

**DBE GOAL METHODOLOGY  
CITY OF WEST POINT  
MCCHAREN FIELD  
FISCAL YEAR 2017**

A. UPDATE OF GOALS - To make the program as useful as possible to the public, The City of West Point, Mississippi will update the "amount," "method," and "breakout" portions of this section of the program annually or as required. The following sections will be submitted to the FAA every year, or as required, for approval: Amount of Overall goal section, Method used for establishing overall goals, Process, the Race-neutral/race conscious breakout, and Contract goals. The material on overall goals in the DBE program will be a shorter summary of the material submitted annually, or as required, in the overall goal submission.

B. AMOUNT OF GOAL - The City's overall goal for FY 2017 is 9.28% of the Federal financial assistance we will expend in DOT-assisted contracts. With \$382,570.00 proposed for the DOT-assisted contract, the overall goal to be expended is \$35,502.00 with DBE's during this fiscal year. The City of West Point, Mississippi expects to let during FY 2017 \$382,570.00 in construction contracts which means that we have set a goal of expending \$35,502.00 with DBEs for this Fiscal Year. This overall goal is intended for information of public users of the program, and does not imply that the FAA, as such, has approved the goal.

C. METHOD STEP 1: In the development of the DBE goal for McCharen Field Airport the first step was to establish the availability of ready, willing and able DBE businesses that were capable of participating in the type of contracts that were programmed during FY 2017. The grant that is anticipated involves Obstruction Removal, Runway/Taxiway Lighting, Electrical Service, along with the professional efforts associated with such a project. An analysis of the project indicates that funds will be expended in the following areas.

<b>MCCHAREN FIELD PROJECT ANALYSIS FY 2017</b>			
<b>TASK</b>	<b>NAICS</b>	<b>AMOUNT</b>	<b>PERCENTAGE</b>
General Contractor	236220	\$96,600	25.25%
Electrical	238210	\$211,750	55.35%
Trucking	484110	\$10,000	2.61%
Engineering	541330	\$64,220	16.79%
<b>TOTAL</b>		<b>\$382,570.00</b>	<b>100.00%</b>

The formula to be used to calculate the Base Figure for the DBE goal is as follows:

$$\frac{\text{Total DBE Firms in State listed by NAICS Code of Work to be Performed}}{\text{Total Firms in the State listed by NAICS Code of Work to be Performed}} \times 100 = \text{Base Figure}$$

Historically over 83% of the contractors and subcontractors who have taken part in airport projects in Mississippi have come from the State of Mississippi. Therefore the market area for the development of the Base Figure was established as the State of Mississippi. A search was initiated with a series of DBE agencies within Mississippi that included the Contract Division of the Mississippi Department of Transportation (MDOT), The Office of Minority Business Development (OMBD), and The Small Business Administration, for an appropriate DBE directory. It was agreed, that the most comprehensive directory for DBE firms in the State of Mississippi was the “MS UCP Listing of All Certified DBEs” that is developed and published by the Mississippi Department of Transportation.

The most recent directory, dated April 2017, contains the names of 583 DBE certified firms that are located both in and out of the State of Mississippi. Historically most of the contractors who have performed work at the airport along with a major portion of the funds expended have gone to firms located within the State of Mississippi. Due to the above, the universe to be used for the establishment of the Base Figure will be limited to the state of Mississippi, and thus a total of 310 out of state firms were eliminated from consideration. This reduced the number of considered firms, to a total of 273. Identifying those firms that could participate in the project from the appropriate NAICS further refined the directory. The resulting number will be used as the numerator in determining the Base Figure.

The next step in establishing the Base Figure was to determine our denominator. This was accomplished through the use of the Census Bureau’s County Business Pattern (CBCBP) and the identification of the NAICSs that were the same as those identified from the Directory. With these figures in hand we compute our Base Figure using the following mathematics:

$$\frac{Base}{Figure} = .2525 \left( \frac{MNAICS\ 236220}{NAICS\ 236220} \right) + .5535 \left( \frac{MNAICS\ 238210}{NAICS\ 238210} \right) + .0261 \left( \frac{MNAICS\ 484110}{NAICS\ 484110} \right) + .1679 \left( \frac{MNAICS\ 541330}{NAICS\ 541330} \right)$$

MNAICS- Mississippi DBE Directory NAICS  
 NAICS – Census Bureau’s County Business Pattern (CBCBP) Data Base

$$\frac{Base}{Figure} = .2525 \left( \frac{18}{340} \right) + .5535 \left( \frac{12}{194} \right) + .0261 \left( \frac{26}{187} \right) + .1679 \left( \frac{15}{334} \right)$$

$$\frac{Base}{Figure} = .0134 + .0342 + .0036 + .0075$$

$$\frac{Base}{Figure} = 5.87\%$$

STEP 2: With the Base Figure established our next step was to more finely tailor this figure to reflect conditions which have occurred at McCharen Field. Currently there are no known disparity studies completed in this area of the State of Mississippi. Contact was initiated with the State of Mississippi Insurance Department, The State of Mississippi Department of Banking and

Consumer Financing and the Associated General Contractors of America, Inc. office in Jackson, Mississippi to determine if there had been any recent known incidents of discrimination associated with financing, insurance or bonding of minorities on projects. Each agency contacted indicated there had been no reported incidents. The City of West Point, Mississippi has considered the suggested options outlined in 49 CFR Part 26 and determined that past performance is the only information available to determine if an adjustment to our Base Figure is warranted. To more finely tailor the DBE goal, it was felt that a sampling of like type projects that have taken place in Mississippi would be appropriate for use in determining if an adjustment was required to the Base Figure. To this end, we investigated other airports with like type projects. Listed below are the projects that were included for analysis. As you will note, each of these projects contains similar elements and is similar in nature as the project that is being anticipated in the FY 2017 time frame at the McCharen Field Airport:

<b>MCCHAREN FIELD AIRPORT LIKE TYPE FAA PROJECTS</b>				
<b>YEAR</b>	<b>LOCATION</b>	<b>PROJECT EXPENSES</b>	<b>PROJECT TYPE</b>	<b>% OF DBE PARTICIPATION</b>
2002	Olive Branch	\$272,430	RW Lighting	12.69%*
2002	Columbus	\$372,451	RW Lighting	22.41%
2003	Hattiesburg Laurel	\$600,000	RW Lighting	11.47%
<b>MEDIAN *</b>				

The next step was to determine if any adjustment might be needed to the Base Figure. It was determined that the Median of the three projects was 12.69% and it was felt that the Base Figure should be adjusted to cater for this variance.

A summary of this analysis yields the following:

MEDIAN PERCENTAGE	5.87%
BASE FIGURE	+12.69%
	<u>18.56%</u> ÷ 2 = 9.28%

Satisfied that this percentage was valid, the final step in the comparison was the development of a simple average of the Like Type FAA Project Median and the Base Figure. It was felt that the Base Figure of 5.87% should be adjusted for this variance. The Base Figure and the Like Type FAA Project Median were combined and yielded an average of 9.28%, which is established as the goal for DBE participation at McCharen Field Airport for FY 2017.

D. PROCESS - The City of West Point, Mississippi submitted its overall goal to the FAA in April, 2017 for their consideration and approval. Before establishing the overall goal each year, the City has consulted with the Mississippi Department of Transportation, and the Office of Minority Business Development to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, and the effects of discrimination on opportunities for DBEs. The City's efforts are to establish a level playing field for the participation of DBEs. Following this consultation, The City has published a notice of the

<b>MCCHAREN FIELD AIRPORT                      LIKE TYPE FAA PROJECTS                      PROJECT DBE GOAL VARIANCE</b>				
<b>YEAR</b>	<b>LOCATION</b>	<b>DBE GOAL</b>	<b>% OF DBE PARTICIPATION</b>	<b>VARIANCE</b>
2000	Olive Branch	8.20%	12.69%	4.49%*
2002	Columbus	11.36%	22.41%	11.05%
2003	Hattiesburg Laurel	10.59%	11.47%	0.88%
<b>* MEDIAN PERCENTAGE</b>				

F. CONTRACT GOALS: Contract goals will be used to meet any portion of the overall goal which the City does not project being able to meet using race-neutral 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 our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

The City will express the contract goals as a percentage of the Federal share of a DOT-assisted contract. The FY 2017 contract goal is 9.28%

**G. THREE YEAR GOAL**

The Three Year DBE Goal based on the current information available is as follows:

<b>FY - 2015 DBE GOAL</b>	-%
<b>FY - 2016 DBE GOAL</b>	-%
<b>FY - 2017 DBE GOAL</b>	<u>9.28%</u>
	9.28%

**References:**

*Mississippi UCP List of Certified DBE Firms, April 2017*

*2015 – U S Census Bureau/ American Fact Finder, April 2017*