

**WAYNE COUNTY AIRPORT AUTHORITY**  
**PROPOSED THREE-YEAR (FISCAL YEARS 2014-2016) OVERALL  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL REPORT  
(Revised)**

**EXECUTIVE SUMMARY**

**Name of Recipient:** Wayne County Airport Authority

**Goal Period:** FY-2014-2015-2016 – October 1, 2013 through September 30, 2016

<b>DOT assisted contract amount:</b>	FY 2014	\$	192,150,000
	FY 2016	\$	2,560,000
<b>Total</b>		<b>\$</b>	<b>194,710,000</b>

**FY 2014 change in dollars to DBEs:** 10.86%

**Dividing the percentage change over three years:** 3.62%

**Revised Overall Three-Year Goal:** 14%, to be accomplished through 13% RC and 1% RN  
*(Revised Goal based upon 3.62% reduction of dollars to DBEs in FY2014)*

**Total dollar amount to be expended on DBE's:** \$31,153,600

Key projects the Airport Authority anticipates awarding:

1. Reconstruction of Runway 3L/21R Runway & Associated Taxiways (Detroit Metro) at a projected cost of \$128,000,000
2. Reconstruction Balance of Taxiway "W" & Eastern Taxiways (Detroit Metro) at a projected cost of \$55,700,000
3. Construction of North Power Plant Chillers & Systems - HVAC/Air Handler Replacements (Detroit Metro) at a projected cost of \$6,650,000
4. Construction of a Compressed Natural Gas & Fueling Facility (Detroit Metro) at a projected cost of \$2,560,000

**Market area:** Michigan Firms, with a majority located in the counties of Macomb, Oakland, Washtenaw, and Wayne that have NAICS codes for work anticipated to be awarded on AIP projects over the next 3 years.

## **GOAL METHODOLOGY**

### **I. Introduction**

This report details the methodology used for establishing the 3-Year (FY 2014-2016) 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 2014-2016). Pursuant to 49 Code of Federal Regulations (CFR) Part 26, the 3-Year (FY 2014-2016) goal is based on the Airport Authority's assessment of the availability of ready, willing and able DBEs in the local market area relative to all businesses (DBE and 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 2014-2016) is for 17% of its Federal financial assistance to be expended in DOT-assisted contracts. The Airport Authority anticipates awarding these contracts between October 1, 2013 and September 30, 2016.

### 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 4.

The Airport Authority's relevant market area is the entire state of Michigan with a majority of those companies located in Macomb, Oakland, Washtenaw, and Wayne counties. Their relatively close proximity to Detroit Metropolitan and Willow Run Airports has resulted in the most of the Airport Authority's previous contracts being awarded to prime contractors located within these counties.

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

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

*Divided By*

*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 5, 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 5, 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 5.

**TABLE 1**  
**Wayne County Airport Authority**  
**3-Year (FY 2014-2016) Proposed Capital Improvement Program (CIP) Projects**

PROJECT DESCRIPTIONS	
1.	Reconstruction of Runway 3L/21R & Associated Taxiways (Detroit Metro)
2.	Reconstruction of Balance of Taxiway "W" & Eastern Taxiways (Detroit Metro)
3.	Demolition of L.C. Smith and Michael Berry Terminals (Detroit Metro)
4.	Construction of North Power Plant Chillers & Systems - HVAC/Air Handler Replacements (Detroit Metro)
5.	Construction of a Utility Command Center & Remote Metering (Detroit Metro)
6.	Construction of a Compressed Natural Gas (CNG) & Fueling Facility (Detroit Metro)
7.	Reconstruction of Dingell Drive Retaining Wall (Detroit Metro)
8.	Design of Extension of 3L/21R Runway (Detroit Metro)
9.	Update Airport Layout Plan (Willow Run)
10.	Sustainability Master Plan Design (Detroit Metro & Willow Run)

Source: Wayne County Airport Authority's Airfield Capital Projects, Capital Development & Facility Projects, and Infrastructure & Engineering Departments

**TABLE 2**  
**Ready, Willing and Able DBEs and**  
**All Firms in Market Area for FY 2014-2016 CIP Projects**

NAICS CODE	DEFINITION	NUMBER OF DBE FIRMS IN MICHIGAN (numerator)	NUMBER OF TOTAL FIRMS IN MICHIGAN (denominator)
236220	Commercial Construction	31	395
237310	Highway, Street, & Bridge Construction	26	313
237990	Civil Engineering Construction	3	206
238210	Electrical Contractors	22	250
238110	Concrete Foundation & Structure Contractors	19	350
238910	Site Preparation and Demolition	33	362
541320	Land Use Planning	5	161
484110	Trucking Services	61	67
541330	Engineering Services	40	232
541990	Professional, Scientific and Technical Services	5	117
541360	Surveying and Mapping Services	16	55
541380	Testing Laboratories	8	55
541490	Pavement Design	20	98
562910	Remediation Services	8	185
541620	Environmental Consulting	22	188
541611	Administrative & General Construction Mgmt.	31	187
541614	Construction Logistics Consulting Services	1	184
541690	Scientific & Technical Consulting Services	7	11
<b>TOTALS</b>		<b>358</b>	<b>3416</b>

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 2014-2016 is **358**.

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 **3,416** firms. Thus:

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

$$358 \div 3,416 = 10.00\% \text{ (rounded)}$$

Therefore, the base figure for the Airport Authority’s anticipated DBE participation is **10%**.

#### 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 four (4) fiscal years (FY 2007-2010). Table 3 below reflects the data used to determine the base figure adjustment.

**TABLE 3**  
**Wayne County Airport Authority DBE Participation for FY 2007-2010**

<b>REPORT PERIOD</b>	<b>DBE GOAL%</b>	<b>TOTAL DBE % PARTICIPATION ON CLOSED PROJECTS (rounded)</b>
FY 2007	20	27
FY 2008	17	25
FY 2009	18	14
FY 2010	17	29
Average per period	18	24

As detailed in Table 3, the average DBE participation rate for the periods during which there was reported DOT-funded activity is **24%**.

To adjust the base figure, the 24% average percentage of historical DBE participation was averaged with the 10% base figure:

$$\text{(Base figure \% + average DBE \% participation)} \div 2 = \text{Overall DBE Goal}$$
$$\text{(10\% + 24\%)} \div 2 = \text{17\% (rounded)}$$

The Airport Authority believes that DBE capacity currently exists to perform work in our DOT-assisted contracting program at the adjusted percentage level. Therefore, the Airport Authority's overall DBE goal for Fiscal Years 2014-2016 is **17%**.

#### 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 17%, 1% will be obtained from race/gender neutral means and 16% 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 6, exceeding the goal by 1%, which is evidence of race/gender neutral participation.

Applicable race/gender neutral means to increase DBE participation will include:

- 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 have sought and obtained valuable 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 included:

- Marion Casey, 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.
- Shelia Udeozor, MSA, Detroit Department of Transportation, DER/DBE Manager

The Airport Authority has published notices of its proposed DBE goal in both general and specialty circulation media in the relevant market area. These notices provide for a 45-day advertisement period of the DBE goal and a 30-day period to review and to provide comment. As of this submission, the Airport Authority has received no comments.

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 2014-2016) 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 2007–2010 Uniform Report of DBE Awards or Commitments and Payments (AIP DBE Accomplishments Reports)
4. Detroit Metropolitan Airport Capital Improvement Plan Fiscal Years 2014-2018