



WAYNE COUNTY AIRPORT AUTHORITY

PROPOSED THREE-YEAR (FISCAL YEARS 2020-2022) OVERALL DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL REPORT

EXECUTIVE SUMMARY

Name of recipient: Wayne County Airport Authority

Goal period: FY 2020-2022 (October 1, 2020 through September 30, 2022)

DOT-assisted contract AIP Fund amount:	FY 2020	\$0
	FY 2021	\$36,300,000
	FY 2022	\$0
	TOTAL	\$36,300,000

DBE 3-Year Overall Goal: 7%

Total dollar amount to be expended on DBEs: **\$2,541,000**

Key projects the Airport Authority anticipates awarding:

1. TWY Z Relocation & Reconstruction of Southern Portion (DTW - Construction – CIP Estimate: \$11M)
2. RWY 9/27 Decoupling & Reconstruction (YIP – Construction - CIP Estimate: \$25.3M)

Market area: Michigan Firms that have NAICS codes for work anticipated to be awarded on AIP projects over the next 3 years. A majority of these Firms are located in counties that encompass Southeast Michigan or what is also referred to as Detroit Metro & Willow Run Airport's Air Trade Area (Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne counties).

GOAL METHODOLOGY

I. Introduction

This report details the methodology used for establishing the 3-Year (FY 2020-2022) Overall Disadvantaged Business Enterprise (DBE) Goal for the Wayne County Airport Authority (Airport Authority) which operates Detroit Metropolitan Wayne County Airport in Detroit, Michigan and Willow Run Airport in Ypsilanti, Michigan.

The Airport Authority has completed its DBE goal setting process for all construction and professional services projects anticipated for the next three (3) fiscal years (FY 2020-2022). Pursuant to 49 Code of Federal Regulations (CFR) Part 26, the 3-Year (FY 2020-2022) goal is based on the Airport Authority's research of the availability of ready, willing and able DBEs in the local market area relative to all businesses (DBE / Non-DBE) in the local market area.

The Airport Authority is required to review its DBE goal achievement annually. The Airport Authority's annual review determines whether or not the stated 3-year DBE goal is currently being met. If not, an adjustment may be necessary due to unanticipated conditions impacting the DBE goal's attainment.

II. Methodology and Overall Goal

49 CFR 26.45 requires that the recipient of Department of Transportation (DOT) funds utilize a two-step process in the development of its overall DBE goal:

Step 1: Calculation of a base figure that represents the availability of DBEs ready, willing, and able to work on Airport Authority contracts.

Step 2: Adjustment of the base figure so that the final overall goal represents the amount of participation the Airport Authority might expect in the absence of discrimination or its effects.

Based on this methodology, the Airport Authority's Overall Goal for the next three (3) fiscal years (FY 2020-2022) is for 7% of its Federal financial assistance to be expended in DOT-assisted contracts. The Airport Authority anticipates awarding these contracts between October 1, 2019 and September 30, 2022.

III. Step 1: Calculation of Base Figure

Determining a base figure for the Airport Authority's 3-year goal, per 49 CFR 26.45(c) depends upon the relative availability of DBEs within the market area to perform work on Airport Authority Capital Improvement Program (CIP) Projects. A listing of the Airport Authority's CIP Projects for the next three (3) fiscal years is shown in Table 1 located on page 3.

The Airport Authority's relevant market area is the entire state of Michigan with a majority of these companies being located in counties that encompass Southeast Michigan or what is also referred to as our Air Trade Area. Their relatively close proximity to Detroit Metro and Willow Run Airports has resulted in most of the Airport Authority's previous contracts being awarded to prime contractors located in these counties.

The base figure for the relative availability of DBEs in the Airport Authority's relevant market area was calculated as follows:

1. *Ready, willing, and able DBEs* (construction and professional services);

Divided by

2. *All firms ready, willing and able* (construction and professional services).

The demonstrable evidence used to determine the numerator, as detailed in Table 2 located on page 4, is the Michigan Unified Certification Program (MUCP) DBE Directory. The demonstrable evidence used to determine the denominator, as detailed in Table 2 located on page 4, is the Michigan Intergovernmental Trade Network (MITN) Active Vendor List. MITN is the Wayne County Airport Authority’s general vendor list. A list outlining the required types of services for the above stated projects and the related NAICS Codes is also included in Table 2 located on page 4.

TABLE 1
Wayne County Airport Authority

PROJECT DESCRIPTIONS
1. TWY Z Relocation & Reconstruction of Southern Portion (DTW – Construction)
2. RWY 9/27 Decoupling & Reconstruction (YIP – Construction)

Source: Detroit Metropolitan Wayne County Airport (DTW) – Five Year ACIP (2019 – 2023)

TABLE 2
Ready, Willing and Able DBEs and
All Firms in Market Area for FY 2020-2022 CIP Projects

NAICS CODE	DEFINITION	NUMBER OF DBE MICHIGAN FIRMS (numerator)	NUMBER OF TOTAL MICHIGAN FIRMS (denominator)
236220	Commercial Construction	30	517
237310	Highway, Street, & Bridge Construction	32	441
237990	Civil Construction	2	360
238210	Electrical Contractors	16	461
238110	Concrete Foundation & Structure Contractors	16	557
238910	Site Preparation and Demolition	39	664
541320	Land Use Planning	0	190
484110	Trucking Services	29	212
541330	Engineering Services	29	224
541990	Professional, Scientific & Technical Services	4	235
541360	Surveying and Mapping Services	0	344
541380	Testing Laboratories	5	197
541490	Pavement Design	0	299
562910	Remediation Services	9	260
541620	Environmental Consulting	15	565
541611	Administrative & General Construction Mgmt.	56	286
541614	Construction Logistics Consulting Services	7	348
541690	Scientific & Technical Consulting Services	6	418
561730	Landscaping	27	378
	TOTALS	322	6,956

The Airport Authority determined the base figure as follows:

The total number of DBE firms in the market area that are “ready, willing, and able” to perform the required work in the applicable NAICS Codes for the Airport Authority’s CIP Projects for FY 2020-2022 is **322**.

The total number of all DBE and non-DBE firms in the market area that are “ready, willing and able” to perform the required work, is **6,956** firms. Thus:

$$\text{DBE firms} \div (\text{DBE} + \text{non-DBE firms}) = \text{Base Figure}$$

$$322 \div 6,956 = 5.00\% \text{ (rounded)}$$

Therefore, the base figure for the Airport Authority’s anticipated DBE participation is 5%.

IV. Step 2: Adjustment of Base Figure

49 CFR 26.45(d) requires that additional evidence, if available in the Airport Authority's jurisdiction, be considered to determine if any base figure adjustment is necessary to arrive at the overall goal. However, the regulations do not dictate a specific base figure adjustment methodology, but they suggest consideration of the following factors: current capacity of DBEs measured by the volume of past work; evidence from a disparity study not included in the calculation of the base figure; data on employment, self-employment, education, training, and union apprenticeship; ability of DBEs to get bonding and financing; and any other relevant data.

The Airport Authority evaluated the current capacity of DBEs to perform the required work in relation to the volume of work DBEs performed in recent years. The Airport Authority examined its overall DBE participation during the past five (5) fiscal years (FY 2014-2018). Table 3 below reflects the data used to determine the base figure adjustment.

TABLE 3
Wayne County Airport Authority DBE Participation for FY 2014-2018

REPORT PERIOD	TOTAL DBE % PARTICIPATION ON AWARDED CONTRACTS
FY 2014	11.75%
FY 2015	7.5%
FY 2016	9.9%
FY 2017	20.7%
FY 2018	0.0%
Median	9.9%

As detailed in Table 3, the median of DBE participation achieved for the periods during which there was reported DOT-funded activity is 9.9%.

To adjust the base figure, the 9.9% median percentage of historical DBE participation was averaged with the 5% base figure:

$$\begin{aligned} &(\text{Base figure \%} + \text{median DBE \% participation}) \div 2 = \text{Overall DBE Goal} \\ &(5\% + 9.9\%) \div 2 = 7\% \text{ (rounded)} \end{aligned}$$

The Airport Authority believes that DBE capacity currently exists to perform work in our DOT-assisted contracting program at the adjusted percentage level.

V. Contract Goals

The Airport Authority will establish individual contract goals so that they will cumulatively result in meeting the overall 3-year goal that is not projected to be met through the use of race/gender neutral means. The Airport Authority will establish contract goals only on those DOT-assisted contracts that have actual subcontracting opportunities. The Airport Authority will modify the individual contract goal to the circumstances and conditions of the specific contract and will set a goal percentage that is consistent with the Federal share of a DOT-assisted contract.

VI. Race/Gender “Neutral” and Race/Gender “Conscious” Split

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

- DBE participation by a DBE who obtained a prime contract through customary competitive procurement procedures;
- DBE participation through a subcontractor 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.

The Airport Authority estimates that in meeting the overall goal of 7%, 0% will be obtained from race/gender neutral means and 7% will be obtained through race/gender conscious means. This breakout is based on the Airport Authority’s recent participation, as noted in Table 3 located on page 5, which is greater than the proposed goal by an average of over 2%, reflecting a declining rate of federally funded contract awards over the past five (5) fiscal years. Moreover, this trend of fewer federally funded contract awards is projected to continue over the next three (3) year period based upon the DTW – Five Year ACIP (2019 – 2023).

Despite the 0% race neutral portion of the DBE goal, the Airport Authority remains committed to positively impacting race/gender neutral participation through the following means:

- Co-sponsoring outreach/networking meetings with targeted agencies located within the Airport Authority’s relevant market area,
- Conducting public outreach forums targeted to small businesses,
- Distributing printed literature describing the Airport Authority’s DBE Program,
- Distributing information about upcoming Airport Authority contracting opportunities,
- Continuing usage of an electronic vendor registration program including information regarding direct notification of the Airport Authority’s competitive solicitations,
- Distributing “best practices” information regarding doing business with the Airport Authority,
- Offering small businesses instructions and clarifications on bid specifications, general bidding requirements, and the Airport Authority’s procurement policy and procedures,
- Publicizing, in particular to small businesses, opportunities to review and evaluate bids/proposals submitted by successful bidders/proposers for past procurements, and
- Conducting debriefing sessions with unsuccessful bidders/proposers, when requested, to explain why certain bids/proposals were unsuccessful.

VII. Public Participation and Consultation

The Airport Authority is firmly committed to its DBE program. As part of this continuing effort, Airport Authority staff will seek and obtain input from minority, women, and general contractor groups; community organizations; and other officials who have a vested interest in the performance and success of the DBE program through work on Airport Authority contracts. These stakeholders include:

- Victoria Inniss Edwards, Wayne County Human Relations Department Manager
- Dan Argentati, Director of the Michigan Fair Contracting Center
- Frank Adams, Michigan Department of Transportation Metro Field Services Manager
- Tonya Doyle-Bicy, Michigan Department of Transportation Metro Field Services Mgr.
- Sheila Udeozor, MSA, Detroit Department of Transportation, DER/DBE Manager

The Airport Authority will publish notices of its proposed DBE goal in both general and specialty circulation media in the relevant market area. These notices will provide for a 45-day advertisement period of the DBE goal and a 30-day period to review and to provide comment. If comments are received then a supplemental report will be provided to the FAA.

The Airport Authority remains interested in feedback from the minority, women, and general contractor business community. Feedback plays a significant role in the Airport Authority's adjustments to the procurement process as well as contract goal setting practices. Further, networking with other agencies provides additional insight into common DBE program challenges. The Airport Authority will continue to consult with and provide support to a variety of DBE resource agencies as it pursues its 3-year (FY 2020-2022) DBE goal.

APPENDIX

Resources used for this Report include the following:

1. Michigan Intergovernmental Trade Network (MITN)
2. Michigan Unified Certification Program (MUCP) DBE Directory
3. FY 2014–2018 Uniform Report of DBE Awards or Commitments and Payments (AIP DBE Accomplishments Reports)
4. Detroit Metropolitan Wayne County Airport (DTW) – Five Year ACIP (2019 – 2023)