

# YUMA INTERNATIONAL AIRPORT

## DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

### **FY 2016-2018 Goals and Methodology Report**

July, 2015

Prepared For:

**Yuma International Airport**

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## SECTION 1 - DBE POLICY STATEMENT

### 1.1 INTRODUCTION

The Yuma International Airport has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The Yuma International Airport has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Yuma International Airport has signed an assurance that it will comply with 49 CFR Part 26.

### 1.2 POLICY STATEMENT

It is the policy of the Yuma International Airport to ensure that DBEs, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy to:

1. Ensure nondiscrimination in the award and administration of DOT assisted contracts;
2. Create a level playing field on which DBEs can compete fairly for DOT assisted contracts;
3. Ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove barriers to the participation of DBEs in DOT assisted contracts; and
6. Assist the development of firms that can compete successfully in the market place outside the DBE Program.
7. Provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

Gen Grosse, Corporate Account Manager, has been delegated as the DBE Liaison Officer. In that capacity, Gen Grosse is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the Yuma International Airport in its financial assistance agreements with the Department of Transportation.

Yuma International Airport has disseminated this policy statement to the Yuma County Airport Authority and all of the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by publishing this statement in general circulation, minority-focused publications and by way of the Airport's website.



Gen Grosse, Corporate Account Manager

7/14/15  
Date

## SECTION 2 - REGULATORY BACKGROUND

### 2.1 INTRODUCTION

The Yuma International Airport (The Airport) is a recipient of U.S. Department of Transportation funds for airport improvement projects, which requires compliance with the requirements of 49 CFR Part 26. Some of these requirements are highlighted below.

#### 2.1.1 OBJECTIVES AND POLICY STATEMENT

49 CFR Part 26 requires the establishment of a DBE Policy Statement and objectives, which can be found in Section 1.2 of this report.

#### 2.1.2 APPLICABILITY

The regulations of 49 CFR Part 26 apply to recipients of federal airport funds authorized by 49 U.S.C. 47101, *et. seq.*

#### 2.1.3 DEFINITION OF TERMS

The terms used for the purpose of the Airport's DBE program are those contained in 49 CFR Part 26, section 26.5.

#### 2.1.4 NON-DISCRIMINATION

The Airport will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of sex, race, color, or national origin. Additionally, the Airport will not, directly or through contractual or other arrangements, use criteria or methods of administration that would have the effect of defeating or substantially impairing accomplishment of the DBE program objectives with respect to individuals of a particular race, color, sex, or national origin.

The Airport has also signed a grant assurance that it will not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT- assisted contract or in the administration of the requirements of 49 CFR Part 26. The following clause will be included in every DOT-assisted contract and subcontract:

*"The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out the applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate"*

#### 2.1.5 RECORD KEEPING

The airport will report on an annual basis the dollar amount DBE participation on DOT-assisted contracts. The airport will also maintain a bidders list, which will provide current data on the availability of DBE and non-DBE contractors and subcontractors. The list will contain information such as the firm name, address, DBE or non-DBE status, business age, and annual gross receipts.

#### 2.1.6 OVERALL GOAL SETTING

The calculations and rationale for the overall goal of DBE participation is detailed in Section 3 of this report, and were conducted in accordance with 49 CFR Part 26.

## SECTION 3 - GOALS AND METHODOLOGY

### 3.1 INTRODUCTION

This section describes the calculations of the overall DBE participation goal in DOT-assisted projects that are undertaken by the Airport during fiscal years (FY) 2016-2018. According to 49 CFR Part 26, there are two basic steps to determining a DBE participation goal. Step one is the determination of a base figure of participation, given the relative availability of DBE firms as compared to total available firms for a particular market. Step two is the further adjustment of that initial figure in order to determine a realistic and reasonable goal given the geographic availability of DBE firms and their workload capacity. The DOT agency providing federal assistance is the Federal Aviation Administration (FAA).

### 3.2 DBE GOAL METHODOLOGY

#### 3.2.1 STEP ONE: DETERMINATION OF THE BASE FIGURE

The base figure for the Airport's DBE goal attainment takes into account several factors, such as the number of available DBE firms in a market, the total number of firms in a market, the anticipated DOT-assisted project values, and types of professional services that will be required with those projects.

##### 3.2.1.1 Anticipated FY 2016-2018 Federal-Assisted Projects

A review of the Airport's Capital Improvement Program (ACIP) reveals that during FAA FY 2016-2018, the Airport expects to execute three federally-assisted airfield projects. In 2016, the Airport anticipates a construction-only project involving the rehabilitation of the Terminal Apron. In 2017, the Airport anticipates a design and construction project for the rehabilitation of Taxiway F and H. In 2018, the Airport anticipates a design and construction project involving construction of the Defense Contractor Complex apron, area 4. The projects and their estimated budgets are summarized in the table below:

*Table 3.1 FY 2016-2018 Anticipated Federal Projects*

Fiscal Year	Project Name	Project Type	Estimated Budget
2016	Terminal Apron Rehab	Construction	\$2,500,000
2017	Taxiway F/H Rehab	Design/Construction	\$3,000,000
2018	DCC Apron Area 4	Design/Construction	\$3,500,000
<b>Total</b>			<b>\$9,000,000</b>

Source: Yuma International Airport Capital Improvement Program, <http://www.yumaairport.com/Yuma/ACIP.nsf?OpenDatabase>

##### 3.2.1.2 Anticipated Industries by NAICS Code

Using the North American Industry Classification System (NAICS), the shares of various industry components of the anticipated upcoming projects were estimated. The codes used reflect anticipated industries that generally participate in airport construction and design projects, as well as historical project bids for similar projects. The following codes were used in the project estimates:

Table 3.2 NAICS Codes

NAICS Code	Description
237110	Water and Sewer Line and Related Structures Construction
237990	Other Heavy and Civil Engineering Construction
541330	Engineering Services
237310	Highway, Street, and Bridge Construction
541370	Surveying and Mapping Services
541360	Geophysical Surveying and Mapping Services
212321	Construction Sand and Gravel Mining
212319	Other Crushed and Broken Stone Mining and Quarrying
484220	Specialized Freight Trucking, Local
238210	Electrical Contractors
238910	Site Preparation Contractors
541611	Administrative Management and General Management Consulting Services

Source: North American Industry Classification System

The above NAICS codes were further organized into work classifications based on general categories of work associated the projects in the Yuma ACIP. The following categories and estimated percentages of work were determined to be as follows:

Table 3.3 Work Categories

Work Description	NAICS Codes	Percentage of Work
Construction and Installation Services	237110, 237990, 237310, 238910, 238210, 212319, 484220, 212321	65%
Professional Engineering and Technical Services	541370, 541330	25%
Management Services	541611	10%
	<b>Total</b>	<b>100%</b>

Source: Kimley-Horn and Associates, Inc. 2015

### 3.2.1.3 Number of DBE Firms

The Arizona Department of Transportation (ADOT) United Certification Program (UCP) was referenced to determine the number of certified DBE firms in Arizona that fall into the NAICS codes listed above. The United States Census Bureau was referenced to determine the statewide total number of firms in the respective NAICS codes.

Table 3.4 Arizona DBE Firm Availability

Work Classification	Total Arizona Firms	DBE Firms (Arizona UCP)	DBE Firms (Yuma County)
Construction and Installation Services	2,504	201	7
Professional Engineering and Technical Services	1,325	115	2
Management Services	1,570	57	0

Source: Arizona Department of Transportation DBE Directory, <http://www.azdot.gov/azdbe>  
United States Census Bureau, 2013 County Business Patterns, accessed 4/23/2015

For the purpose of determining the base figure, the statewide availability of DBEs was considered as opposed to the availability of DBEs solely in Yuma County, since only 9 DBEs that can be expected to provide services to the Airport are located in Yuma County.

The following methodology was utilized to calculate the base figure:

For each work classification, the number of DBE firms was divided by the total number of statewide firms, and multiplied by the percentage of work ratio. For each work classification, the resulting values were summed, and the result multiplied by 100 to obtain a whole number percentage.

$$\bullet \left(0.65 \frac{201}{2,504}\right) + \left(0.25 \frac{115}{1,325}\right) + \left(0.10 \frac{57}{1,570}\right) = 0.0775$$

$$\times 100$$

### 7.75% Base Figure for DBE Participation

#### 3.2.2 STEP TWO – EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE

According to 49 CFR Part 26, the base figure identified in Step 1 may be adjusted to more accurately reflect the local economic climate of a given market or to take historical DBE participation into consideration. Some areas may have more DBE firms readily available and willing to participate than others.

##### 3.2.2.1 Disparity Studies

The Airport is currently unaware of any disparity studies within Yuma County or within close geographical proximity.

##### 3.2.2.2 Historical DBE Participation

The past Uniform Reports of DBE Participation for the Airport were referenced in order to gain an understanding of how much actual DBE participation occurred on Federally-assisted projects over the past few years. **Table 3.5** below highlights the historic DBE participation by fiscal year.

Table 3.5 Historic DBE Participation 2007-2014

Fiscal Year	Total Payments on Contracts	Payments to DBEs	Percentage to DBEs
2007	\$2,349,438	\$40,840	1.74%
2008	\$1,919,330	\$0	0.0%
2009	\$2,992,281	\$478,597	15.99%
2010	\$0	\$0	0.0%
2011	\$2,169,458	\$134,625	6.21%
2012	\$0	\$0	0.0%
2013	\$2,396,572	\$160,265	6.69%
2014	\$402,785	\$402,785	100%
<b>Total</b>	<b>\$12,229,864</b>	<b>\$1,217,112</b>	<b>9.95%</b>

Source: FAA dBE-Connect, accessed 4/23/2015

### 3.2.2.3 Local Availability of DBE Firms

According to the ADOT UCP database, there are 12 registered DBEs located in Yuma County, 9 of which can realistically be expected to perform services for the airport. These businesses include civil and environmental engineering, trucking, janitorial, general contracting, and electrical contracting. Some of these firms are able to provide more than one of the services described the NAICS codes listed in **Table 2.2**. The projects identified in the Yuma ACIP would likely involve the services of trucking and civil engineering. In comparison to the 622 DBEs registered in the ADOT UCP database, approximately 1.4% of all ADOT DBE firms are located in Yuma County.

### 3.2.2.4 Resultant Goal Adjustment

For the purpose of determining overall DBE participation goals, the market area for DBE firms is the State of Arizona, since there are only 12 registered DBEs in Yuma County, and considering that construction firms tend to operate out of large geographic areas. Out of those 12 firms, 9 are anticipated to be able to provide services to the Airport, or less than 1% of total Arizona firms. As shown in **Table 3.4**, DBEs account for a weighted **7.75%** of total firms anticipated to provide services in upcoming contracts for the Airport.

According to **Table 3.5**, historic DBE participation for the five years spanning 2007-2014 has averaged at **9.95%**. When taking into account the historical DBE participation, the average of the two ratios results in **8.85%**.

## 3.3 PUBLIC PARTICIPATION

In accordance with 49 CFR Part 26, the Airport published a notice in a local newspaper, *The Yuma Sun*, on May 18<sup>th</sup>, 2015, which informed the public that the proposed goals and methodology for FAA FY 2016-2018 were available for inspection on the Airport's website for 30 days following the date of notice, and that the Airport would accept comments on the goals for 45 days from the date of the notice. The notice included addresses to which comments could be sent and addresses where the document could be reviewed.

Prior to official adoption and submission of DBE goals, the Airport also consulted with disadvantaged business groups and organizations to determine the availability and opportunities for DBEs in the Yuma



area. The following organizations were contacted for their input on the effects of discrimination and DBE opportunities for the Airport:

- Yuma County Chamber of Commerce
- Arizona Hispanic Chamber of Commerce
- Associated Minority Contractors of America
- National Association of Women Business Owners – Phoenix
- Greater Phoenix Black Chamber of Commerce
- National Center for American Indian Enterprise Development

Inquiries were made to these organizations about past discrimination towards DBEs in the following areas:

- Equality in bidding opportunities for DBEs vs. Non-DBEs.
- Equality in the ability to secure insurance, bonding, and lines of credit for business operation.
- Presence of a level playing field between DBEs and Non-DBEs.
- Presence of a stigma associated with being a DBE as to the expected quality of work.

No responses or comments were received from the aforementioned organizations or the general public.

### **3.4 RACE-NEUTRAL VS. RACE-CONSCIOUS METHODS**

49 CFR Part 26 requires that recipients meet the maximum feasible portion of their overall DBE goals utilizing race-neutral means. Race neutral participation includes any time that a DBE wins a contract through customary competitive procedures or is awarded a subcontract on a prime contract that does not carry a DBE goal. Race-conscious methods are those that are focused specifically on assisting only DBEs, such as establishing a contract goal of DBE participation. The airport expects to solely utilize race neutral methods to achieve its DBE participation goal of 8.85%, and does not expect to establish contract goals to achieve this goal. Some race-neutral methods that the airport will utilize are listed below:

- Encouraging large prime contractors to subcontract portions of the work that they might otherwise perform themselves and take advantage of the lower overhead of small businesses, especially in service and professional contracts.
- Encourage primes to have their uncertified, qualified and experienced subs and other small businesses to apply for DBE certification.
- Maintaining and refining the DBE database and Bidder's List for various NAICS codes qualified, experienced and willing to do airport work, and provide prime contractors with this database.
- Arrange solicitations, bid presentations, quantities, specifications, and delivery schedules that facilitate DBE and other small business participation.
- Send solicitation notices directly to various small, minority, and woman-owned trade associations and DBE distribution lists.

### **3.5 SUMMARY**

For DOT-assisted projects during FY 2016-2018, the Airport expects to achieve an overall DBE participation goal of **8.85%**. The Airport expects to achieve this goal entirely through race-neutral means.

**APPENDIX A**  
**PUBLIC COMMENT AFFIDAVIT**

AFFP  
NOTICE OF AVAILABILITY FOR PUB

**Affidavit of Publication**

STATE OF ARIZONA )  
COUNTY OF YUMA ) SS

NOTICE OF AVAILABILITY FOR PUBLIC COMMENT  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM  
YUMA INTERNATIONAL AIRPORT  
YUMA, ARIZONA

The Yuma International Airport has established a Disadvantaged Business Enterprise (DBE) Program in accordance with 49 CFR Part 26. The Airport anticipates receiving Federal financial assistance from the U.S. Department of Transportation (DOT) for projects in Fiscal Years 2016-2018, and as a condition of receiving this assistance, must comply with 49 CFR Part 26.

The Airport has established an overall annual goal for DBE participation at 8.85% of the total dollar amount of DOT-assisted contracts awarded in each year. The proposed goal and methodology is available for public review on the Airport's website in PDF form at

<http://www.yumaairport.com>. Comments and questions will be accepted until July 2nd, 2015. Comments may be sent to:

Jacob Bowers,  
2 Sun Court, Suite 450,  
Peachtree Corners, GA, 30078 or  
[jacob.bowers@kimley-horn.com](mailto:jacob.bowers@kimley-horn.com)  
Daily May 18, 2015 - 00062553

Lisa Reilly or Kathy White, being duly sworn, says:

That she is Publisher or Business Manager of the Yuma Sun, a daily newspaper of general circulation, printed and published in Yuma, Yuma County, Arizona; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

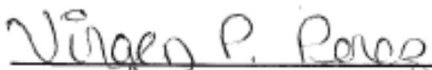
May 18, 2015

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

  
\_\_\_\_\_  
Publisher or Business Manager

Subscribed to and sworn to me this 18th day of May 2015.

  
\_\_\_\_\_  
Virgen P Perez, Notary, Yuma County, Arizona

My commission expires: May 10, 2017



00016865 00062553

KIMLEY-HORN  
2 SUN COURT, SUITE 450  
PEACHTREE CORNERS, GA 30092

## APPENDIX B

### OUTREACH MESSAGE

*Dear Sir or Madam,*

*Our firm is assisting the Yuma International Airport in consulting with construction industry groups, community organizations, and minority and women's groups to obtain information concerning the availability of the disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for Disadvantaged Business Enterprises (DBEs), and the Yuma International Airport's efforts to establish a DBE goal for construction of upcoming federally-funded projects at the Yuma International Airport.*

*We are asking for your organization's input on the issue of business opportunities for DBEs.*

- 1. Do you believe DBEs are treated equal to non-DBEs in bidding opportunities?*
- 2. Do you believe DBEs are treated equal in the ability to secure insurance, bonding, and lines of credit for business operation?*
- 3. Do you believe there is a stigma associated with being a DBE as to the expected quality of work?*
- 4. Do you believe there is a level playing field between DBEs and non-DBEs in the construction industry?*

*Thank you for your time. Your input is valued and appreciated.*

*Sincerely,*

*Jacob A. Bowers, AICP  
Kimley-Horn and Associates, Inc.  
2 Sun Court, Ste 450  
Peachtree Corners, GA 30092  
Tel: (678) 533-3944  
Email: jacob.bowers@kimley-horn.com*