBE Directory
- 3. Tampa International Airport Capital Improvements Plan
- 4. Uniform Report of DBE Commitments/Awards and Payments

APPENDIX A FY 20 – 22 DBE GOAL CONSULTATION

Public consultation on the FY 20 – 22 Three-Year Overall DBE Goal was held:

Date/Time: Tuesday, August 27, 2019, from 10:30 a.m. to 11:30 a.m.

On-site: Authority Board Room, Main Terminal, 3rd Floor (Blue Side) TPA

By WebEx: https://meetings.tampaairport.com/orion/joinmeeting.do?MeetingKey=995451745

Attendance: 37

The following comments and questions were received during the public comment period and goal consultation meeting:

- The Authority should make it mandatory for Prime contractors to first utilize the Florida UCP database to locate second, third or fourth tiered DBE subcontractors before going outside to find subcontractors.
- Explain how tier one versus tier two DBE participation is counted? Is it dollar-for-dollar or is there a discount when a DBE is not awarded as a prime and counted as a sub? DBE subcontract commitments that are completed with the DBE's own forces are counted 100% towards the contract goal. If a portion of the DBE's work is subbed out to a non-DBE than that portion of work is not counted toward the participation. DBE suppliers are counted at 60% of their participation.
- Not all DBE are seeking business in the construction space. What efforts are being made to look for spend that falls outside of the construction space such as professional services? The Authority reviews all capital projects for unbundling opportunities during the scope development phase. Additional opportunities for DBE firms offering professional services exist under the non-capital projects. Outreach events throughout the year are also held to discuss opportunities; support networking; and encourage participation.
- What is the process for unbundling projects under \$1M? The Authority's Development Committee reviews all capital projects for unbundling opportunities based on location; size and complexity of the project; similarity of work involved; the type of work involved; difficulty in segmenting the project; public safety; risk and time constraints.
- Does recruitment/staffing DBE certified firm's participation count toward a DBE requirement? Fees and commissions charged by the staffing firm may be counted towards the DBE requirement.
- What does the Authority have in place to enforce contract agreement to ensure primes are utilizing minority firms? Established goals becomes legally binding as a component of the signed contract agreement and is tracked monthly to ensure goal is being met. Failure by the contractor to carry out the required contract provisions is a material breach of the contract, which may result in the termination of the contract or such other remedy

as the Authority deems appropriate, which may include, but not limited to: withholding monthly progress payments; assessing sanctions; liquidated damages; and/or disqualifying the contractor from future bidding as non-responsible. See DBE Policy and Program, Section 7, for language regarding Contractor Compliance Requirements.

• How can we get a copy of the list of awarded contractors, and their local (subcontractors)? For Invitation to Bid solicitations, awarded contractors can be found on the Authority's website under their respective solicitations in the documents titled "Notice of Award". This will be at either the Archived Solicitations webpage at http://www.tampaairport.com/archived-solicitations or the Current Solicitation Opportunities webpage at http://www.tampaairport.com/current-solicitation-opportunities. The awarded contractors will need to be contacted by interested parties to obtain their local subcontractors.