



**FY 2016/2017/2018
Updated Disadvantaged Business Enterprise
Goals and Methodology Report
City of Fullerton
Fullerton Municipal Airport**



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City of Fullerton
Fullerton Municipal Airport
FY 2016/2017/2018 Disadvantaged Business Enterprise (DBE) Goals and Methodology Report

Definitions of Terms

The terms used in this program have the meanings defined in 49 CFR §26.5.

Objectives/Policy Statement (§§26.1, 26.23)

The City of Fullerton – Fullerton Municipal Airport (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 Department has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Department has signed grant assurances that it will comply with 49 CFR Part 26.

It is the policy of the Department 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 –

1. To ensure nondiscrimination in the award and administration of DOT assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contract; and
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

Ronald Bowers, Senior Civil Engineer, has been delegated as the DBE Liaison Officer. In that capacity, the DBELO 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 Airport in its financial assistance agreements with the Department of Transportation.

The Department has disseminated this policy statement to the City of Fullerton and all 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 and trade association publications.



Joe Felz, City Manager

3-18-16

Date

Goals and Methodology – Fullerton Municipal Airport

Goals - The ultimate goal of the program is to utilize DBE participation in proportion to the availability of certified DBE's within the community. The federal fiscal years 2016/2017/2018 overall goal for City of Fullerton – Fullerton Municipal Airport (Airport) is 6.43% of the DOT-assisted contracts. This overall goal is to be attained using race-neutral means.

The following data collection table reflects the Scopes of Work with Engineer's Cost Estimates and NAICS codes describing each item for the anticipated federally funded projects for the federal fiscal years 2016, 2017 and 2018. Also shown are the percentages of each cost to the total project cost and total costs of all projects during these years. The fifth column shows the data from the U.S. CenStats database of total companies for the entire State or the Airport's Local Market area for each NAICS as identified in the bottom of the table. The last column shows the number of DBEs for the entire State or the Airport's Local Market for the same NAICS codes.

Data Collection Table

FY 2016 Infield Improvement Areas-3" Max Crushed Stone; FY 2017 Airport Sweeper-Fixed Asset Purchase; FY 2018 No Projects	NAICS CODES **/**	ESTIMATED FEDERAL SHARE COSTS	PERCENT TO TOTAL PROJECTS FOR YEAR	PERCENT TO PROJECT	U.S. Census Companies	CalTrans DBEs	U.S. CENSUS Companies (Cell Totals)	CalTrans DBEs **/** (Cell Totals)
3-06-0091-24-2016 Infield Improvement Areas - 3" Max Crushed Stone								
1) Unclassified Excavation (Export)	238910*	\$55,952	5.60%	6.58%	707	23	707	23
2) Remove & Replace Unsuitable Material (Contingent Item)	238910*	\$16,000	1.60%	1.88%	707	23	707	23
3) Compliance w/Pollution, Erosion & Siltation Control	561730*	\$35,000	3.50%	4.12%	2281	5	2281	5
4) Stabilized Construction Entrance	561730*	\$8,000	0.80%	0.94%	2281	5	2281	5
5) 3" Max Crushed Aggregate Median Protection	212319* 238910* 423320* 484220*	\$261,107	26.11%	30.72%	46 707 155 531	1 23 3 152	1439	179
6) Field Office	532412*	\$10,000	1.00%	1.18%	181	8	181	8

7) Weed Barrier Fabric	238910* 423990**	\$46,626	4.66%	5.49%	707 1617	23 8	2324	31
8) Taxiway Painting (Yellow ReflectORIZED)	237310*	\$20,000	2.00%	2.35%	197	4	197	4
9) Soil Sterilant	561730*	\$13,988	1.40%	1.65%	22581	5	2281	5
10) Maintenance and Protection of Traffic	238990*	\$50,000	5.00%	5.88%	1015	4	1015	4
11) Project Survey & Stakeout	541370**	\$20,000	2.00%	2.35%	494	51	494	51
12) Mobilization	238910* 541330**	\$38,000	3.80%	4.47%	707 7906	23 265	8613	288
13) Construction Observation & Administration	541330**	\$86,201	8.62%	10.14%	7906	265	7906	265
14) Remove and Salvage Existing Edge Light Fixture	238210*	\$8,195	0.82%	0.96%	2914	33	2914	33
15) DBE Consultant	541611**	\$4,900	0.49%	0.58%	8216	695	8216	695
16) Airport Administration & Engineering	N/A	\$176,031	17.60%	20.71%	0	0	0	0
Total - 3-06-0091-24-2016 Infield Improvement Areas - 3" Max Crushed Stone		\$850,000	85.00%	100.00%				
3-06-0091-25-2017 - Airport Sweeper - Fixed Asset Purchase								
1) Airport Sweeper	336211** 423810**	\$150,000	100.00%	100.00%	79 350	0 9	429	9
Total - 3-06-0091-25-2017		\$150,000	15.00%	100.00%				
3-06-0091-??-2018 - No Projects								
No Projects	N/A	\$0	0.00%	0.00%	0	0	0	0
Total - No Projects		\$0	100.00%	0.00%				
GRAND TOTAL - FY 2016, 2017, 2018		\$1,000,000						

*Local Market = Orange, Los Angeles and Riverside Counties; ** = Statewide

The following worksheet lists the potential NAICS codes for the companies performing the work on the Airport's projects for FY 2106/2017/2018, their description and the source of the data.

NAICS Code Data Collection Worksheet

NAICS	Work Code	SW**/L*	Description	CenStats 2013	CalTrans	Local Total		Los Angeles		Orange		Riverside	
						B/4 Adj	After Adj	B/4 Adj	After Adj	B/4 Adj	After Adj	B/4 Adj	After Adj
2123	C0625	L	Other Crushed and Broken Stone Mining and Quarrying	46	1	46		21		5		20	
						1	1	0	0	0	0	1	1
237310	C8501 Mark	L	Highway, Street and Bridge Construction (Airports)	197	4	197		79		68		50	
						11	4	11	1	11	2	11	1
238210	C8602	L	Electrical Contractors (ex/communications, computers, security, contract mgt)	2914	33	2914		1679		796		439	
						47	33	47	23	47	4	47	6
238910	C1601	L	Site Preparation Contractors	707	23	707		324		194		189	
						52	23	52	11	52	8	52	4
238990	C1201	L	All Other Specialty Trade Contractors	1015	4	1015		496		290		229	
						18	4	18	3	18	1	18	0
336211	N/A	SW	Motor Vehicle Body Mfg (Special Purpose - Sweepers)	79	0								
423320	C0625	L	Brick, Stone, and Related Construction Material Merchant Wholesalers	155	3	155		76		48		31	
						19	3	19	1	19	2	19	0
423810	I7350	SW	Construction and Mining (except Oil Well) Machinery & Equipment Merchant	350	9								
423990	C0621	SW	Farm & Garden Machinery & Equipment Merchant Wholesalers	1617	8								
484120	C9602 C9604 C9606	L	Specialized Freight (except Used Goods) trucking, Local	531	152	531		310		74		147	
						152	58	152	49	152	4	152	5
532412	I7350	L	Construction, Mining and Forestry Machinery and Equipment Rental and Leasing	181	8	181		102		35		44	
						18	8	36	6	36	2	36	0
541330	C8720 + Airport	SW	Engineering Services (Airport Related)	7926	265								
541370	C8760	SW	Surveying and Mapping (except Geophysical) Services	494	51								
549011	N/A	SW	Administrative Mgt & General Mgt Consulting Services (Admin, Business & Strategic Planning)	8216	695								
561730	C2030 C2066	L	Landscaping Services (Hydroseeding/Erosion Control)	2281	5	2281		1082		706		493	
						10	5	10	4	10	0	10	1

*Local Market = Los Angeles, Orange and Riverside Counties; **Statewide

The Grant Data Collection Table reflects the scope of work with a total cost estimate for each task within all Grant projects anticipated by the Airport during the federal fiscal years 2016, 2017 and 2018.

Each line item was expanded to include the NAICS codes of potential source contractors, vendors and/or suppliers for the task involved. Additional columns were added to reflect the number of companies shown on the current U.S. Census table and CalTrans DBE Directory for each NAICS code within the Airport's anticipated market area for that task. The U.S. Census and CalTrans results within each cell were totaled for use in the Formula on the following Calculation Worksheet. This way all companies a prime might use to utilize DBE participation in proportion to the availability of certified DBE's within the community are included.

For example, line item 5 in the first project entitled Infield Improvement Areas – 3" Max Crushed Stone above, describes the task to be 3" Max Crushed Stone. If the contractor (238910) uses a local DBE

Mining/Quarrying Company (2123), a local distributor (423320) or local hauling company (484220) rather than his own truck, the potential DBE participation is included.

Goal Methodology

Step 1: Calculation of the Base Figure

The Base Figure is calculated by dividing the result of the anticipated cost of each item divided by the total anticipated cost of each federally funded project or the total overall cost of all federally funded projects for FY 2016/2017/2018. This percentage will be multiplied by the percentage derived by dividing the number of DBEs for all NAICS codes of each line item's market in the CalTrans Directory by the number of businesses of each line item's market in the CenStats Directory for the same markets of each NAICS code. The resulting sum total of these calculations is the base figure for all federally funded projects during federal fiscal years 2016/2017/2018.

This detail is shown in the following Base Figure Calculation Table.

Base Figure Calculation Table

BASIC STEP 1 GOAL CALCULATION (Data taken from Grant Data Collection Table beginning on Page 1)						
Columns copied from Grant Data Collection Table beginning on Page 1					Formulas	
FY 2016 Infield Improvement Areas-3" Max Crushed Stone; FY 2017 Airport Sweeper-Fixed Asset Purchase; FY 2018 No Projects	Percent to Project D	Percent to Total Projects for Year E	U.S. Census Totals E	CalTrans DBEs F	Column D x (Column F + Column E)	Column E x (Column F ÷ Column E)
3-06-0091-24-2016 Infield Improvement Areas - 3" Max Crushed Stone						
1) Unclassified Excavation (Export)	6.58%	5.60%	707	23	0.21%	0.18%
2) Remove & Replace Unsuitable Material (Contingent Item)	1.88%	1.60%	707	23	0.06%	0.05%
3) Compliance w/Pollution, Erosion & Siltation Control	4.12%	3.50%	2281	5	0.01%	0.01%
4) Stabilized Construction Entrance	0.94%	0.80%	2281	5	0.00%	0.00%
5) 3" Max Crushed Aggregate Median Protection	30.72%	26.11%	1439	179	3.82%	3.25%
6) Field Office	1.18%	1.00%	181	8	0.05%	0.04%
7) Weed Barrier Fabric	5.49%	4.66%	2324	31	0.07%	0.06%
8) Taxiway Painting (Yellow Reflectorized)	2.35%	2.00%	197	4	0.05%	0.04%
9) Soil Sterilant	1.65%	1.40%	2281	5	0.00%	0.00%

10) Maintenance and Protection of Traffic	5.88%	5.00%	1015	4	0.02%	0.02%
11) Project Survey & Stakeout	2.35%	2.00%	494	51	0.24%	0.21%
12) Mobilization	4.47%	3.80%	8613	288	0.15%	0.13%
13) Construction Observation & Administration	10.14%	8.62%	7906	265	0.34%	0.29%
14) Remove and Salvage Existing Edge Light Fixture	0.96%	0.82%	2914	33	0.01%	0.01%
15) DBE Consultant	0.58%	0.49%	8216	695	0.05%	0.04%
16) Airport Administration & Engineering	20.71%	17.60%	0	0	0.00%	0.00%
Total - 3-06-0091-24-2016 Infield Improvement Areas - 3" Max Crushed Stone	100.00%	85.00%			5.10%	4.33%
3-06-0091-25-2017 - Airport Sweeper - Fixed Asset Purchase						
1) Airport Sweeper	100.00%	100.00%	429	9	2.10%	2.10%
Total - 3-06-0091-25-2017	100.00%	15.00%			2.10%	2.10%
3-06-0091-??-2018 - No Projects						
No Projects	0.00%	0.00%	0	0	0.00%	0.00%
Total - No Projects	100.00%	0.00%			0.00%	0.00%
GRAND TOTAL - FY 2016, 2017, 2018		100.00%				6.43%
Local Market = Orange, Los Angeles and Riverside Counties						

Step 2: Adjusting the Base Figure

Historic Goal Attainments

Historic Goal Attainments					
Federal Fiscal Year	Data Source	Total Contract Dollars	DBE Contract Dollars	% DBE Goal	% DBE Attainment
FY2012-13	No Grants	\$0.00	\$0.00	Unk	0.00%
FY2013-14	Uniform DBE Rpt	\$441,450.00	\$33,000.00	7.00%	7.48%
FY2014-15	No Grants	\$0.00	\$0.00	Unk	0.00%
Total Dollars		\$441,450.00	\$33,000.00		
Median DBE Goal Attainment = 7.48%					
Average DBE Goal Attainment = 7.48%					

Available historic data is limited and shows no grants received for FY 2013 and 2015. The FY 2014 Uniform Report of DBE Commitments/Awards and Payments reflects 7.48% DBE participation under a 7% goal for Rehab of Airport Terminal and Air Traffic Tower.

Market Area vs. Local Availability

Fullerton Municipal Airport is the only Reliever/General Aviation Airport within Orange County. It is located between Los Angeles and Riverside Counties. Los Angeles and Orange Counties include a wide variety of manufacturing, service and construction businesses. Riverside County adds large agricultural areas while the land area enables industrial and residential expansion.

Contract size and timeline have a major effect on the use of small and DBE subcontractors. As the project size and timeline increase, large prime contractors from area become interested. More distant primes are willing to use local subs for part of the work to cut their equipment transport and employee housing expenses. The supply of local DBE contractors provides a reasonable number of subs for the projects. Smaller contracts provide opportunities for DBEs to participate as prime contractors or become a large participant in the project with a smaller prime.

CalTrans enables primes to search for potential DBE subcontractors via their six digit NAICS codes. The six digit NAICS code covers a broad range of activities entitled "Corresponding Index Entries" which are not specified in the search. It thus becomes very important when making a query to locate DBEs for subcontracting opportunities to search at minimum both "NAICS Categories" and "Work Categories".

The FAA requires contractors to be qualified and experienced in specifics unique to airports. The Airport is in the process of building a Bidder's List to gather a database of those firms qualified, experienced and able to meet airport requirements. In order to accomplish this while also defining the most comprehensive DBE market, the Airport will:

- * Continue to expand the Bidder's List with DBEs and small businesses participating in Airport RFPs
- * Assist Purchasing to insure dissemination of notices, RFP summaries, and the Bidder's List appropriately as reflected by each particular trade's market.
- * Encourage Primes to examine DBEs qualifications.
- * Encourage Primes to help uncertified qualified, experienced businesses become certified DBEs.

Public Participation

The Airport is committed to maximizing participation in their contracts by all business including DBE and small businesses. To accomplish this, the Airport:

- Publishes notice announcing the availability of the Goals and Methodology document online
- Periodically reviews the CalTrans List of Certified DBEs for new Certified DBEs
- Reaches out to the community during pre-bid meetings and small business seminars/ programs explaining the DBE Program and its requirements
- Encourages local contractors to use DBEs and have uncertified, qualified, experiences subs become certified
- Encourages comments for review and appropriate action or implementation

Disparity Studies

The Airport is not aware of any current disparity studies including airports within its market area.

Process and Public Notice

Fullerton Municipal Airport will meet periodically in accordance with §26.45(g)(1)(i) with stakeholders and local small and DBE businesses to address the concerns of business, DBEs, discrimination, business opportunities and the effectiveness of each organization's efforts to establish a level playing field for the participation of DBEs and small business. The last meeting was held on March 2, 2016. Attendees included the Airport Director, City Engineer, DBE consultant and a local DBE firm. No areas of concern were provided by the DBE contractor or other attendees. The DBE firm applauded the Airport's development of the Bidder's List and its use to outreach to and notify firms of projects and events at the Airport.

At the point of submission, Fullerton Municipal Airport will publish a notice of the proposed overall goal, informing the public of the proposed goal and its rationale as available for inspection via the airport website. The notice will include the physical and web addresses where the document may be reviewed and comments may be sent.

Other Evidence

The Airport did not receive any other evidence nor is it aware of any other factors or adverse considerations that would have a material effect on DBEs availability within the Airport's market place or on DBEs ability to participate in the Airport's FAA-assisted contracting program. The Airport will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow and compete in the Airport's FAA-assisted contracting program.

Resultant Goal Adjustment

Based on the above considerations, the Airport base figure is not to be adjusted and remain at 6.43%. The goal is to be attained utilizing race-neutral methods.

Should the Bidder's List and other data collection results reflect a significant change in the market or its area, an amendment would be considered.

Utilization of Race-Neutral Methods

Of the overall annual goal of 6.43% for DBE participation, the Department projects meeting the entire goal utilizing race-neutral methods. The airport has established a Bidder's List by confirming complete data has been collected for all participants in federally assisted contracts over the last three years. The Airport is emphasizing the establishment of procedures to maximize DBE participation using race-neutral methods.

Race-Neutral Methods to be stressed include:

- Maintain and refine the DBE Bidder's List for various NAICS codes qualified, experienced and willing to do airport work.
- Provide primes with copies of this database.
- Encourage large prime contractors to subcontract portions of the work that they might otherwise perform themselves and take advantage of the lower overhead of DBE and small businesses, especially in service and professional contracts.
- Emphasize the need for primes to expand increase their outreach efforts
- Encourage primes to have their uncertified, qualified and experienced subs and other small businesses apply for DBE certification
- Encourage primes to assist subs in areas such as bonding and insurance
- Establish an outreach program to:
 - * Encourage experienced, qualified DBEs to contact potential primes
 - * Encourage prior small contractors to apply for DBE certification
 - * Work with trade associations, government and private business groups to enable DBEs to present their qualifications directly to the people selecting the subs for prime contractors
 - * Work with local SBDCs and Small Business Organizations to enable small, potential DBEs and DBEs to become aware of opportunities at the airport
- Work with CalTrans, local SBDCs, Small and Minority Business Organizations to train DBEs in the process of locating RFPs, preparing proposals and finding the right contacts

Race-Neutral efforts will locate qualified DBEs, encourage primes to use qualified DBEs and inspire uncertified, qualified, experienced small businesses to become certified. The Airport will strive to define a reasonable geographic and industry market and create a process where all qualified, experienced bidders, primes and subs, DBEs and non-DBEs, winners and losers will participate in all future contracts.