

DEPARTMENT OF TRANSPORTATION
DBE PROGRAM – 49 CFR PART 26
3-Year Goal Computation
FFY 2023/2024/2025



Moorhead Municipal Airport (JKJ)

Prepared for
City of Moorhead
Moorhead, MN

Prepared by
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Preface

The City of Moorhead is the Owner and a grant recipient of federal airport improvement program (AIP) Grants for the Moorhead Municipal Airport. The City of Moorhead, as governing body of the airport, has established the following Disadvantaged Business Enterprise (DBE) program for the Moorhead Municipal Airport in accordance with Code of Federal Regulations (CFR) of the U. S. Department of Transportation (DOT), 49 CFR Part 26. All reference to Subparts and Section numbers throughout this DBE policy (i.e. Subpart A, 26.1, 26.3, etc.) are to the 49 CFR Part 26 regulations

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ATTACHMENT 5

Section 26.45: Overall DBE Three-Year Goal Methodology

Name of Recipient: The City of Moorhead Owner of Moorhead Municipal Airport (JKJ).

Goal Period: October 1, 2022 through September 30, 2025

DOT-Assisted Airport Contract Amount:	FY-2023-1	\$	247,700
	FY-2023-2	\$	304,000
	FY-2024-1	\$	297,000
	<u>FY-2025-1</u>	<u>\$</u>	<u>150,000</u>

Total	\$	998,700*
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**Includes BIL Funded Projects*

Overall Three-Year Goal: 4.69%, to be accomplished through 4.69% RC and 0.00% RN

Total dollar amount to be expended on DBE's: \$ 46,839

The Number and Types of Contracts with federal funding participation the Moorhead Municipal Airport anticipates awarding is as follows:

Federal Contracts Fiscal Year 2023

1. Electrical Vault and Equipment (Estimated Federal Share \$247,700)
2. Commercial Taxilane Extension (Estimated Federal Share \$304,000)

Federal Contracts Fiscal Year 2024

1. AWOS Planning, Exhibit A, Land Acq., and Environmental (Estimated Federal Share \$297,000)

Federal Contracts Fiscal Year 2025

1. Pavement Maintenance (Estimated Federal Share \$150,000)

Market Area: The City of Moorhead Minnesota (population 44,505 (2020)) is located in the North-West part of the State of Minnesota and is the County Seat for Clay County, MN. Located in the Red River Valley, an extremely fertile and active agricultural region, Moorhead is also home to several corporations and manufacturing industries. Across the river from Fargo, North Dakota, Moorhead helps form the core of the Fargo–Moorhead ND-MN Metropolitan Area. The population density was 1,998.8 inhabitants per square mile (771.77/km²). The County demographics show modest growth due in part to commercial business in the area. The racial makeup of the city was 90.7% White, 2.0% African American, 1.5% Native American, 2.0% Asian, 1.1% from other races, and 2.6% from two or more races. Hispanic or Latino of any race were 4.1% of the population. Due to the project location and the availability of contractors, the Market Area is determined to consist primarily of District 4 as identified by the Minnesota Department of Transportation. This market area was chosen as the representative market area based on reasonable proximity to Moorhead Municipal Airport, past participation records and ability to perform work at the Airport on the upcoming projects.

Step 1. 26.45(c) Analysis: Actual relative availability of DBE's

Step 1 examines the number of actual DBE's compared to number of businesses available to perform the work on the Airport's upcoming projects. This is achieved by identifying the work items using the North American Industry Classification System (NAICS) and relating them to the State of Minnesota DOT DBE Directory and the U.S. Census Bureau Data.

The work involving the use of federal transportation dollars was examined for potential DBE work items in market area. The following tables identify the work items and associated DBE's and businesses in these counties that could potentially be used for the Airport projects.

FY 2023 JKJ Project 1 – Electrical Vault & Equipment

NAICS	Type of Work	Total DBE's	Total Market Area Businesses	Relative Availability of DBEs
238210	Airport Electrical	3	387	0.78%
484110	Trucking	7	361	1.94%
561439	Business Service Center (Reproductions)	9	382	2.36%
Total		19	1130	1.68%

FY 2023 JKJ Project 2 – Commercial Taxilane Construction

NAICS	Type of Work	Total DBE's	Total Market Area Businesses	Relative Availability of DBEs
212321	Sand and Gravel	1	22	4.55%
237110	Storm Sewer Line Construction	2	60	3.33%
237310	Airport Runway Construction	1	74	1.35%
237310	Painted Traffic Striping and Marking	1	66	1.52%
238110	Poured Concrete	3	77	3.90%
238910	Demolition/Excavation/Site Preparation	8	302	2.65%
238990	Construction Site Cleanup	4	106	3.77%
423320	Construction Materials	2	56	3.57%
484110	Trucking	3	102	2.94%
541370	Construction Survey	1	73	1.37%
561439	Business Center (Reproductions)	2	159	1.26%
561730	Landscaping/Erosion Control	4	380	1.03%
561990	Traffic Control	1	24	4.17%
Total		33	1501	2.20%

FY 2024 JKJ Project 1 – AWOS Planning, Exhibit A, Land Acquisition and Environmental

NAICS	Type of Work	Total DBE's	Total Market Area Businesses	Relative Availability of DBEs
541620	Environmental Consulting (Airports)	3	91	3.30%
561439	Business Service Center (Reproductions)	2	73	2.74%
Total		5	164	3.05%

FY 2025 JKJ Project 1 – Pavement Maintenance

NAICS	Type of Work	Total DBE's	Total Market Area Businesses	Relative Availability of DBEs
237310	Airport Runway Construction	1	74	1.35%
237310	Painted Traffic Striping and Marking	1	66	1.52%
238910	Site Preparation	32	552	5.80%
541370	Topographic/Construction Survey (Airports)	5	144	3.47%
561439	Business Service Center (Reproductions)	2	73	2.74%
561990	Airport Traffic Control	2	196	1.02%
Total		43	1105	3.89%

In order to attain the DBE goal, the percentage should take into account the relative weight of the anticipated projects. The following tables reflect the relative weight of the work items for each anticipated project. Based on the relative weight of projects in previous tables, the following tables establish the relative weight, per project, per federal funding participation:

Relative Weight Computation

Project Description	Federal Share	Relative Weight ¹	Relative Availability of DBE (By Project)
FY2023 Project 1 – Electrical Vault	\$ 247,700.00	25%	1.68%
FY2023 Project 2 – Commercial Taxilane	\$ 304,000.00	30%	2.20%
FY2024 Project 1 – AWOS, Ex A, Land	\$ 297,000.00	30%	3.05%
FY2025 Project 1 – Electrical Vault	\$ 150,000.00	15%	3.89%
SUM TOTALS	\$ 998,700.00	100%	

Note: ¹ Expressed as a percentage of total participation FFY 2023/2024/2025

3 Year Weighted Average

Project Description	Relative Availability of DBE	Relative Weight ¹	Weighted Average
FY2023 Project 1 – No Project ²	1.68%	25%	0.42%
FY2024 Project 1 – AWOS, EX A, and Enviro	2.20%	30%	0.67%
FY2024 Project 2 – Commercial Taxilane	3.05%	30%	0.91%
FY2024 Project 3 – Electrical Vault	3.89%	15%	0.58%
SUM TOTALS		100%	2.58%

Note: ¹ Expressed as a percentage of total participation

The overall base figure is therefore established at 2.58%. Further analysis was done to see if any other adjustment to the base figure percentage of 2.58% is warranted.

Step 2. 26.45(d): Analysis: Adjustments to Step 1 base figure.

After calculating the overall base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal.

Past History Participation

Historical DBE accomplishments for the comparable work items at the Moorhead Municipal Airport are as follows:

FY	DBE Goals			Accomplishments			Type of work
	RC	RN	Total	RC	RN	Total	
FY 17	3.00%	1.00%	4.00%	3.00%	6.10%	9.10%	Rehab Apron
FY 18	3.00%	1.00%	4.00%	0.00%	0.00%	0.00%	Rehab Apron TW
FY 19	3.00%	1.00%	4.00%	3.00%	3.80%	6.80%	Rehab Rwy 1230

**As per annual reporting for JKJ. Gap years did not have qualifying DBE projects.*

Arranging this historical data from low to high, (0.00%, 6.80%, 9.10%) the median is 6.80%.

Step 1 Base averaged with historical median: $(2.58\% + 6.80\%)/2 = 4.69\%$

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of [4.69%]. The City of Moorhead believes this adjusted goal accurately reflects DBE participation that can be achieved for the type(s) of work being awarded during this three-year period.

The calculated DBE goal of 4.69% closely compares to the actual participation on similar past projects at the Moorhead Municipal Airport.

Disparity Studies

Statewide Transportation Disparity Study, for Minnesota Department of Transportation, Final Report dated March 2018, was reviewed for this DBE Program. In summary, the report noted an apparent underutilization among some groups (African American, Native American, and white women owned) which were found to be substantially below parity. The groups listed in the report include African American, Native American, Asian American, Hispanic American, and white women owned businesses were significantly underutilized in construction subcontracting. The only category not significantly underutilized was Asian American companies. In the most recent time period, there were substantial disparities in the utilization of Hispanic American-owned professional services firms. Since the nature of airport work, particularly airport buildings, is somewhat specialized opposed to FHWA work this information was used to compare the reasonableness of our goal and since the goal at 4.69% appears to be compare within reason therefore, further adjustment will be made.

There is no disparity study specifically tailored to Moorhead Municipal Airport, therefore there is no basis to make an adjustment due to disparity therefore the information provided in the 2018 report was used to compare the reasonableness of the calculated goal. Provided the nature of airport related work the goal was found to be reasonable.

Adjustment summary

Therefore, the total adjusted overall goal for the City of Moorhead for FY 2023-2024 period is 4.69%.

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

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

In order to meet DBE participation goals on its DOT/FAA-assisted airport projects the following RN methods will be used:

- (1) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under 49 CFR Part 26 Paragraph 26.39.
- (2) Providing technical assistance and other services;
- (3) Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., requesting the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors.
- (4) Provide information on the County website with contact information for the DBE directory.
- (5) When requested, conduct debriefing sessions to explain why certain bids were unsuccessful.

City of Moorhead estimates that in meeting its overall goal for the Moorhead Municipal Airport, it will obtain 0.00% from RN participation and 4.69% through RC measures.

City of Moorhead 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).

In establishing the overall goal, City of Moorhead provided for consultation and publication. Public Notice was issued for the Consultation Meeting and the meeting was conducted on February 22, 2023. The meeting was open to all interested organizations which were expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and City of Moorhead efforts to establish a level playing field for the participation of DBEs. The Consultation Meeting was conducted at City of Moorhead included a scheduled opportunity for direct, interactive exchange (e.g., a face-to-face meeting, video conference, or teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the City of

Moorhead goal setting process, and occurred before we submitted our goal methodology to the operating administration for review pursuant to 49 CFR Part 26 paragraph 26.45(f). The program and FY 2023/2024/2025 goal computation was submitted to the operating administration on TBA and uploaded to FAA Civil Rights Connect System on TBA. As of the date of this report we have not received any comments requesting changes to the program or goal.

Following the Consultation Meeting, the City of Moorhead published a notice in the City Website (<https://www.cityofmoorhead.com>) and in the *The Extra* of the proposed overall goal, informing the public that the proposed goal and its rationale were available for inspection during normal business hours at the Moorhead City Hall, 500 Center Avenue, Moorhead MN 56560 for 30 days following the date of the notice, and informed the public that City of Moorhead and FAA would accept comments on the goals for 30 days from the date of the notice.

Public Notice was issued on June 15, 2023 that the DBE Program and FY 2023/2024/2025 goal computation were available for review and comment. No comments were received therefore City of Moorhead has fully implemented the three-year goal.

The City of Moorhead has uploaded the Disadvantaged Business Enterprise Program for federal fiscal years 2023/2024/2025 to the FAA Civil Rights Connect System which concludes the planning process.

EXAMPLE PUBLIC NOTICE

The City of Moorhead hereby announces its fiscal years 2023 through 2025 goal of 4.69% for Disadvantaged Business Enterprise (DBE) airport construction Contracts. The proposed goals and rationale is available for inspection between 8:00 a.m. and 5:30 p.m., Monday through Friday at the Moorhead City Hall, 500 Center Avenue, Moorhead MN 56560 for 30 days from the date of this publication.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

c/o Kristie Leshovsky (DBELO)
Community Development Director
City of Moorhead
500 Center Avenue
Moorhead, MN 56561-0779
Phone 218-299-5370
Kristie Leshovsky <kristie.leshovsky@ci.moorhead.mn.us>

OR

Nancy Cibic
Federal Aviation Administration
Office of Civil Rights (ACR-4a)
Great Lakes Region
3246 N. Heritage Lane
Arlington Heights, IL 60004
nancy.cibic@faa.gov
Phone: 847/ 294-7182

Contract Goals

The City of Moorhead 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 City of Moorhead will establish contract goals only on those FAA/DOT-assisted airport 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 Federal share of a FAA/DOT-assisted airport contract.