

METHODOLOGY for Establishing the FY 2018-FY 2020 Overall Disadvantaged Business Enterprise (DBE) Goal for:

*University of Mississippi
University-Oxford Airport
Oxford, Mississippi*

In fulfillment of the requirements of 49 CFR Part 26, University of Mississippi has developed a proposed goal for FY 2018-FY 2020 FAA-AIP projects at the University-Oxford Airport. The methodology in establishing this goal is described herein.

I. Goal Methodology: Detailed Application, DBE Base Figure— Step 1

A. Amount of Goal

The University of Mississippi’s overall goal for FY 2018-FY 2020 is the following:

Overall Goal:	<u>13.8%</u>		<u>FY 2018 Goal</u>	<u>N/A</u>
Race-Neutral:	<u>0.00%</u>		<u>FY 2019 Goal</u>	<u>13.8%</u>
Race-Conscious:	<u>13.8%</u>		<u>FY 2020 Goal</u>	<u>N/A</u>

The University expects to let approximately **\$569,421** in USDOT-assisted contracts for FY 2018-FY 2020. The University has set a goal of expending approximately **\$78,580** with DBE firms during this three-year period.

B. Determination of the Market Area of the study

The market area is the area where a substantial majority of the airport’s contractors and subcontractors come from and the area which the airports spend a substantial amount of their contracting dollars. After careful research of the historical bidding practices of similar projects in the airport’s vicinity and conversations with the consulting engineer, the University has determined that its market area is made up of the following counties in Mississippi: Tippah, Monroe, and Newton

C. Determination of relevant NAICS codes

Based on information provided by the Consulting Engineer concerning the proposed projects for this fiscal year, a list of NAICS codes corresponding to these projects was developed and is shown below: Note that the available engineering firms will not be considered, as the Airport currently has a engineering firm under contract therefore no DBE opportunities will exist for this discipline.

Table 2: Proposed FY 2018-FY 2019 Projects—University-Oxford Airport

<i>FY 2018 Projects</i>		
<i>PROJECT</i>	<i>ACTIVITY</i>	<i>NAICS CODE</i>
No projects exceeding \$250,000 in AIP funds anticipated		
<i>FY 2019 Projects</i>		
<i>PROJECT</i>	<i>ACTIVITY</i>	<i>NAICS CODE</i>
• Apron Reconstruction	Highway/Street	237310
	Site preparation/grading	238910
	Hauling	484220
	Seeding, erosion control	561730
<i>FY 2020 Projects</i>		
<i>PROJECT</i>	<i>ACTIVITY</i>	<i>NAICS CODE</i>
No projects exceeding \$250,000 in AIP funds anticipated		

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

**Table 3: DBEs— University-Oxford Airport, by Relevant NAICS Codes—FY 2019
APRON RECONSTRUCTION**

Activity	NAICS CODES	DBE Firms	All Firms	Percentage of DBE Firms Available	Grant Amount	DBE Amount
Highway/Street	237310					
Site preparation/grading	238910					
Hauling	484220	5	44	11.4%	\$569,421	\$78,580
Seeding, erosion control	561730					

SOURCES:

1. *2016 County Business Patterns*, U.S. Census Bureau, April 19, 2018.
2. *Disadvantaged Business Enterprise Directory*, Mississippi Department of Transportation, April 2019

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

Determination of the DBE Base Figure

The Step 1 DBE Base Figure for each project was derived by dividing the number of relevant DBE firms into the number of all relevant firms. The total DBE goal in dollars was divided by the total grant amount to derive the step 1 DBE goal.

FY 2019

Apron Reconstruction – **11.4%**

II. Step 2: Adjustment to the Step 1 DBE Base Figure

After the Step 1 DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction must 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 DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.” (26.45(d)(i))

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

Table 4: DBEs—University-Oxford Airport, Historic DBE Accomplishment Data

Report Period	Approved DBE Goal	Total DBE Percent Achieved	Over/Under achieved
FY 2016	12.25%	16.2%	3.95%

“(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure...”

49 CFR Part 26.45(d)(2) also states that the following must be considered for the purposes of considering an adjustment to the base figure:

“(i) Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in your program;

“(ii) Data on employment, self-employment, education, training and union apprenticeship programs, to the extent you can relate it to the opportunities for DBEs to perform in your program.”

No disparity studies have been conducted for Lafayette County or for any of the surrounding counties in the area. There is no disparity data available to be used to adjust the base figure.

There were no data on statistical disparities in the jurisdiction that referenced the ability of DBEs to secure insurance, bonding, capital, etc.

B. Adjustment to Step 1 DBE Base Figure: University-Oxford Airport

With the adjustment factors considered to this point, the University will adjust the Step 1 base figure as calculated above by adding the annual accomplishment factor derived in Table 4 above (16.2%) to the base figure for FY 2019, and averaging the total, for an adjustment overall DBE goal.

The DBE base figure for FY 2019 is 11.4%. $11.4\% + 16.2\% / 2 = \mathbf{13.8\%}$

Resources: University-Oxford Airport - Disadvantaged Business Enterprise Program Methodology (FY 2018 – FY 2020)

A. Resource Documents:

1. 2016 County Business Patterns, U.S. Census Bureau, April 19, 2018.
2. MDOT UCP DBE List, April 2019.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation. 26.51(b) (1-9)

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

1. *Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
2. *Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).*

The University estimates that, in meeting its overall goal of **13.8%** that it will obtain **3.9%** from race neutral participation and **9.9%** through race-conscious measures. The reason for this breakout is that the projects from previous years show that the amount by which the past DBE goal was over-achieved (Table 4). Therefore, it is projected that 3.9% of the adjusted goal will be achieved using race-neutral means. The remainder of the goal (9.9%) is projected to be achieved using race-conscious measures.

The University will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) 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.