

LONG BEACH AIRPORT
TRIENNIAL DBE GOAL METHODOLOGY FOR FY 2013 THRU FY 2015
 October 1, 2012 though September 30, 2015

INTRODUCTION

In accordance with 49 CFR Part 26.45, the U.S. Department of Transportation (DOT), and the Federal Aviation Administration (FAA), the City of Long Beach Airport Department (LGB), as a local agency receiving federal-aid funds has developed the Triennial DBE Goal for the above referenced period.

FAA-ASSISTED CONTRACTING PROGRAM FOR FISCAL YEARS FY13 THRU FY15

The following table represents the four (4) LGB FAA Federal-aid construction projects anticipated to be awarded in FY13 thru FY15:

FISCAL YEAR	PROJECT	TOTAL ESTIMATED PROJECT COST	ESTIMATED FEDERAL DOLLAR SHARE (90%)
2013	Runway 7L-25R Rehabilitation	\$11,500,000	10,350,000
2014	Taxiway F Rehabilitation	\$7,000,000	\$6,300,000
2014	Air Carrier Ramp Reconstruction (PCC), Phase 4	\$3,000,000	\$2,700,000
2015	Runway 7R-25L	\$13,300,000	\$11,970,000
	TOTAL	\$34,800,000	\$31,320,000

METHODOLOGY

The LGB's methodology is based on the following analysis, and detailed in Exhibits **A through C**.

DATA AND PROCESS UTILIZED IN CALCULATING THE BASE FIGURE

- Review and analysis of the LGB's four (4) FY13-15 FAA-assisted construction projects.
- Analysis of the LGB's FY 2007 and FY 2012 Bidders Lists to determine which counties (Market Area) represent the largest number of bidder office locations (**Exhibit A**). The LGB's market area includes Los Angeles and Orange counties.
- Review of the Scope of Work for each project, and assignment of a NAICS code to each work category including costs and weights (**Exhibit B**).
- Query of the California Unified Certification Program (CUCP) database for all certified DBEs in the relevant NAICS codes, located in the counties of Los Angeles and Orange.
- Query of the U.S. Census Data 2009 County Business Patterns for all businesses in the relevant NAICS codes, located in the counties of Los Angeles and Orange.

- Consideration of other factors to determine if the Triennial DBE Goal base figure should be adjusted.

DETERMINATION OF BASE FIGURE

Step 1: The LGB's FY 2007 thru FY 2012 Bid Tabulation Sheets were reviewed to determine the applicable Market Area. (The list consists of Bidders for three (3) LGB federally-assisted construction contracts. A county was assigned to each bidder's City, to reveal which counties comprised the Market Area. The data revealed that 58% of bidders were located in Los Angeles County, 24% in Orange County, 9.0 % in Riverside County, and 9% in All Others. Therefore, it was determined that the counties of Los Angeles and Orange should be utilized as the Market Area. County Business Pattern 2009 Census Data was utilized to calculate the Base Figure.

For Step 1, please refer to Exhibit A.

Step 2: The scope of work of the LGB's four (4) anticipated Federally-assisted construction projects was analyzed to determine relevant NAICS Codes (NAICS). NAICS were assigned to each work category for each project. The dollar amounts allocated to each NAICS code, for each project, were added, to arrive at a total dollar amount and percentage allocated to each NAICS code, for all projects.

For Step 2, please refer to Exhibit B.

Step 3: The California Unified Certification Program DBE Directory was queried for all DBEs in the applicable NAICS codes located in the Market Area. The query revealed the following results:

NAICS Code	Description	# of DBEs in Los Angeles and Orange County *
237310	Highway, Street & Bridge	22
238210	Electrical Contractors	17
561730	Landscaping	15

* The DBEs in Los Angeles and Orange counties were counted by selecting "Orange", and "Los Angeles", respectively, in the "County" field of the online CUCP DBE query form, assigning counties to the City address of the DBEs listed in the query results, then counting the number of applicable Cities in each county.

Step 4: The U.S. Census Data 2009 County Business Patterns was queried, for all businesses in the applicable NAICS codes located in the counties of Los Angeles and Orange. The query revealed the following results:

NAICS Code	Description	# of Total Businesses in Los Angeles and Orange Counties
237310	Highway, Street & Bridge	171
238210	Electrical Contractors	2519
561730	Landscaping	1769

Step 5: The percentage of DBEs to all businesses, in each NAICS code, was established utilizing the number of DBEs and number of all businesses, in each applicable NAICS code, located in the Market Area.

Step 6: **BASE FIGURE**

The following formula is used to calculate the DBE participation estimate for each NAICS Code. Then each NAICS Code calculation is added together to establish the Base Figure.

All DBEs / All Businesses x NAICS Code Weight = DBE % for NAICS Code

The results for each NAICS code were added, to yield a DBE Percentage for each project. The Projects Summary adds together results for each project to establish a **Base Figure of 10.99% rounded up to 11.0%**.

For Steps 3 through 6, please refer to Exhibit C.

ADJUSTMENT OF BASE FIGURE (Step 2)

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal. The data used to determine the adjustment to the base figure was the median of historical DBE accomplishments which range from 2.83% to 13.48% as indicated in the table below:

Project	Project Completion Date	DBE Goal Attainment
Improvements to Taxiway R-6705	November 2009	13.48%
Improvements to Taxiway R-6713	October 2009	2.83%

Arranging this historical data from high to low, the median does not exist. The mean (average) of the two projects is $(13.84\% + 2.83\% = 16.31\% / 2 = 8.155\%$ rounded up to 8.2%. To arrive at an overall goal, we added our Base Figure (11.0%) to the average of historical DBE goal attainment (8.2%) and then averaged the total $(19.2 / 2)$ arriving at an overall goal of **9.2%**. We feel this adjusted goal figure will accurately reflect DBE participation that can be achieved for the type of project work being awarded during FY13/14/15.

The Caltrans 2012 Disparity Study indicates there are substantial barriers and disparities for minority and women owned business, and certified disadvantaged business enterprises for participation in State of California transportation contracts (including the local market area). The legality of the Caltrans DBE Program was challenged in court by the San Diego Chapter of the Association of General Contractors. In April 2011, the United States District Court ruled that the Caltrans DBE Program is constitutional. However, we don't feel that the overall DBE goal should be adjusted for this factor.

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

26.51(b)(1-9)

The LBG will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation. The LBG will use the following methods to increase DBE participation:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
2. Carrying out information and communications programs on contracting procedures and specific contract opportunities;
3. 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;
4. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;
5. Assist DBE's and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media; and

The LGB estimates that in meeting its overall goal 9.2%, it will obtain 20% from RN participation and 80.0% through RC measures.

This breakout is based on:

- The City does not have a recent history of over-achievement of DBE goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation.
- The findings of the Caltrans 2012 Disparity Study which indicate that significant barriers to DBE participation exist.
- DBE Utilization exceeded the goal for 50% of the LGB construction projects in 2009.

The LGB 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.

DBE 3-Year Overall Goal:

Total dollar amount to be expended on DBEs: \$2,881,440 (\$31,320,000 x .092)

Public Participation

Consultation: Section 26.45(g)(1).

The LGB submits its overall 3-year goal to FAA on August 1 as required. Before establishing the overall goal, the LGB will consult with the organizations in **Attachment 13**, without limiting consultation to these persons or groups, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the LGB's efforts to establish a level playing field for the participation of DBEs. Following the consultation, we will publish a notice in the Long Beach Press Telegram and Small Business Exchange, and the City's DBE website of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection at http://www.longbeach.gov/finance/business_relations/dbe.asp for 30 days following the date of the notice, and informing the public that the City of Long Beach will accept comments on the goals for 45 days from the date of the notice. Normally, we will issue this notice by June 1 of

each year. The notice will include an email address to where comments may be sent and a website address where the Goal Methodology may be reviewed.

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses, if any.

Public Notice

The City of Long Beach Airport Department hereby announces its three-year overall goal for federal fiscal years 2013/2014/2015 of **9.2%** for Disadvantaged Business Enterprise (DBE) participation on airport construction projects. The proposed goal and rationale are available for inspection for 30 days from the date of this publication on the City's website:

http://www.longbeach.gov/finance/business_relations/dbe.asp

Comments on the DBE goal will be accepted for 45 days from the date of this publication and can be sent to admin@perceptivelcp.com.

Contract Goals

The LGB will use contract goals to meet any portion of the overall goal that it does not project being able to meet using RN 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 the City's overall goal that is not projected to be met through the use of RN means.

The LGB will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It will not establish a contract goal on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work and availability of DBE's to perform the particular type of work).

The LGB will express contract goals as a percentage of the Federal share of a DOT-assisted contract.

ANALYSIS OF BIDDERS LISTS FOR THE LONG BEACH AIRPORT

EXHIBIT A

Fiscal Year	Total # of Bidders	Los Angeles County	Orange County	Riverside County	San Bernardino County	Ventura County	San Diego, Imperial & Yolo Counties	Central & Northern CA	Out-of-State
FY 2007/2008	7	4	3	0	0	0	0	0	0
FY 2008/2009	8	4	1	0	1	0	0	1	1
FY 2009/2010	13	9	3	1	0	0	0	0	0
FY 2011/2012	5	2	1	2	0	0	0	0	0
Total # of Bidders	33	19	8	3	1	0	0	1	1
% of Total Bidders	100.0%	57.58%	24.24%	9.09%	3.03%	0.00%	0.00%	3.03%	3.03%

Note: The above analysis was prepared utilizing bidders/planholders lists representing the eight (8) FAA projects advertised by the City of Long Beach in FY 2008 thru FY 2012.

PROJECT DETAIL, WORK ALLOCATION, AND ASSIGNMENT OF NAICS CODES

Project #1: Runway 7L-25R			
Project Description			
NAICS Code and Description		Project Construction Cost: \$11,500,000	
NAICS	Description	% of Work Allocated to NAICS Code	\$ Amount of Work Allocated to NAICS Code
237310	Highway, Street & Bridge Contractors	85.00%	\$9,775,000
238210	Electrical Contractors	14.00%	\$1,610,000
561730	Landscaping Services	1.00%	\$115,000
Total		100.00%	\$11,500,000

Project #2: Runway 7R-25L			
Project Description			
NAICS Code and Description		Project Construction Cost: \$13,300,000	
NAICS	Description	% of Work Allocated to NAICS Code	\$ Amount of Work Allocated to NAICS Code
237310	Highway, Street & Bridge Contractors	85.00%	\$11,305,000
238210	Electrical Contractors	14.00%	\$1,862,000
561730	Landscaping Services	1.00%	\$133,000
Total		100.00%	\$13,300,000

Project #3: Taxiway F Rehabilitation			
Project Description			
NAICS Code and Description		Project Construction Cost: \$7,000,000	
NAICS	Description	% of Work Allocated to NAICS Code	\$ Amount of Work Allocated to NAICS Code
237310	Highway, Street & Bridge Contractors	85.00%	\$5,950,000
238210	Electrical Contractors	14.00%	\$980,000
561730	Landscaping Services	1.00%	\$70,000
Total		100.00%	\$7,000,000

PROJECT DETAIL, WORK ALLOCATION, AND ASSIGNMENT OF NAICS CODES

Project #4: Air Carrier Ramp Reconstruction			
Project Description			
NAICS Code and Description	Project Construction Cost: \$3,000,000	% of Work Allocated to NAICS Code	\$ Amount of Work Allocated to NAICS Code
NAICS Description			
237310 Highway, Street & Bridge Contractors	80.00%		\$2,400,000
238210 Electrical Contractors	20.00%		\$600,000
Total	100.00%		\$3,000,000

Projects Summary			
NAICS Code and Description	Total Project Construction Cost: \$30,300,000		
NAICS Description	% of Work Allocated to NAICS Code	\$ Amount of Work Allocated to NAICS Code	
237310 Highway, Street & Bridge Contractors	84.57%	\$29,430,000	
238210 Electrical Contractors	14.52%	\$5,052,000	
561730 Landscaping Services	0.91%	\$318,000	
Total	100.00%	\$34,800,000	

TRIENNIAL DBE GOAL BASE FIGURE CALCULATION WORKSHEET

EXHIBIT C

Proj #1 - Runway 7L-25R

DBE PERCENTAGE

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>	
Formula	(B/A)*C	(B/A)*C	(B/A)*C	
	10.936%	0.094%	0.008%	11.04%

Proj #1 - Runway 7L-25R

NAICS Codes

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>
A = All Businesses	171	2519	1769
B = All DBEs	22	17	15
C = Weight	85.00%	14.00%	1.00%

TRIENNIAL DBE GOAL BASE FIGURE CALCULATION WORKSHEET

EXHIBIT C

Proj #2 - Runway 7R-25L

DBE PERCENTAGE

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>	
Formula	(B/A)*C	(B/A)*C	(B/A)*C	
	10.936%	0.094%	0.008%	11.04%

Proj #2 - Runway 7R-25L

NAICS Codes

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>	
A = All Businesses	171	2519	1769	
B = All DBEs	22	17	15	
C = Weight	85.00%	14.00%	1.00%	

TRIENNIAL DBE GOAL BASE FIGURE CALCULATION WORKSHEET

EXHIBIT C

Project #3: Taxiway F Rehabilitation

DBE PERCENTAGE

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>	
Formula	(B/A)*C	(B/A)*C	(B/A)*C	
	10.936%	0.094%	0.015%	11.04%

Project #3: Taxiway F Rehabilitation

NAICS Codes

	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>
A = All Businesses	171	2519	1769
B = All DBEs	22	17	26
C = Weight	85.00%	14.00%	1.00%

TRIENNIAL DBE GOAL BASE FIGURE CALCULATION WORKSHEET

EXHIBIT C

Project #4: Air Carrier Ramp Reconstruction

DBE PERCENTAGE

	<u>#237310</u>	<u>#238210</u>	
Formula	(B/A)*C	(B/A)*C	
	10.292%	0.135%	10.43%

Project #4: Air Carrier Ramp Reconstruction

NAICS Codes

	<u>#237310</u>	<u>#238210</u>	
A = All Businesses	171	2519	
B = All DBEs	22	17	
C = Weight	80.00%	20.00%	

TRIENNIAL DBE GOAL BASE FIGURE CALCULATION WORKSHEET

EXHIBIT C

Projects Summary			
BASE FIGURE			
	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>
Formula	(B/A)*C	(B/A)*C	(B/A)*C
	10.880%	0.098%	10.99%
Projects Summary			
NAICS Codes			
	<u>#237310</u>	<u>#238210</u>	<u>#561730</u>
A = All Businesses	171	2519	1769
B = All DBEs	22	17	26
C = Weight	84.57%	14.52%	0.91%