

**METHODOLOGY for Establishing the FY 2018-FY 2020 Overall Disadvantaged Business Enterprise (DBE) Goal for:**

City of Sylacauga  
Sylacauga Municipal Airport (Merkel Field)  
Sylacauga, Alabama

*In fulfillment of the requirements of 49 CFR Part 26, City of Sylacauga has developed a proposed goal for FY 2018-FY 2020 FAA-AIP projects at the Roscoe Turner Airport. The methodology in establishing this goal is described herein.*

**I. Goal Methodology: Detailed Application, DBE Base Figure— Step 1**

**A. Amount of Goal**

The City of Sylacauga’s overall goal for FY 2018-FY 2020 is the following:

Overall Goal:	<b><u>4.55%</u></b>		<b><u>FY 2018 Goal</u></b>	<b><u>N/A</u></b>
Race-Neutral:	<b><u>0.00%</u></b>		<b><u>FY 2019 Goal</u></b>	<b><u>4.55%</u></b>
Race-Conscious:	<b><u>4.55%</u></b>		<b><u>FY 2020 Goal</u></b>	<b><u>N/A</u></b>

The City expects to let approximately **\$1,948,542** in USDOT-assisted contracts for FY 2018-FY 2020. The City has set a goal of expending approximately **\$88,659** with DBE firms during this three-year period.

**B. Determination of the Market Area of the study**

The market area is the area where a substantial majority of the airport’s contractors and subcontractors come from and the area which the airports spend a substantial amount of their contracting dollars. After careful research of the historical bidding practices of similar projects in the airport’s vicinity and conversations with the consulting engineer, the City has determined that its market area is made up of the following counties in Alabama: St. Clair, Talladega,

**C. Determination of relevant NAICS codes**

Based on information provided by the Consulting Engineer concerning the proposed projects for this fiscal year, a list of NAICS codes corresponding to these projects was developed and is shown below: Note that the available engineering firms will not be considered, as the Airport currently has a engineering firm under contract therefore no DBE opportunities will exist for this discipline.

**Table 2: Proposed FY 2018-FY 2019 Projects—Enterprise Municipal Airport**

<i>FY 2018 Projects</i>		
<b>PROJECT</b>	<b>ACTIVITY</b>	<b>NAICS CODE</b>
No projects exceeding \$250,000 in AIP funds anticipated		
<i>FY 2019 Projects</i>		
<b>PROJECT</b>	<b>ACTIVITY</b>	<b>NAICS CODE</b>
<ul style="list-style-type: none"> <li>• <b>Rehabilitate Runway 9/27</b></li> <li>• <b>Runway 9/27 Lighting Improvements</b></li> </ul>	Highway/Street	237310
	Electrical/airfield lighting	238210
	Seeding, erosion control	561730
<i>FY 2020 Projects</i>		
<b>PROJECT</b>	<b>ACTIVITY</b>	<b>NAICS CODE</b>
No projects exceeding \$250,000 in AIP funds anticipated		

**D. Determination of Relative Availability of DBEs In Market Area, Compared to all Firms**

**Table 3: DBEs—Sylacauga Municipal Airport, by Relevant NAICS Codes—FY 2019  
REHABILITATE RUNWAY 9/27 / RUNWAY 9/27 LIGHTING IMPROVEMENTS**

<b>Activity</b>	<b>NAICS CODES</b>	<b>DBE Firms</b>	<b>All Firms</b>	<b>Percentage of DBE Firms Available</b>	<b>Grant Amount</b>	<b>DBE Amount</b>
<b>Highway/Street</b>	237310					
<b>Electrical/airfield lighting</b>	238210	3	66	4.55%	\$1,948,542	\$88,659
<b>Seeding, erosion control</b>	561730					

**SOURCES:**

1. *2016 County Business Patterns*, U.S. Census Bureau, April 19, 2018.
2. *Disadvantaged Business Enterprise Directory*, Alabama Department of Transportation, April 2018.

**NOTE:** The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

## Determination of the DBE Base Figure

The Step 1 DBE Base Figure for each project was derived by dividing the number of relevant DBE firms into the number of all relevant firms. The total DBE goal in dollars was divided by the total grant amount to derive the step 1 DBE goal.

### **FY 2019**

Rehabilitate Runway 9/27 / Rehabilitate Runway 9/27 Lighting – **4.55%**

## **II. Step 2: Adjustment to the Step 1 DBE Base Figure**

After the Step 1 DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

*"...additional evidence in the sponsor's jurisdiction must be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal" (26:45(d)).*

### **A. Adjustment Factors to Consider**

The regulations further state that there are several types of evidence that *must* be considered when adjusting the base figure. These include:

*"(i) The current capacity of DBEs to perform work in your DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years." (26.45(d)(i))*

*"(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure..."*

The airport has not had any projects that required a DBE goal in the past three years, so no adjustment will be made using past participation data.

49 CFR Part 26.45(d)(2) also states that the following must be considered for the purposes of considering an adjustment to the base figure:

*"(i) Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in your program;*

*(ii) Data on employment, self-employment, education, training and union apprenticeship programs, to the extent you can relate it to the opportunities for DBEs to perform in your program."*

No disparity studies have been conducted for Talladega County or for any of the surrounding counties in the area. There is no disparity data available to be used to adjust the base figure.

There were no data on statistical disparities in the jurisdiction that referenced the ability of DBEs to secure insurance, bonding, capital, etc.

The Small Business Development Center (SBDC) at Troy University in Dothan AL offers various seminars and classes for small business owners. The topics range from tax clinics for small businesses and financing issues to marketing. The University also has a Procurement Technical Assistance Center that focuses solely on assisting small businesses with government procurement.

The Alabama Department of Transportation has contractual agreements with several historically black colleges and universities (HBCUs) as well as the University of Alabama-Birmingham to provide management and technical assistance via workshops and classroom training to certified and potential DBEs (<https://www.dot.state.al.us/cboweb/SupportiveServices.html>).

**B. Adjustment to Step 1 DBE Base Figure: Sylacauga Municipal Airport**

With all of the factors in Part II considered to this point, the City will not adjust the Step 1 base figure calculated above.

Fiscal Year	Project	Step 1	Step 2 adjustment	Overall Goal	Federal portion project costs	DBE Goal (dollars)
FY 2019	Rehabilitate Runway 9/27; Runway 9/27 Lighting Improvements	4.55%	n/a%	4.55%	\$1,948,542	\$88,659

Since there are no other projects proposed that would require a DBE goal, the goal for FY 2019 is the overall DBE goal.

**Resources: Sylacauga Municipal Airport - Disadvantaged Business Enterprise Program Methodology (FY 2018 – FY 2020)**

**A. Resource Documents:**

1. [2016 County Business Patterns](#), U.S. Census Bureau, April 19, 2018.
2. ALDOT UCP DBE List, April 2018.

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

The City will strive to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The City will use the following race-neutral means to increase DBE participation:

1. *Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
2. *Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring 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).*

Based on the type and nature of the construction project, the City proposes that it will meet its overall goal of **4.55%** using race-conscious measures. The City has not had a “similar/like” construction project that required a DBE goal in more than three years, and has no data upon which to base a race-neutral goal.

The City will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract a DBE obtains 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.