

ZEPHYRHILLS MUNICIPAL AIRPORT



Disadvantaged Business Enterprise Goals and Methodology

ZEPHYRHILLS MUNICIPAL AIRPORT DISADVANTAGED BUSINESS ENTERPRISE GOALS AND METHODOLOGY

The City of Zephyrhills, FL (City) is the owner and operator of the Zephyrhills Municipal Airport (Airport). The City is known to the Federal Aviation Administration (FAA) as the Sponsor of the Airport.

As a recipient of FAA Airport Improvement Program (AIP) funds in the amount of over \$250,000 per year, it is required that the Airport's AIP goal for Disadvantaged Business Enterprise (DBE) be calculated on a triennial basis consistent with 49 CFR Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*, Section 26.45, *How Do Participants Set Overall Goals?* under *DOT-Assisted Projects*. The process is intended to provide maximum flexibility, while ensuring that goals are based on the availability of ready, willing, and able DBEs in the Airport's "Market Area." This approach is crucial in meeting the obligation to ensure that these goals are narrowly tailored. The process of setting goals is used to estimate the percentage of the base calculation that would be performed by DBEs in the absence of discrimination and its effects. The overall goal period for the City's DBE program at the Airport for federally assisted projects is established on at least a triennial basis, beginning on October 1, 2020, and ending on September 30, 2023. This is referred to as the goal period.

The overall goal for the goal period has been set using the methodologies described in 49 CFR Part 26. Based on the data currently available to the Airport staff, the **overall goal of 10.06 percent has been set for the goal period of FY 2021 through FY 2023**. The Airport anticipates \$7,550,000 of Department of Transportation (DOT)-assisted contracts within the goal period. The Airport has set a goal of expending \$ 759,530 with DBEs during the goal period.

Step 1.1 – Actual Relative Availability of Disadvantaged Business Enterprises

The first step of the goal setting process is based on the demonstrable evidence of the relative availability of ready, willing, and able DBEs (relative availability of DBEs) to compete for AIP projects. The data sources used to determine the contractors and subcontractors include DBE directories, lists of bidders and proposers, and firms who previously competed for AIP contracts at the Airport. The Airport elected to use the methodology described in 49 CFR 26.45 (c) (1) to determine the base figure for the relative availability of DBEs. Analysis of the Airport's previous three years', FY 2018 through FY 2020, AIP projects; discussions with Airport staff and consultants; and a review of the Airport's bidders lists and the FDOT DBE directory revealed 16 counties as the Airport's "market area." An amount of \$ 3,997,917.63 represents 100 percent of the AIP funds bid during the two-year bidding history for the Airport. A total of 23 bidding contractors and subcontractors are represented in the bids. These were spread across the 16 counties shown in Table 1.

Table 1
MARKET AREA COUNTIES AND BIDDERS

Market Area Counties	Number of Bidders Per County
Appling, GA	1
Berkeley, SC	1
Charlotte, FL	1
Columbia, FL	1
Gwinnett, GA	1
Hernando, FL	1
Hillsborough, FL	5
Lake, FL	1
Lee, FL	1
Levy, FL	1
Martin, FL	1
Orange, FL	1
Pinellas, FL	3
Sarasota, FL	1
Seminole, FL	2
Sumter, FL	1

A preliminary figure of 5.76 percent was determined by utilizing Calendar Year (CY) 2018 County Business Patterns (CBP) data of the U.S. Census Bureau, as well as the Florida DOT, South Carolina DOT, and Georgia DOT DBE Directories, which are updated almost daily. The 2018 Census Bureau's CBP data was used as the denominator and the three states' DOT's DBE Directory information were used as the numerator. All were extracted for construction and professional services trades for the Airport's "market area" in the same North American Industry Classification System (NAICS) codes category.

The NAICS code is a six-digit code. The three state DBE Directory's information gleaned also included all participants within the six-digit classification. Further, while the Florida DOT DBE

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Directory classifies those participants that have been certified to perform aviation work, as opposed to those who have been certified to perform highway, rail, or transit work, it was elected to include all FDOT DBEs certified within the NAISC six-digit code. The base figure was calculated by counting only the DBEs and the U.S. Census Bureau establishments in the same NAICS codes as shown in Tables 2, 3, and 4.

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**Table 2
ACTUAL RELATIVE AVAILABILITY OF DISADVANTAGED BUSINESS ENTERPRISESFOR FY 2021**

Fiscal Year 2021					
Project Name	Total Project Budget	NCIAS Code	NCIAS Trade Description	Total Number of DBEs per NCIAS Code in Market Area	Total Number of all Trades per NCIAS Code in Market Area
Construct New Rotating Airfield Beacon	\$172,000	238210	Electrical Contractors and Other Wiring Installation Contractors	36	1,809
		423610	Electrical apparatus and Equipment and Wiring Supplies, and Related Equipment Merchant Wholesalers	11	409
Construct Rehabilitation of Taxiway A Pavement	\$3,650,000	237310	Highway, Street, and Bridge Construction	40	203
		238210	Electrical Contractors and Other Wiring Installation Contractors	36	1,809
		238910	Site Preparation Contractors	40	564
		484220	Specialized Freight (except used goods) Trucking, Local	84	381
		541330	Engineering Services	93	1,882
		541370	Surveying and Mapping (except Geophysical) Services	20	235
		541380	Testing Laboratories	16	160
FY 2021 Total	\$3,822,000			376	7,452
DBE Relative Availability FY 2021				5.05%	

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**Table 3
ACTUAL RELATIVE AVAILABILITY OF DISADVANTAGED BUSINESS ENTERPRISES FOR FY 2022**

Fiscal Year 2022					
Project Name	Total Project Budget	NCIAS Code	NCIAS Trade Description	Total Number of DBEs per NCIAS Code in Market Area	Total Number of all Trades per NCIAS Code in Market Area
Design of Itinerant Aircraft Parking Apron	\$337,800	541330	Engineering Services	93	1,882
		541370	Surveying and Mapping (except Geophysical) Services	20	235
		541380	Testing Laboratories	16	160
Airport Master Plan Update	\$350,000	541330	Engineering Services	93	1,882
		541370	Surveying and Mapping (except Geophysical) Services	20	235
		541620	Environmental Consulting Services	51	236
FY 2022 Total	\$687,800			293	4,630
DBE Relative Availability FY 2022				6.33%	

Table 4
ACTUAL RELATIVE AVAILABILITY OF DISADVANTAGED BUSINESS ENTERPRISES FOR FY 2023

Fiscal Year 2023					
Project Name	Total Project Budget	NCIAS Code	NCIAS Trade Description	Total Number of DBEs per NCIAS Code in Market Area	Total Number of all Trades per NCIAS Code in Market Area
Construction of Itinerant Aircraft Parking Apron	\$ 3,040,200	237310	Highway, Street, and Bridge Construction	40	203
		238210	Electrical Contractors and Other Wiring Installation Contractors	36	1,809
		238910	Site Preparation Contractors	40	564
		484220	Specialized Freight (except used goods) Trucking, Local	84	381
		541330	Engineering Services	93	1,882
		541370	Surveying and Mapping (except Geophysical) Services	20	235
		541380	Testing Laboratories	16	160
FY 2023 Total	\$ 3,040,200			329	5,234
DBE Relative Availability FY 2023				6.29%	
Total Relative Availability FY 2021 Through 2023					5.76%

Step 1.2 Weighted Availability of Disadvantaged Business Enterprises

49 CFR Section 26.45 (d) and the goal and the methodology guidelines found on the Office of Small and Disadvantaged Business Utilization (OSDBU) website identify numerous examples of the various types of data to examine to adjust the Total Relative Availability to make it as precise as possible. This step is intended to adjust the preliminary percentage from Step 1 to accurately reflect the DBE participation that would be expected in the absence of discrimination.

Step 1.3 – Weighted Availability of Disadvantaged Business Enterprises

For FY 2021, the award of the following projects and classifications is anticipated as shown in Table 5.

**Table 5
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2021**

FY 2021								
Contract Name	Trade Description	NAICS Description	NAICS Code	Trade Dollars	Number of U.S. Census Firms	Number of State DOT Directory Firms	DBE Percentage	DBE Dollars
Construct New Rotating Airfield Beacon	Electrical Contractors	Electrical Contractors and Other Wiring Installation Contractors	238210	\$ 140,146	1,809	36	1.99%	\$ 2,789
	Electrical Equipment	Electrical Apparatus & Equipment & Wiring Supplies, and Related Equipment Merchant Wholesalers	423610	\$ 31,854	409	11	2.69%	\$ 857
Total Contract #1 FY 2021				\$ 172,000			2.12%	\$ 3,646
Rehabilitate Taxiway A Pavement Construction	Highway, Street, & Bridge Construction	Highway, Street, & Bridge Construction	237310	\$ 1,898,000	203	40	19.70%	\$ 373,990
	Electrical Contractors	Electrical Contractors and Other Wiring Installation Contractors	238210	\$ 693,500	1,809	36	1.99%	\$ 13,801
	Site Preparation Contractors	Site Preparation Contractors	238910	\$ 365,000	564	40	7.09%	\$ 25,887
	Trucking	Specialized Freight (except used goods) Trucking, Local	484220	\$ 255,500	381	84	22.05%	\$ 56,331
	Engineering Services	Engineering Services	541330	\$ 292,000	1,882	93	4.94%	\$ 14,429
	Surveying Services	Surveying and Mapping (except Geophysical) Services	541370	\$ 36,500	235	20	8.51%	\$ 3,106
	Testing	Testing Laboratories	541380	\$ 109,500	160	16	10.00%	\$ 10,950
	Total Contract #2 FY 2021			\$3,650,000			13.36%	\$ 487,544
Total FY 2021				\$3,822,000			12.85%	\$ 491,190

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For each classification, the number of DBE firms is divided by the number of firms found in the market area counties as shown in the U.S. Census. This results in the DBE percentage. The dollars for each trade are achieved by multiplying the percentage of the work required for that trade for that project by the Overall Project Budget. The trade dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2021: Total DBE dollars (\$ 491,190) divided by the total number of trade dollars (\$ 3,822,000) = 12.85 percent.

For FY 2022, the award of the following projects and classifications is anticipated, as shown in Table 6.

Table 6
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2022

FY 2022								
Contract Name	Trade Description	NAICS Description	NAICS Code	Trade Dollars	Number of U.S. Census Firms	Number of State DOT Directory Firms	DBE Percentage	DBE Dollars
Design of Itinerant Aircraft Parking Apron	Engineering Services	Engineering Services	541330	\$ 300,642	1,882	93	4.94%	\$ 14,856
	Surveying Services	Surveying and Mapping (except Geophysical) Services	541370	\$ 23,646	235	20	8.51%	\$ 2,012
	Testing	Testing Laboratories	541380	\$ 13,512	160	16	10.00%	\$ 1,351
Total Contract #1 FY 2022				\$ 337,800			5.39%	\$ 18,220
Airport Master Plan Update	Planning Services	Engineering Services	541330	\$ 308,000	1,882	93	4.94%	\$ 15,220
	Surveying Services	Surveying and Mapping (except Geophysical) Services	541370	\$ 35,000	235	20	8.51%	\$ 2,979
	Environmental	Environmental Consulting Services	541620	\$ 7,000	236	51	21.61%	\$ 1,513
Total Contract #2 FY 2022				\$ 350,000			5.63%	\$ 19,711
Total FY 2022				\$ 687,800			5.51%	\$ 37,931

For each classification, the number of DBE firms is divided by the number of firms found in the market area counties as shown in the U.S. Census. This results in the DBE percentage. The dollars for each trade are achieved by multiplying the percentage of the work required for that trade for that project by the Overall Project Budget. The trade dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2022: Total DBE dollars (\$ 37,931) divided by the total number of trade dollars (\$ 687,700) = 5.51 percent.

For FY 2023, the award of the following projects and classifications is anticipated, as shown in Table 7.

Table 7
WEIGHTED RELATIVE AVAILABILITY OF DBEs FOR FY 2023

FY 2023								
Contract Name	Trade Description	NAICS Description	NAICS Code	Trade Dollars	Number of U.S. Census Firms	Number of State DOT Directory Firms	DBE Percentage	DBE Dollars
Construction of Itinerant Aircraft Parking Apron	Highway, Street, & Bridge Construction	Highway, Street, & Bridge Construction	237310	\$1,945,728	203	40	19.70%	\$383,395
	Electrical Contractors	Electrical Contractors	238210	\$ 304,020	1,809	36	1.99%	\$ 6,050
	Site Preparation Contractors	Site Preparation Contractors	238910	\$ 304,020	564	40	7.09%	\$ 21,562
	Trucking	Specialized Freight (except used goods) Trucking, Local	484220	\$ 152,010	381	84	22.05%	\$ 33,514
	Engineering	Engineering Services	541330	\$ 243,216	1,882	93	4.94%	\$ 12,019
	Surveying	Surveying and Mapping (except Geophysical) Services	541370	\$ 30,402	235	20	8.51%	\$ 2,587
	Testing Laboratories	Testing Laboratories	541380	\$ 60,804	160	16	10.00%	\$ 6,080
	Total Contract FY 2023			\$3,040,200			15.30%	\$465,207
Total FY 2023				\$3,040,200			15.30%	\$465,207

For each classification, the number of DBE firms is divided by the number of firms found in the market area counties as shown in the U.S. Census. This results in the DBE percentage. The dollars for each trade are achieved by multiplying the percentage of the work required for that trade for that project by the Overall Project Budget. The trade dollars are then multiplied by the DBE percentage to achieve the DBE dollars.

Total weighted DBE percentage for FY 2023: Total DBE dollars (\$ 465,207) divided by the total number of trade dollars (\$ 3,040,200) = 15.3 percent.

The base goal projection after weighting is as follows:

- Total Weighted DBE Availability: FY 2021 (\$ 491,190) + FY 2022 (\$ 37,931) + FY 2023 (\$ 465,207) = **\$ 994,328**
- Total for all trades: FY 2021 (\$ 3,822,000) + FY 2022 (\$ 687,800) + FY 2023 (\$ 3,040,200) = **\$ 7,550,000.**

Dividing the weighted DBE totals (\$ 994,328) by the total estimate for all classifications (\$ 7,550,000) gives a base DBE availability figure for the projects during the goal setting period. This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Base DBE Goal: 15.30 percent

B. Step 2.1 – Past Participation - Median Past Participation Method

Adjustments based on the utilization of the “Median Past Participation” method included the three-year history of AIP projects of similar scope, which yielded an actual DBE percentage of 4.39 percent, as shown in Table 8.

**Table 8
THREE-YEAR MEDIAN HISTORICAL AIP PROJECTS**

Fiscal Year	Project Title	Total Project Dollars	DBE					
			Goal		Actual		Variance	
			Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
2018	Taxiway B Reconstruction	\$2,324,673	\$ 155,753	6.7%	\$ 28,100	1.21%	\$(127,653)	-82.0%
2018	Taxiway A Rehab Design	\$ 262,204	\$ 17,568	6.7%	\$ 13,734	5.24%	\$ (3,834)	-21.8%
2018	Runway 1-19 Misc. Improvements	\$1,439,710	\$ 96,461	6.7%	\$ 100,000	6.95%	\$ 3,539	3.7%
2018	AWOS Replacement	\$ 247,644	\$ 16,592	6.7%	\$ 28,100	11.35%	\$ 11,508	69.4%
2020	Beacon Replacement	\$ 168,000	\$ 11,256	6.7%	\$ 25,000	14.88%	\$ 13,744	122.1%
	Total	\$4,442,231	\$ 297,629		\$ 194,934	4.39%	\$(102,695)	-34.5%

The median percentage of the five projects 6.95 percent. The base number of 13.17 percent plus the median of 6.95 percent yields $(6.95 + 13.17)/2 = 10.06$ percent. Therefore, the base figure adjusted for historical median past participation is 10.06 percent.

Step 2.2 - Other Factors

The Airport and its consultant validated with the State of Florida's Office of Supplier Diversity and found no information about past discrimination in public contracting, discrimination in private credit, bonding or insurance, data on employment, training, or union apprenticeship programs, and/or data on firms' formation. The City does not have sufficient reliable information about the characteristics of the firms (size, age, past-experience, bonding, insurance, etc.) available in the market area to make any justifiable adjustments. The consultant and Airport staff considered all the factors listed in the federal regulation and the OSDBU website to determine if an adjustment is necessary. It was determined that no market area disparity study had been conducted that would impact the federal DBE goal-setting process.

Step 3 Breakout of Race-Neutral and Race Conscious Participation

The estimated breakout of race-neutral and race conscious participation on the Airport's AIP projects will be adjusted to reflect actual DBE participation. Race-neutral and race conscious participation will be tracked and reported separately. Race-neutral participation includes either DBE participation through a prime contract, which a DBE obtains via competitive procurement procedures; DBE participation on a prime contract exceeding a contract goal; or DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making an award.

Per 49 CFR Part 26.51 (c), the Airport's race-neutral and race conscious goals are subject to change and will be updated annually to include these changes. It is anticipated that the Zephyrhills Municipal Airport will meet the maximum feasible portion of its overall goal by using race conscious means of facilitating DBE participation. It is estimated that in meeting the Airport's overall goal of 10.06 percent, it will obtain zero percent from race-neutral participation and 10.06 percent will be obtained through race conscious measures. The zero percent race-neutral goal represents the Airport's inability to meet its DBE goals on a two similar scoped AIP project during the past three years, as indicated by the Past Participation DBE Variance Median that is detailed in Table 9.

**Table 9
PAST DBE PARTICIPATION MEDIAN**

Past Participation Median	%
Median Actual Participation	6.95%
Median Method DBE Variance Participation	-34.50%

The Airport has zero history of DBE participation where no contract goals were used. The Airport uses the following race-neutral measures:

1. Arranging solicitations, times for the presentation of bids, quantities specifications, and delivery schedules in ways that facilitate DBE and other small businesses' participation
2. Assisting in overcoming limitations such as inability to obtain bonding or financing

3. Providing technical assistance and other services
4. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has been historically low
5. Assisting DBEs and other small businesses to develop their capability to utilize emerging technology and conduct business through electronic media
6. Assisting DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures
7. Promoting DBE participation through a subcontract on a prime contract that does not carry a DBE goal
8. DBE participation on a prime contract exceeding a contract goal
9. DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award

Contract Goals

The City will use contract goals to meet any portion of the overall goal that Zephyrhills Municipal Airport does not project being able to meet using race-neutral means. Contract goals are established so that, over the goal period, they will cumulatively result in meeting any portion of the Airport's overall goal that is not projected to be met using race-neutral means. The City will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It is not necessary to establish a contract goal on every such project, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work, DBE's to perform the particular type of work). The City will express its contract goals as a percentage of the federal share of a DOT-assisted contract. Contract goals shall be used to meet 6.21 percent (FY 2021) of the Airport's overall goal and such goals can only be used on contracts that present subcontracting opportunities. However, contract goals shall not be utilized for Part 26 federally funded FY 2021-FY 2023 projects beyond the attainment of the annual overall goal. This requirement applies to both construction and non-construction (i.e., architectural, landscaping, and other professional services, equipment, etc.).

The appropriate goal will be included in each AIP solicitation. Individual contract goals may vary from the overall goals of the federal share of DOT-assisted contracts:

- Note 1: If a contract goal has been established, a bidder may not meet the requirements of the bid specification by stating that he/she will accomplish all work of the contract using his/her own employees. First, he/she must demonstrate, to the Airport's satisfaction, that he/she made good faith efforts to meet the goal, and despite those efforts, was unable to subcontract any of the work to DBEs.
- Note 2: The good faith effort requirements of 49 CFR Part 26.53 shall be required in every instance where a contract goal has been established.

DBE Goals Process

The Zephyrhills Municipal Airport reviews its overall DBE goal each year and submits its triennial DBE Goals to the FAA Office of Civil Rights as per FAA's schedule. Before establishing the Airport's DBE Program, the Airport consulted with various minority and women trade organizations, including the local Chamber of Commerce and the National Association of Minority Contractors to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs and the Airport's efforts to establish a level playing field for the participation of DBEs. Those Disadvantaged Business Enterprise Liaison Officers (DBELO), DBEs, and prime contractors cited several problem areas regarding DBE issues including, but not limited to:

1. The lack of prime contractor's encouragement to hire DBEs over and above the DBE goal
2. The lack of assistance to promote DBE joint venture formations
3. The lack of sufficient prime contractor notices to DBEs regarding Airport opportunities

To remedy the above items, the Airport's outreach efforts have increased and intensified.

The Airport published a notice of a webinar to be held at a specific time and date on the City of Zephyrhills website, <https://www.ci.zephyrhills.fl.us>. Additionally, all the DBEs registered with the State of Florida within the NCIA codes that are used in the Zephyrhills DBE Goals and Methodology Plan that are located within Pasco County were directly notified by email of the webinar. The webinar was held, and a PowerPoint presentation was given to let the viewers know why the DBE Goals and Methodologies had been created, the methodologies that had been used in the development of the Goals, and the Goals themselves. An opportunity was given at the end for questions and comments. This report has been posted on the City of Zephyrhills website.

Summary

Because of the weighted relative methodology, together with the median of the past participation, the Airport determined that the goal of 10.06 percent is representative of the spirit and intent of 49 CFR Part 26. **The Airport has established the reasonable and attainable DBE goal of 10.06 percent for the goal period of FY 2021 through FY 2023.**