

# Hartsfield-Jackson Atlanta International Airport (ATL)

Overview of the DBE Program Update  
Federal Fiscal Years (FY) 2017 – 2019



June 27, 2016



# **DBE Program Consultation Meeting Agenda**

**Welcome and Introductions**

**Hartsfield-Jackson Atlanta International Airport:**

**Larry Scott**, – Director, City of Atlanta Office of Contract Compliance

**Purpose of DBE Program Public Meeting**

**Kenneth Weeden**, President, Ken Weeden & Associates, Inc.

**Explanation of Overall DBE Goal for Federal Fiscal Year 2017-2019**

**Kenneth Weeden**, President, Ken Weeden & Associates, Inc.

**Questions and Answers**

# DBE Program Overview

- 49 CFR Part 26 - <http://osdbuweb.dot.gov/DBEProgram/index.cfm>
- Must meet test of strict scrutiny
- Emphasis on ‘process-over-product’
- 2-Step process: Goal Calculation & Goal Adjustment
- Breakout of Estimated Race-Neutral/Race-Conscious Participation
- Public Participation
- Program Implementation

# Step 1: Calculation of Base Figure

- Must use most refined and latest data available
- Analyze project list; assign North American Industry Classification System (NAICS) codes
- Determine normal market area (NMA)
  - Based on area from where substantial majority of bidders come
  - Based on where substantial majority of dollars expended
- Determine number of **all firms** in NMA that are ready, willing and able to participate in Airport-related projects
- Determine number of certified or certifiable **DBE firms** in NMA that are ready, willing and able to participate
- Calculate Step 1 DBE Base Figure

## -Most Refined Data Available

- Most recent County Business Patterns database
  - County Business Patterns database updated every spring or summer; 2 years behind (2014 database updated in April 2016)
    - <http://www.census.gov/econ/cbp/index.html>
  - Most recent DBE directories and databases
  - Directories that are updated monthly, in real time, etc.

# -Market Area Determination

- Market area based upon two (2) factors
  - Area from where the substantial majority (70-75%) of bidders (successful and unsuccessful) have come

**AND**

- Area where the substantial majority (70-75%) of contracting dollars have been spent historically

# -Market Area Determination (cont'd)

- Where substantial majority of bidders come from
  - Bid tabulations from previous projects
  - Bidders' lists from pre-bid meetings
- Where substantial majority of dollars have been expended
  - Look at previous projects, previous prime contractors and subcontractors
  - County or MSA where prime contractors and subcontractors are based

# Market Area

**Table 1: Counties in the Local Market Area-  
Bidders on recent projects (March 2013 to December 2015)**

| <b>County</b>      | <b>Number of bidders</b> | <b>Percentage of bidders</b> | <b>Dollars committed</b> | <b>Percentage of dollars committed</b> |
|--------------------|--------------------------|------------------------------|--------------------------|--|
| Cobb               | 41                       | 14.2%                        | \$52,086,713             | 12.5%                                  |
| DeKalb             | 32                       | 11.1%                        | \$47,825,824             | 11.5%                                  |
| Fulton             | 134                      | 46.5%                        | \$249,875,218            | 60.1%                                  |
| <b>Market Area</b> | <b>207</b>               | <b>71.9%</b>                 | <b>\$349,787,755</b>     | <b>84.1%</b>                           |
| <i>Other</i>       | 81                       | 28.1%                        | \$66,376,133             | 16.0%                                  |
| <b>Total</b>       | <b>288</b>               | <b>100.0%</b>                | <b>\$416,163,888</b>     | <b>100.0%</b>                          |

# FY 2017 Projects & Activities

Table 2a: Proposed FY 2017 Projects – City of Atlanta

| Project  | Activity                    | NAICS CODES                | Activity Percent | Activity Dollars | Project Dollars |
|--|-----------------------------|----------------------------|------------------|------------------|-----------------|
| <b>TW &amp; RW 9L-27R Pavement Replacement</b> |                             | 237310<br>541310<br>541330 | 7%               | \$1,222,832      | \$17,469,030    |
|  | Mobilization/Demobilization | 561990                     | 15%              | \$2,620,355      |                 |
|  | Traffic Control             | 238910                     | 15%              | \$2,620,355      |                 |
|  | Concrete Demolition         | 237310                     | 55%              | \$9,607,967      |                 |
|  | Concrete Replacement        | 237310                     | 1%               | \$174,690        |                 |
|  | Striping & Marking          | 541330<br>541370           | 1%               | \$174,690        |                 |
|  | Survey                      | 237310                     | 2%               | \$349,381        |                 |
|  | Joint Sealing               | 238210                     | 4%               | \$698,761        |                 |
| <b>NLVR Replacement Priority 1</b>             |                             | 237310<br>541310<br>541330 | 7%               | \$621,724        | \$8,881,777     |
|  | Mobilization/Demobilization | 561990                     | 15%              | \$1,332,267      |                 |
|  | Traffic Control             | 238910                     | 18%              | \$1,598,720      |                 |
|  | Concrete Demolition         | 237310                     | 56%              | \$4,973,795      |                 |
|  | Concrete Replacement        | 237310                     | 2%               | \$177,636        |                 |
|  | Striping & Marking          | 237310                     | 2%               | \$177,636        |                 |
| Joint Sealing                                  |                             |                            |                  |                  |                 |
| <b>Runway 9L End-Around Taxiway Phase 1</b>    |                             | 237310<br>541310<br>541330 | 7%               | \$682,481        | \$9,749,726     |
|  | Mobilization/Demobilization | 561990                     | 15%              | \$1,462,459      |                 |
|  | Traffic Control             | 238910                     | 15%              | \$1,462,459      |                 |
|  | Concrete Demolition         | 237310                     | 55%              | \$5,362,349      |                 |
|  | Concrete Replacement        | 237310                     | 1%               | \$97,497         |                 |
|  | Striping & Marking          | 541330<br>541370           | 1%               | \$97,497         |                 |
|  | Survey                      | 237310                     | 2%               | \$194,995        |                 |
|  | Joint Sealing               | 238210                     | 4%               | \$389,989        |                 |
| Electrical                                     |                             |                            |                  |                  |                 |

# FY 2017 Projects & Activities (continued)

**Table 2a: Proposed FY 2017 Projects – City of Atlanta**

| <b>Project</b>                               | <b>Activity</b>                 | <b>NAICS CODES</b>         | <b>Activity Percent</b> | <b>Activity Dollars</b> | <b>Project Dollars</b> |
|--|---------------------------------|----------------------------|-------------------------|-------------------------|------------------------|
| <b>Taxiway Replacement 2016 (E, F, L, M)</b> | Mobilization/Demobilization     | 237310<br>541310<br>541330 | 7%                      | \$472,072               | \$6,743,885            |
|  | Traffic Control                 | 561990                     | 15%                     | \$1,011,583             |                        |
|  | Concrete Demolition             | 238910                     | 15%                     | \$1,011,583             |                        |
|  | Concrete Replacement            | 237310                     | 55%                     | \$3,709,137             |                        |
|  | Striping & Marking              | 237310                     | 1%                      | \$67,439                |                        |
|  | Joint Sealing                   | 237310                     | 2%                      | \$134,878               |                        |
|  | Survey                          | 541330<br>541370           | 1%                      | \$67,439                |                        |
|  | Electrical                      | 238210                     | 4%                      | \$269,755               |                        |
|  | <b>Noise Mitigation Program</b> | Demolition                 | 238910                  | 17%                     |                        |
| Mechanical                                   |                                 | 238220                     | 8%                      | \$3,740,585             |                        |
| Electrical                                   |                                 | 238210                     | 59%                     | \$26,184,094            |                        |
| Doors/Windows                                |                                 | 238350                     | 5%                      | \$2,244,351             |                        |
| Finishes                                     |                                 | 238350                     | 5%                      | \$2,244,351             |                        |
| Carpentry                                    |                                 | 238350                     | 5%                      | \$2,244,351             |                        |

# FY 2018 Projects & Activities

**Table 2b: Proposed FY 2018 Projects – City of Atlanta**

| <b>PROJECT</b>                | <b>Activity</b>             | <b>NAICS<br/>CODES</b> | <b>Activity<br/>Percent</b> | <b>Activity<br/>Dollars</b> | <b>Project<br/>Dollars</b> |
|-------------------------------|-----------------------------|------------------------|-----------------------------|-----------------------------|----------------------------|
| Runway 10 RSA<br>Improvements |                             | 237310<br>541310       |                             | \$175,000                   | \$2,500,000                |
|                               | Mobilization/Demobilization | 541330                 | 7%                          |                             |                            |
|                               | Traffic Control             | 561990                 | 15%                         | \$375,000                   |                            |
|                               | Grading/Storm Drainage      | 238910                 | 50%                         | \$1,250,000                 |                            |
|                               | Sodding/Seeding             | 561730                 | 25%                         | \$625,000                   |                            |
|                               | Survey                      | 541330<br>541370       | 3%                          | \$75,000                    |                            |

## Step 1: Calculation of Base Figure (continued)

- **Determine number of all firms by NAICS code; determine number of DBE firms by NAICS code**
  - County Business Patterns database - <http://www.census.gov/econ/cbp>
  - DBE/MBE directories (GAUCP etc.)
  - Bidders' lists
  - Data from disparity study (if valid or applicable)
  - Goal of another DOT recipient
  - More information found in 49 CFR Part 26.45(c)

# Availability of DBEs by relevant NAICS Codes – FY 2017

**Table 3a: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2017 TW & RW 9L-27R Pavement Replacement**

| <i>Activity</i>             | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Mobilization/Demobilization | 237310<br>541310<br>541330    | 137              | 1122             | 12.2%                           | 7%                                       | 0.9%                               |
| Traffic Control             | 561990                        | 12               | 113              | 10.6%                           | 15%                                      | 1.6%                               |
| Concrete Demolition         | 238910                        | 38               | 92               | 41.3%                           | 15%                                      | 6.2%                               |
| Concrete Replacement        | 237310                        | 65               | 116              | 56.0%                           | 55%                                      | 30.8%                              |
| Striping & Marking          | 237310                        | 65               | 116              | 56.0%                           | 1%                                       | 0.6%                               |
| Survey                      | 541330<br>541370              | 67               | 724              | 9.3%                            | 1%                                       | 0.1%                               |
| Joint Sealing               | 237310                        | 65               | 116              | 56.0%                           | 2%                                       | 1.1%                               |
| Electrical                  | 238210                        | 19               | 372              | 5.1%                            | 4%                                       | 0.2%                               |
|                             | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>41.4%</b>                       |

# Availability of DBEs by relevant NAICS Codes – FY 2017

**Table 3b: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2017 NLVR Replacement Priority 1**

| <i>Activity</i>             | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Mobilization/Demobilization | 237310                        | 137              | 1122             | 12.2%                           | 7.0%                                     | 0.9%                               |
|                             | 541310                        |                  |                  |                                 |  |                                    |
|                             | 541330                        |                  |                  |                                 |  |                                    |
| Traffic Control             | 561990                        | 12               | 113              | 10.6%                           | 15.0%                                    | 1.6%                               |
| Concrete Demolition         | 238910                        | 38               | 92               | 41.3%                           | 18.0%                                    | 7.4%                               |
| Concrete Replacement        | 237310                        | 65               | 116              | 56.0%                           | 56.0%                                    | 31.4%                              |
| Striping & Marking          | 237310                        | 65               | 116              | 56.0%                           | 2.0%                                     | 1.1%                               |
| Joint Sealing               | 237310                        | 65               | 116              | 56.0%                           | 2.0%                                     | 1.1%                               |
|                             | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>43.5%</b>                       |

# Availability of DBEs by relevant NAICS Codes – FY 2017

**Table 3c: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2017 Runway 9L End-Around Taxiway Phase 1**

| <i>Activity</i>             | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Mobilization/Demobilization | 237310<br>541310<br>541330    | 137              | 1122             | 12.2%                           | 7%                                       | 0.9%                               |
| Traffic Control             | 561990                        | 12               | 113              | 10.6%                           | 15%                                      | 1.6%                               |
| Concrete Demolition         | 238910                        | 38               | 92               | 41.3%                           | 15%                                      | 6.2%                               |
| Concrete Replacement        | 237310                        | 65               | 116              | 56.0%                           | 55%                                      | 30.8%                              |
| Striping & Marking          | 237310                        | 65               | 116              | 56.0%                           | 1%                                       | 0.6%                               |
| Survey                      | 541330<br>541370              | 67               | 724              | 9.3%                            | 1%                                       | 0.1%                               |
| Joint Sealing               | 237310                        | 65               | 116              | 56.0%                           | 2%                                       | 1.1%                               |
| Electrical                  | 238210                        | 19               | 372              | 5.1%                            | 4%                                       | 0.2%                               |
|                             | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>41.4%</b>                       |

# Availability of DBEs by relevant NAICS Codes – FY 2017

**Table 3d: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2017 Taxiway Replacement 2016 (E, F, L, M)**

| <i>Activity</i>             | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Mobilization/Demobilization | 237310<br>541310<br>541330    | 137              | 1122             | 12.2%                           | 7%                                       | 0.9%                               |
| Traffic Control             | 561990                        | 12               | 113              | 10.6%                           | 15%                                      | 1.6%                               |
| Concrete Demolition         | 238910                        | 38               | 92               | 41.3%                           | 15%                                      | 6.2%                               |
| Concrete Replacement        | 237310                        | 65               | 116              | 56.0%                           | 55%                                      | 30.8%                              |
| Striping & Marking          | 237310                        | 65               | 116              | 56.0%                           | 1%                                       | 0.6%                               |
| Joint Sealing               | 237310                        | 65               | 116              | 56.0%                           | 2%                                       | 1.1%                               |
| Survey                      | 541330<br>541370              | 67               | 724              | 9.3%                            | 1%                                       | 0.1%                               |
| Electrical                  | 238210                        | 19               | 372              | 5.1%                            | 4%                                       | 0.2%                               |
|                             | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>41.4%</b>                       |

# Availability of DBEs by relevant NAICS Codes – FY 2017

**Table 3e: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2017 Noise Mitigation Program**

| <i>Activity</i> | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Demolition      | 238910                        | 38               | 92               | 41.3%                           | 16.9%                                    | 7.0%                               |
| Mechanical      | 238220                        | 9                | 350              | 2.6%                            | 8.5%                                     | 0.2%                               |
| Electrical      | 238210                        | 19               | 372              | 5.1%                            | 59.3%                                    | 3.0%                               |
| Doors/Windows   | 238350                        | 9                | 125              | 7.2%                            | 5.1%                                     | 0.4%                               |
| Finishes        | 238350                        | 9                | 125              | 7.2%                            | 5.1%                                     | 0.4%                               |
| Carpentry       | 238350                        | 9                | 125              | 7.2%                            | 5.1%                                     | 0.4%                               |
|                 | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>11.3%</b>                       |

# Availability of DBEs by relevant NAICS Codes – FY 2018

**Table 3f: DBES—Hartsfield-Jackson Atlanta International Airport  
by Relevant NAICS Codes—FY 2018 Runway 10 RSA Improvements**

| <i>Activity</i>             | <i>NAICS Codes</i>            | <i>DBE Firms</i> | <i>All Firms</i> | <i>% of DBE Firms Available</i> | <i>Ratio of estimated total expended</i> | <i>Weighted Total Availability</i> |
|-----------------------------|-------------------------------|------------------|------------------|---------------------------------|--|------------------------------------|
| Mobilization/Demobilization | 237310<br>541310<br>541330    | 137              | 1122             | 12.2%                           | 7%                                       | 0.9%                               |
| Traffic Control             | 561990                        | 12               | 113              | 10.6%                           | 15%                                      | 1.6%                               |
| Grading/Storm Drainage      | 238910                        | 38               | 92               | 41.3%                           | 50%                                      | 20.7%                              |
| Sodding/Seeding             | 561730                        | 18               | 574              | 3.1%                            | 25%                                      | 0.8%                               |
| Survey                      | 541330<br>541370              | 67               | 724              | 9.3%                            | 3%                                       | 0.3%                               |
|                             | <b>WEIGHTED GOAL – Step 1</b> |                  |                  |                                 |  | <b>24.2%</b>                       |

# Step 2: Adjust the Base Goal

- Current Capacity of DBEs to perform work
- Evidence from disparity studies
- Statistical disparities in ability of DBEs to secure financing, bonding, and insurance
- Data on employment, self-employment, education, training programs
- Any other data that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination

# Step 2: Adjust the Base Goal

**Table 4: City of Atlanta DBE Accomplishment as indicated by  
DBE Data Reporting Form: FY 2010–2014**

| <b>Report Period</b> | <b>DBE Goal</b> | <b>Total DBE Percent Achieved</b> | <b>Over/Under Achieved</b> |
|----------------------|-----------------|-----------------------------------|----------------------------|
| <b>FY 2010</b>       | 24.00%          | 13.70%                            | -10.30%                    |
| <b>FY 2011</b>       | 24.00%          | 17.96%                            | -6.04%                     |
| <b>FY 2012</b>       | 24.00%          | 43.06%                            | 19.06%                     |
| <b>FY 2013</b>       | 29.00%          | 47.16%                            | 18.16%                     |
| <b>FY 2014</b>       | 29.00%          | 33.73%                            | 4.73%                      |
| <b>MEDIAN</b>        | <b>24.00%</b>   | <b>33.73%</b>                     | <b>4.73%</b>               |

# Overall Goal

**Table 5: Hartsfield-Jackson Atlanta International Airport  
FY 2017 – FY 2019 Overall Goal**

| <b>Fiscal Year</b>                    | <b>Project</b>                        | <b>Step1</b> | <b>Step 2 adjustment</b> | <b>Overall Goal</b> | <b>Total project costs</b> | <b>DBE Goal (dollars)</b> |
|---------------------------------------|---------------------------------------|--------------|--------------------------|---------------------|----------------------------|---------------------------|
| FY 2017                               | Noise Mitigation Program              | 11.3%        | 33.73%                   | 22.52%              | \$44,138,902               | \$9,937,874               |
| FY 2017                               | Taxiway Replacement 2016 (E, F, L, M) | 41.4%        | 33.73%                   | 37.57%              | \$6,743,885                | \$2,533,340               |
| FY 2017                               | Runway 9L End-Around Taxiway Phase 1  | 41.0%        | 33.73%                   | 37.37%              | \$9,749,726                | \$3,642,985               |
| FY 2017                               | NLVR Replacement Priority 1           | 43.5%        | 33.73%                   | 38.62%              | \$8,881,777                | \$3,429,698               |
| FY 2017                               | TW & RW 9L-27R Pavement Replacement   | 41.4%        | 33.73%                   | 37.57%              | \$17,469,030               | \$6,562,241               |
| <b>FY 2017 Total</b>                  |                                       |              |                          | <b>30.01%</b>       | <b>\$86,983,320</b>        | <b>\$26,106,139</b>       |
| FY 2018                               | Runway 10 RSA Improvements            | 24.2%        | 33.73%                   | 28.97%              | \$2,500,000                | \$724,125                 |
| <b>FY 2018 Total</b>                  |                                       |              |                          | <b>28.97%</b>       | <b>\$2,500,000</b>         | <b>\$724,125</b>          |
| FY 2019                               | No Project at this time               |              |                          |                     |                            |                           |
| <b>FY 2019 Total</b>                  |                                       |              |                          | <b>0.00%</b>        | <b>\$0</b>                 | <b>\$0</b>                |
| <b>FY 2017 - FY 2019 Overall Goal</b> |                                       |              |                          | <b>30.0%</b>        | <b>\$89,483,320</b>        | <b>\$26,830,264</b>       |

# Race-Conscious/Race-Neutral Participation

- Must meet maximum feasible portion of goal using race-neutral means
- Examples of race-neutral means
  - Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs
  - Providing assistance in overcoming limitations such as inability to obtain bonding or financing
  - Providing technical assistance and other services

## Race-Conscious/Race-Neutral Participation (continued)

- Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors
- Other means found in 49 CFR Part 26.51
- Overachievement of past goals can be used to determine RC/RN breakout
- Past participation by DBE prime contractors
- RN goal of similar airport in market area

## Race-Conscious/Race-Neutral Participation (continued)

- Overall DBE Goal = **30.0%**
- Race-neutral participation = 4.73%
- Race-conscious participation = 25.27%

# Public Participation

- Community Groups
- Small Business, Women-owned Business, Minority-owned Business organizations
- Small Business Development Centers
- Public notice advertising the goal; 30-day review and comment period

# Public Participation & Consultation

What do you think?

1. Goal methodology (process) reasonable?
2. Any factors missing from our process?
3. Any data missing from our calculation?

# QUESTIONS/COMMENTS

**Ken Weeden & Associates, Inc.**

**[www.kwaplanning.com](http://www.kwaplanning.com)**

**910-762-6297**

**kenneth-weeden@kwaplanning.com**