

**DBE GOAL METHODOLOGY for FY-2011/2012/2013
KCI Airport - Kansas City, MO**

Section 26.45: Overall DBE 3-Year Goal Methodology

Name of Recipient: KCMO – KCI Airport

Goal Period: FY-2011-2012-2013 – October 1, 2010 through September 30, 2013

| | | |
|--------------------------------------|---------|---------------------|
| DOT-assisted contract amount: | FY-2011 | <u>\$15,700,000</u> |
| | FY-2012 | <u>\$45,800,000</u> |
| | FY-2013 | <u>\$73,800,000</u> |

Total (Dwntwn & KCI airports) **\$135,300,000**

DBE 3-Year Overall Goal: 14.5%

Total dollar amount to be expended on DBE's: \$20,295,000

The Number and Type of Projects that the airport anticipates awarding:

- | | |
|-----------------|------------------------------|
| 1. Taxiways (4) | 5. Purchase (2) |
| 2. Runways (3) | 6. Remove Obstruction (1) |
| 3. Apron (1) | 7. Professional Services (3) |
| 4. Building (1) | 8. Drainage (1) |

Market Area: The market area is the area in which the majority of the Airport's contractors and subcontractors that seek to do business with the Airport are located and the area in which the Airport spends the majority of its contracting dollars. The market area is the Kansas City Metro area defined as 4 counties in Missouri (Cass, Clay, Jackson and Platte) and 3 counties in Kansas (Johnson, Leavenworth and Wyandotte), counties surrounding the Airport but can also extend to additional areas where contractors and/or subcontractors can be found to do the types of projects being awarded at the Airport.

Step 1. Analysis: Actual relative availability of DBE's

Method: Use DBE Directories

<http://osdbu.dot.gov/DBEProgram/StateDOTDBESites.cfm>and Census Bureau Data <http://www.census.gov/econ/cbp/index.html>

These are projects anticipated to be awarded during the 3-year period by type and number.

RUNWAYS (3) - - TAXIWAYS (4) - - - APRON (1)

| NAICS | Type of Work | Total DBE's | Total All Firms |
|-------|--------------------|-------------|-----------------|
| 54 | Prof Serv (Design) | 232 | 6,207 |
| 23 | Construction | 247 | 5,479 |
| 56 | Support Serv | 145 | 3,029 |
| Total | | 624 | 14,715 |

Divide the total number of DBE's by the total number of All Firms = base figure for each project. $624 / 14,715 = 4\%$

AIRFIELD STORM DRAINAGE (1) - - - REMOVE OBSTRUCTIONS (1)

| NAICS | Type of Work | Total DBE's | Total All Firms |
|-------|--------------|-------------|-----------------|
| 23 | Construction | 247 | 5,479 |
| 56 | Support Serv | 145 | 3,029 |
| | | | |
| Total | | 392 | 8,508 |

Divide the total number of DBE's by the total number of All Firms = base figure for each project. $392 / 8,508 = 4\%$

SAFETY MANAGEMENT SYSTEM (SMS) (2) - ADVANCE TERM PLANNING (1)

| NAICS | Type of Work | Total DBE's | Total All Firms |
|-------|--------------------------|-------------|-----------------|
| 54 | Market Research & Public | 204 | 6,207 |
| | Polling | | |
| | | | |
| Total | | | |

Divide the total number of DBE's by the total number of All Firms = base figure for each project. $204 / 6,207 = 3\%$

ARFF STORAGE FACILITY(1)

| NAICS | Type of Work | Total DBE's | Total All Firms |
|-------|--------------|-------------|-----------------|
| 54 | Design | 232 | 6,207 |
| 23 | Construction | 247 | 5,479 |
| | | | |
| Total | | 479 | 11,686 |

Divide the total number of DBE's by the total number of All Firms = base figure for each project. **479 / 11,686 = 4%**

PURCHASES (2)

| NAICS | Type of Work | Total DBE's | Total All Firms |
|-------|------------------------|-------------|-----------------|
| | Snow Removal Equipment | 0 | |
| 53 | F.A.R. Part 150 Land | 19 | 2,586 |
| | | | |
| Total | | | |

Divide the total number of DBE's by the total number of All Firms = base figure for each project. **19 / 2,586 = 0%**

To determine the overall base figure for more than one project, add all the project percentages together. The overall base figure is **15%**.

Step 2. Analysis: Adjustment to Step 1 base figure to make it more precise.

Historically, the Department had exceeded its overall goal. Hence, in FY07, our overall goal was 100% Race Neutral. The data used to determine the adjustment to the base figure is the median of historical DBE accomplishments which range from 7-22% as follows:

| Fiscal Year | Total \$s | DBE \$s | DBE | | |
|----------------|-------------------|------------------|---------------|---------------|---------------|
| | | | Participation | DBE Goal | Variance |
| 2003-04 | 2,090,791 | 673,838 | 32.23% | 13.00% | 19.23% |
| 2004-05 | 7,668,532 | 2,519,016 | 32.85% | 13.25% | 19.60% |
| 2005-06 | 14,855,399 | 3,089,160 | 20.79% | 13.25% | 7.54% |
| 2006-07 | 16,692,000 | 3,767,070 | 22.57% | 24.57% | -2.0% |
| 2007-08 | 29,108,689 | 4,338,977 | 14% | 23.49% | -9.49 |
| 2008-09 | 8,945,463 | 1,972,389 | 22% | 23.49% | -1.49 |
| 2009-10 | 3,740,514 | 262,046 | 7% | 23.49% | -16.49 |

TOTAL \$41,794,666 \$6,573,412 15

AVERAGE \$13,931,555 \$2,191,137

MEDIAN FY-10 = 7%
FY-08 = 14%
 FY-09 = 22%

Arranging this historical data from low to high, the **median is 14%**.

To arrive at an overall goal, we added our Step 1 base figure, 15, with our Step 2 adjustment figure, the median (14) and then averaged the total arriving at an overall goal of **14.5%**: $\{15 + 14 = 29 / 2 = 14.50\}$ We feel this adjusted goal figure will accurately reflect DBE participation that can be achieved for the type of project work being awarded during FY-11/12/13.

Further, there are no applicable disparity studies for the local market area or recent legal case information available.

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

The recipient will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation by

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. Providing assistance in overcoming limitations such as inability to obtain bonding or financing;
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific contract opportunities;
5. Utilizing supportive services programs of the City of KCMO, PTAC, MoDOT and KsDOT to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability, to develop their capability to utilize emerging technology and conduct business through electronic media for DBE's and other small businesses;

6. 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;
7. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;

Since our RN average participation for the last 3 years is 7% (21/3), and the RC average participation for the last 3 years is 4% (12/3), we estimate that in meeting our overall goal of **14.5%**, we will obtain **11%** from RN participation; and **3.5%** through RC measures.

This breakout is based on:

The Airport Authority does have a history of DBE participation or over-achievement of goals to reference through the use of DBE contract goals or a conscious effort to obtain DBE participation.

The Airport's accomplishments were achieved through race neutral means. Where we did not put a project specific goal, we did strongly encourage bidders to assist us in achieving our overall DBE goal.

Professional services contracts, which typically have not had project specific goals, tend to have higher levels of participation than the overall goal which positively impacts levels of RN participation.

We 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.

Public Participation

Consultation: Section 26.45(g)(1).

We will consult with minority, women's and general contractor groups, community organizations who can share information on the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBE's and efforts to establish a level playing field for the participation of DBE's.

KCMO – Aviation Department submits its overall 3-year goal to DOT on August 1 or as soon as practicable as required.

Before establishing the overall goal, the KCMO Aviation Department will consult with County's Chamber of Commerce, D/M/WBE Contractors Association, State DOT Minority Business Development Office, National Association of Women in Construction, Women Business Development Council, Airport Minority Business Council, NAACP, Hispanic Chamber of Commerce, Asian Business Association, 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 City of Kansas City, Missouri – Aviation Dept. to establish a level playing field for the participation of DBEs.

Following the consultation, we will publish a notice in the KC Star, KC CALL and other minority newspapers of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the airport administration building for 30 days following the date of the notice, and informing the public that the KCMO Aviation Dept. 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 must include addresses to which comments may be sent and addresses where the proposal 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 Language:

PUBLIC NOTICE

The City of Kansas City, Aviation Dept. hereby announces its proposed fiscal 3- year (2011-13) goal of **14.5%** for Disadvantaged Business Enterprise (DBE) participation airport professional services, construction, and supportive services projects. The proposed goals and rationale are available for inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday at 601 Brasilia Ave, KCMO or <http://flykci.com/AviationDepartment/DoBusiness/Index.htm> for 30 days from the date of this publication. Comments on the DBE goal will be accepted for 45 days from the date of this publication and can be sent to the following: Mr. Mark VanLoh, Director, 601 Brasilia Ave., Kansas City, MO 64153 or posted at <http://flykci.com/ContactUs>

Contract Goals

We will use contract goals to meet any portion of the overall goal that we do 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 recipient's overall goal that is not projected to be met through the use of RN means.

The recipient will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It need 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).

We will express our contract goals as a percentage of the total amount of a DOT-assisted contract.