



**Port of Portland FY18-20 Disadvantaged Business Enterprise (DBE) Goal
Portland International Airport**

Name of Recipient: Port of Portland

Airport: Hillsboro Airport (HIO)

Goal Period: FFY 2018, 2019, 2020

DOT-assisted contract amount: FFY - 2018	\$9,200,000.00
FFY - 2019	\$10,750,000.00
FFY - 2020 (No FAA grants anticipated)	
Total	\$19,950,000.00

Overall Three-Year Goal: 11.78%, to be accomplished through 2.08% R/N and 9.70% R/C

Total dollar amount to be expended on DBE's: \$2,350,901.22

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

Projects Federal Fiscal Year 2018

- 1. Runway 13R/131L Environmental Policy Assessment - \$1,350,000.00**
- 2. Runway 13R/13L Rehabilitation Phase 1 Construction - \$7,850,000.00**

Projects Federal Fiscal Year 2019

- 1. Runway 13R/13L Rehabilitation Phase 2 Construction - \$10,750,000.00**

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 2018-2020. 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 2018-2020 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

Table 1: Relative Base Figure

NAICS	Type of Work	Total DBE's	Total All Firms	Percent
237110	Water and Sewer Line and Related Structures Construction	37	252	14.68%
237310	Highway, Street, and Bridge Construction	82	280	29.29%
238210	Electrical Contractors	20	1383	1.45%
484110	Trucking	45	119	37.82%
541620	Environmental Consulting Services	71	356	19.94%
561990	All Other Support Services	38	22267	0.17%
561730	Landscaping Services	27	1324	2.04%
541330	Engineering Services	78	1773	4.40%
541370	Surveying & Mapping (except Geophysical) Services	20	173	11.56%
	Total	418	27927	1.50%

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

$$\frac{\text{All Firms Ready Willing \& Able} - 27927}{\text{DBE Firms Ready willing and Able} - 418} = \text{Base Figure } 1.50\%$$

Relative Base Figure: 1.50%

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

For FY-2018, we anticipate the award of the following:							
A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	D&B	Directory	DBE (%) (=F/E)	DBE (\$) (=GxD)
Runway 13R/31L RSA (NEDP)	Engineering Services	541330	\$1,000,000.00	1773	78	4.40%	\$43,993.23
	Environmental Consulting Services	541620	\$350,000.00	356	71	19.94%	\$69,803.37
Total Project			\$1,350,000.00	2129	149	8.43%	\$113,796.60
Runway 13R/31L Rehab Phase 1	Water, Sewer Line and Related Highway Street & Bridge Construction	237110	\$1,849,345.00	252	37	14.68%	\$271,530.81
	Electrical Contractors	238210	\$4,178,476.56	280	82	29.29%	\$1,223,696.71
	All Other Support Services	561990	\$719,129.88	1383	20	1.45%	\$10,399.56
	Surveying & Mapping (except Geophysical) Services	541370	\$500,000.00	22267	38	0.17%	\$853.28
	Landscaping Services	561730	\$81,700.00	173	20	11.56%	\$9,445.09
	Trucking	484110	\$122,551.00	1324	27	2.04%	\$2,499.15
Total Project			\$7,850,000.00	25798	269	21.26%	\$1,669,230.40
Total FY 2018			\$9,200,000.00			19.38%	\$1,783,027.01
Fiscal Year #2							
For FY-2019, we anticipate the award of the following:							
A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Directory	DBE (%) (=F/E)	DBE (\$) (=GxD)
Runway 13R/31L Rehab Phase 2	Water, Sewer Line and Related Highway Street & Bridge Construction	237110	\$2,401,888.87	252	37	14.68%	\$352,658.29
	Electrical Contractors	238210	\$5,600,000.50	280	82	29.29%	\$1,640,000.15
	All Other Support Services	561990	\$1,848,754.97	1383	20	1.45%	\$26,735.43
	Surveying & Mapping (except Geophysical) Services	541370	\$186,172.35	22267	38	0.17%	\$317.71
	Landscaping Services	561730	\$96,427.73	173	20	11.56%	\$11,147.71
	Trucking	484110	\$146,073.69	1324	27	2.04%	\$2,978.84
Total Project			\$10,750,000.00	25798	269	20.58%	\$2,211,827.09
Total FY-2019			\$10,750,000.00			20.58%	\$2,211,827.09

$$\frac{\text{FFY18 DBE availability } 19.38\% + \text{FFY19 DBE availability } 20.58\%}{2} = \text{Weighted base figure } 19.98\%$$

As shown above, we examined each of the projects anticipated for FFY18 and FFY19 (no projects anticipated in FFY20) 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; FFY18 19.38% DBE availability and FFY19 20.58% 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 19.98% 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 has historically included the HIO airport DBE participation with the PDX airport participation. FFY 18-20 will be the first time we have broken out HIO from PDX and therefore do not have historical data that reflects only HIO participation. For this reason, we chose to examine the past participation of the PDX airport since the market area is the same as HIO and the project types are the same.

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 (19.98%) 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 11.78%.

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

$$\frac{\text{Median past participation } 3.59\% + \text{Weighted base figure } 23.42\%}{2} = \text{Adjusted base figure } 11.78\%$$

To arrive at an overall goal, we averaged our Step 1 weighted base figure of 19.98% with our Step 2 past participation median accomplishment of 3.59% to further refine our goal to arrive at an overall goal of 11.78%. 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 Hillsboro Airport (HIO) of 11.78% for FFY 18-20.

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 11.78% with 2.08% from race neutral participation and 9.70% 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%
	Total	\$3,183,682.20	\$2,621,253.63	\$562,428.57	82.33%	17.67%

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 18-20 DBE goal of 11.78% using race-neutral means and 82.33% using race-conscious means.

$19,500,000.00$ (*Total FAA Grants*) * 11.78% (*DBE goal*) = $\$2,350,901.22$ (*Dollars to DBEs*)

$$\frac{\$2,350,901.22 \text{ (DBE Dollars)}}{17.67\% \text{ (Past overal R/N Participation)}} = 2.08\% \text{ (R/N Breakout)}$$

$$\frac{\$2,350,901.22 \text{ (DBE Dollars)}}{82.33\% \text{ (Past overal R/C Participation)}} = 9.70\% \text{ (R/C Breakout)}$$

$$2.08\% \text{ (R/N Goal)} + 9.70\% \text{ (R/C Goal)} = 11.78\% \text{ (Overall Goal)}$$

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 in informational meeting on September 7th at the Port Headquarters 2-3PM 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 2018-2020 for the Hillsboro Airport (HIO). 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, 2017 through September 30, 2020. The goal is required by the FAA pursuant to the Federal Regulation 49 CFR Part 26.

Airport	Proposed FY 18-20 Overall Goal
HIO	11.78%

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, 8th 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.