



**Port of Portland FY17-19 Disadvantaged Business Enterprise (DBE) Goal  
Portland International Airport**

**Name of Recipient: Port of Portland**

**Airport: Portland International Airport (PDX)**

**Goal Period: FFY 2017, 2018, 2019**

<b>DOT-assisted contract amount: FFY - 2017</b>	<b>\$12,071,538.00</b>
<b>FFY - 2018</b>	<b>\$2,934,754.00</b>
<b>FFY - 2019</b>	<b>\$9,201,000.00</b>
<b>Total</b>	<b>\$24,207,292.00</b>

**Overall Three-Year Goal: 11.95%, to be accomplished through 2.11% R/N and 9.84% R/C**

**Total dollar amount to be expended on DBE's: \$2,381,526.64**

**Number and Type of Projects that the Port of Portland anticipates awarding:**

**Projects Federal Fiscal Year 2017**

- 1. Taxiway B Center & Exits Rehab - \$11,621,538.00**
- 2. Squitter Purchase - \$450,000.00**

**Projects Federal Fiscal Year 2018**

- 1. South Airfield Storm Drainage Improvements - \$2,550,754.00**
- 2. LED Upgrades & Runway 10L 28R Circuit Updates - \$213,000.00**

**Projects Federal Fiscal Year 2019**

- 1. Taxiway K Rehab and Realign - \$9,201,000.00**

**OVERALL GOAL-SETTING METHODOLOGY**

**The two-step goal-setting process required by the regulations and the findings in Western States has been used to determine the recommended overall goal for FFY 2017-2019. The two steps for setting an overall goal are to:**

- 1. Establish a base figure for the relative availability of DBEs**
- 2. Determine the base figure adjustment, if necessary**

The base figure is intended to be a measurement of the current ready, willing and able DBEs as a percentage of all businesses ready, willing and able to perform the recipient's anticipated FAA-assisted contracts.

**MARKET AREA:**

The market area is a geographical area that represents where the majority of the contractors that do business with the Port are located. Reviewing historical contracting data from the past three years, the type of work performed and the types of work anticipated for the Port for the next two fiscal years and the location of previous bidders on similar-type projects, the Port determined the Portland Metropolitan Service Area consisting of Multnomah, Washington, Clackamas and Marion Counties in Oregon and Clark County in Washington state to be our market area.

**GOAL METHODOLOGY:**

**A. Step One- Determination of Base Figure 26.45(c)**

Pursuant to 49CFR 26.45, to determine the baseline figure for its FFY 2017-2019 DBE goal. The Port used the most recent 2017 Dunn & Bradstreet/Hoovers data available and the 2017 State of Oregon and State of Washington Directory of DBE firms, to determine the percentage of ready, willing and able DBEs in the Port's market area.

- State of Oregon Directory: <http://www.oregon4biz.com/how-we-can-help/COBID/>
- State of Washington Directory: <https://omwbe.diversitycompliance.com/>
- Dunn & Bradstreet/Hoovers: [www.hoovers.com](http://www.hoovers.com)

*Table 1: Relative Base Figure*

NAICS	Type of Work	Total DBE's	Total All Firms	Percent
237110	Water & Sewer Line & Related Structures	37	252	14.68%
237310	Highway, Street & Bridge Construction	82	280	29.29%
238210	Electrical Contractor	20	1383	1.45%
238210	Airport Runway Lighting Contractors	0	22	0.00%
238910	Site Preparation Contractors	61	549	11.11%
238990	All Other Specialty Trade Contractors	32	1438	2.23%
335129	Other Lighting Equipment Manufacturing	1	25	4.00%
423690	Other Electronic Parts & Merchant Wholesaler	0	0	0.00%
484220	Trucking	45	119	37.82%
488490	Pilot Car Services	5	50	10.00%
541370	Surveying & Mapping	20	173	11.56%
561612	Security Guards & Patrol Services	7	195	3.59%
561730	Landscaping Services	27	1324	2.04%
561990	All Other Support Services	38	22267	0.17%
Total		375	28077	1.34%

Divide the total number of DBE's by the total number of All Firms = base figure

$$\frac{\text{All Firms Ready Willing \& Able} - 28077}{\text{DBE Firms Ready willing and Able} - 375} = \text{Base Figure } 1.34\%$$

**Relative Base Figure: 1.34%**

The Port believes this relative base figure calculation under counts the number of available DBEs as it assumes that every DBE has an equal opportunity and equal weight to perform Port contracts. However, in the practical application, not all DBEs have equal opportunity for participation as opportunity is dependent on the amount of dollars spent in each NAICS code. Therefore, to more accurately reflect the relative availability of DBE firms, as recommended by U.S. DOT, the Port performed a weighted calculation of availability. This calculation, which is based on the Ports anticipated expenditures in each NAICS code, is shown in table 2.

*Table 2: Weighted Base Figure*

Fiscal Year #1							
For FFY-2017 we anticipate the award of the following:							
A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Director y	DBE (%) (= F/E)	DBE (\$) (= G x D)
Taxiway B Center & Exits Rehabilitation	Highway Street & Bridge Construction	237310	\$ 8,467,756.00	280	82	29.29%	\$2,479,842.83
	Electrical Contractors	238210	\$ 897,292.00	1383	20	1.45%	\$12,976.02
	Site Preparation Contractors	238910	\$ 929,723.00	549	61	11.11%	\$103,302.56
	Trucking	484220	\$ 522,969.00	119	45	37.82%	\$197,761.39
	Surveying & Mapping	541370	\$ 49,000.00	173	20	11.56%	\$5,664.74
	Landscaping Services	561730	\$ 140,620.00	1324	27	2.04%	\$2,867.63
	All Other Support Services	561990	\$ 205,000.00	22267	38	0.17%	\$349.85
	All Other Specialty Trade Contractors	238990	\$ 409,178.00	1438	32	2.23%	\$9,105.49
<b>Total Project</b>			<b>\$ 11,621,538.00</b>			<b>24.20%</b>	<b>\$2,811,870.50</b>
Squitter Purchase	Other Electronic Parts & Merchant Wholesaler	423690	\$ 450,000.00	1	0	0.00%	\$0.00
<b>Total Project</b>			<b>\$ 450,000.00</b>			<b>0.00%</b>	<b>\$0.00</b>
<b>Total FFY-2017</b>			<b>\$ 12,071,538.00</b>			<b>23.29%</b>	<b>\$2,811,870.50</b>

Fiscal Year #2							
For FFY-2018, we anticipate the award of the following:							
A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Director y	DBE (%) (= F/E)	DBE (\$) (= G x D)
South Airfield Storm Drainage Improvements	Water & Sewer Line & Related Structures	237110	\$ 1,203,844.00	252	37	14.68%	\$176,754.87
	Highway Street & Bridge Construction	237310	\$ 710,950.00	280	82	29.29%	\$208,206.79
	Electrical Contractors	238210	\$ 66,350.00	1383	20	1.45%	\$959.51
	All Other Specialty Trade Contractors	238990	\$ 104,340.00	1438	32	2.23%	\$2,321.89
	Trucking	484220	\$ 232,170.00	119	45	37.82%	\$87,795.38
	Pilot Car Services	488490	\$ 60,000.00	50	5	10.00%	\$6,000.00
	Surveying & Mapping	541370	\$ 60,000.00	173	20	11.56%	\$6,936.42
	Security Guards & Patrol Services	561612	\$ 20,950.00	195	7	3.59%	\$752.05
	Landscaping Services	561730	\$ 22,250.00	1324	27	2.04%	\$453.74
	All Other Support Services	561990	\$ 69,900.00	22267	38	0.17%	\$119.29
<b>Total Project</b>			<b>\$ 2,550,754.00</b>			<b>19.22%</b>	<b>\$490,299.93</b>
PDX - Airfield SMGCS Upgrade	Airport Runway lighting contractors	238210	\$ 161,000.00	22	0	0.00%	\$0.00
<b>Total Project</b>			<b>\$ 161,000.00</b>			<b>0.00%</b>	<b>\$0.00</b>
LED Upgrades & Runway 10L 28R Circuit	Airport Runway lighting contractors	238210	\$ 143,000.00	22	0	0.00%	\$0.00
	Other Lighting Equipment Manufacturing	335129	\$ 60,000.00	25	0	0.00%	\$0.00
<b>Total Project</b>			<b>\$ 203,000.00</b>			<b>0.00%</b>	<b>\$0.00</b>
<b>Total FFY-2018</b>			<b>\$ 2,914,754.00</b>			<b>16.82%</b>	<b>\$490,299.93</b>
Fiscal Year #3							
For FFY-2019, we anticipate the award of the following:							
A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Director y	DBE (%) (= F/E)	DBE (\$) (= G x D)
Taxiway K Rehab and Realign	Highway Street & Bridge Construction	237310	\$ 5,317,615.25	280	82	29.29%	\$1,557,301.61
	Electrical Contractors	238210	\$ 903,159.83	1383	20	1.45%	\$13,060.88
	Site Preparation Contractors	238910	\$ 2,070,879.00	549	61	11.11%	\$230,097.67
	Trucking	484220	\$ 250,000.00	119	45	37.82%	\$94,537.82
	Surveying & Mapping	541370	\$ 56,439.52	173	20	11.56%	\$6,524.80
	Landscaping Services	561730	\$ 161,969.90	1324	27	2.04%	\$3,303.01
	All Other Specialty Trade Contractors	238990	\$ 440,936.50	1438	32	2.23%	\$9,812.22
<b>Total Project</b>			<b>\$ 9,201,000.00</b>			<b>20.81%</b>	<b>\$1,914,638.00</b>
<b>Total FFY-2019</b>			<b>\$ 9,201,000.00</b>			<b>20.81%</b>	<b>\$1,914,638.00</b>

$$\frac{\text{FFY17 DBE Avail } 23.29\% + \text{FFY18 DBE Avail } 16.82\% + \text{FFY 19 DBE Avail } 20.81\%}{3} = \text{Weighted base figure } 20.31\%$$

As shown above, we examined each of the projects anticipated for FFY17, FFY18, and FFY19 and the availability of DBEs by trade classification and anticipated spend for each NAICS codes for each project. We then determined the weight availability by dividing the number of DBEs by the total number of firms in each NAICS code. The result calculated the availability of DBEs to perform work by project for each federal fiscal year; FFY17 23.29% DBE availability, FF18 16.82% and FFY19 16.82% DBE availability.

Lastly, the weighted percentages for each year were combined as an average to determine the weighted base figure. Table 2 above shows the calculation of weighted availability, which was determined to be 20.31% for DBEs

**B. Step Two – Adjustments 26.45 (d)**

DBE regulation 49 CFR 26.45 (d) require an examination of available evidence in the local market to determine what adjustment to the base figure is needed, if any, to establish the overall goal.

**Past Participation**

The Port considered the capacity of DBEs to perform work as measured by the median past participation of DBEs on DOT-assisted contracts. Table 3 below shows past participation from FFY 2012 through FFY 2016. Arranging this historical data from low to high (1.87%, 2.22%, 3.59%, 4.21%, 9.23%) the median is 3.59%.

The large difference between the step on relative weighted base figure (20.31%) and the median past DBE participation indicates that the capacity of DBEs to perform airport work does not match the overall availability of DBE firms. Furthermore, it suggests an adjustment of the Step One figure is warranted. By calculating the average of the median past participation and the Step One base figure, the Port determined an adjusted base figure of 11.95%.

Table 3: Past Participation

FY	Total Grant \$ Amount	DBE Goals			Accomplishments			Type of work
		RC	RN	Total	RC	RN	Total	
FFY12	\$19,496,043.00	0.50%	7.50%	8.00%	3.59%	0.00%	3.59%	Airfield Construction
FFY13	\$14,573,832.00	0.50%	7.50%	8.00%	1.87%	0.00%	1.87%	Airfield Construction
FFY14	\$8,734,218.00	5.36%	0.00%	5.36%	2.22%	0.00%	2.22%	Airfield Construction
FFY15	\$16,055,690.00	5.36%	0.00%	5.36%	4.21%	0.00%	4.21%	Airfield Construction
FFY16	\$14,533,038.00	5.36%	0.00%	5.36%	5.36%	3.87%	9.23%	Airfield Construction

$$\frac{\text{Median past participation } 3.59\% + \text{Weighted base figure } 20.31\%}{2} = \text{Adjusted base figure } 11.95\%$$

To arrive at an overall goal, we averaged our Step 1 weighted base figure of 20.31% with our Step 2 past participation median accomplishment of 3.59% to further refine our goal to arrive at an overall goal of 11.95%. We feel this adjusted goal will accurately

reflect DBE participation that can be achieved for the type of project work that will be awarded during this three-year period.

#### **Other Evidence Considered**

No disparity studies have been conducted in the local market area by agencies with similar work type and market area.

Accordingly, the Port will set an overall DBE goal for the Portland International Airport (PDX) of 11.95% for FFY 17-19

*Please note:* The Port is currently undergoing a disparity study to examine their DBE programs. The study is expected to be completed by May 2018. As a result, the goal may change to reflect the outcome of the study. The study is being led by Colette Holt and Associates. Kimberly Mitchell-Phillips is the Disparity Study Manager.

#### **Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender 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

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. Encouraging prime contractors to solicit bids from DBE sub-contractors.
3. Advertising projects in media that is focused toward minority and women owned businesses.
4. Promoting Port projects at community outreach events including encouraging DBE contractors to consider bidding or proposing on Port projects.
5. Providing technical assistance to DBE firms interested in working on Port projects.
6. Host and annual Contractor-Connect open house to facilitate prime contractor performing Port work to meet interested DBE subcontractors.
7. Conducting open pre-bid meetings for all interested bidders.
8. Provide contractors with a list of DBE certified businesses whose work scopes match the work scope needed for specific projects.
9. Evaluating solicitation methods including the RFP method where points can be awarded for small business inclusion, rather than the low bid process for award of federally funded contracts.
10. Conduct formal educational workshops on how to do business with the Port.

11. Facilitate a Mentor-Protégé program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBE's and other small businesses.
12. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

The recipient estimates that in meeting its overall goal of 11.78%, it will obtain 2.08% from RN participation and 9.70% through RC measures.

The Port projects that it will meet its overall goal of 11.95% with 2.11% from race neutral participation and 9.84% from race conscious participation. Examining the Ports past participation, the Port has only met its overall goal once in the last five federal fiscal years (FFY12-FFY16). Specifically examining the breakdown between race-neutral and race-conscious participation. The Port measures race-conscious participation by counting payments made to DBEs to fulfill contract goals. The Port measures race-neutral participation by counting payments made to DBEs in excess of contract goals or payments to DBEs on contracts where no DBE goal has been set.

Table 4: Expenditures to DBEs with Race-Neutral/Race-Conscious Breakdown

FY	Total Grant \$ Amount	Actual Amount of Expenditures to DBEs	RC Dollars	RN Dollars	R/C (% of DBE Expenditures)	RN (% of DBE Expenditures)
FFY12	\$19,496,043.00	\$699,907.94	\$699,907.94	\$0.00	100.00%	0.00%
FFY13	\$14,573,832.00	\$272,530.66	\$272,530.66	\$0.00	100.00%	0.00%
FFY14	\$8,734,218.00	\$193,899.64	\$193,899.64	\$0.00	100.00%	0.00%
FFY15	\$16,055,690.00	\$675,944.55	\$675,944.55	\$0.00	100.00%	0.00%
FFY16	\$14,533,038.00	\$1,341,399.41	\$778,970.84	\$562,428.57	58.07%	41.93%
	<i>Total</i>	<i>\$3,183,682.20</i>	<i>\$2,621,253.63</i>	<i>\$562,428.57</i>	<i>82.33%</i>	<i>17.67%</i>

Based on the data presented in Table 4, the Port achieve 17.67% of its past five federal fiscal years DBE participation using race-neutral measures and 82.33% using race-conscious measures. Therefore, the Port anticipates it can achieve 17.67% of its FFY 17-19 DBE goal of 11.95% using race-neutral means and 82.33% using race-conscious means.

$$24,207,292.00 \text{ (Total FAA Grants)} * 11.95\% \text{ (DBE goal)} = \$,2892,518.25 \text{ (Dollars to DBEs)}$$

$$\frac{\$,2892,518.25 \text{ (DBE Dollars)}}{17.67\% \text{ (Past overal R/N Participation)}} = 2.11\% \text{ (R/N Breakout)}$$

$$\frac{\$,2892,518.25 \text{ (DBE Dollars)}}{82.33\% \text{ (Past overal R/C Participation)}} = 9.84\% \text{ (R/C Breakout)}$$

$$2.11\% \text{ (R/N Goal)} + 9.84\% \text{ (R/C Goal)} = 11.78\% \text{ (Overall Goal)}$$

## PUBLIC PARTICIPATION

### Consultation: Section 26.45(g)(1).

The Airport Authority submits its overall DBE three-year goal to DOT on August 1 as required by the set schedule.

Before establishing the overall goal, the Port of Portland has consulted with the following organizations:

The Port held an informational meeting on September 7<sup>th</sup> at the Port Headquarters 3-4PM to discuss the proposed DBE goal and its rationale. We also had Project Managers present information on the upcoming FAA funded projects and review scopes of services anticipated to be included in those projects. We invited all firms who are registered to do business with the Port as well as community advocacy groups. The meeting was open to the public and included teleconferencing for those who could not attend.

## PUBLIC NOTICE

The Port of Portland announces that it has established a proposed overall Disadvantaged Business Enterprise (DBE) goal for fiscal years 2017-2019 for the Portland International Airport (PDX). The proposed DBE goal is applicable to the U.S. Department of Transportation/Federal Aviation Administration assisted contracting opportunities scheduled to be awarded October 1, 2016 through September 30, 2019. The goal is required by the FAA pursuant to the Federal Regulation 49 CFR Part 26.

Airport	Proposed FY 17-19 Overall Goal
PDX	11.95%

The proposed goal and rationale is available for review between 8:00 a.m. and 5:00 p.m., Monday through Friday at the Port of Portland Headquarters 7200 NE Airport Way, 8<sup>th</sup> Floor, Portland, OR 97218 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:**

**Kimberly Mitchell-Phillips  
Disadvantaged Business Enterprise Liaison Officer  
7200 NE Airport Way  
Portland, Oregon 97218**

**Or**

*Federal Aviation Administration  
Office of Civil Rights Staff  
(Attn: Sonia Cruz)  
PO Box 92007  
Los Angeles, CA 90009*

## **Contract Goals**

**The Port of Portland will use contract goals to meet any portion of the overall goal that the recipient 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 recipient's overall goal that is not projected to be met through the use of RN means.**

**The Port of Portland 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.**