

**PROPOSED DBE OVERALL GOALS**

**2007 - 2008**

***PALM SPRINGS INTERNATIONAL AIRPORT***

***Airport Sponsor:*** Palm Springs International Airport

***Goal Period:***                   ***From:***       October 1, 2007  
   ***Thru:***         September 30, 2008

***Overall DBE Goal for FAA-Assisted Projects:*** 8.1%

***Race-Neutral Goal:***                   8.1%

***Race-Conscious Goal:***               0.0%

## **DBE GOAL METHODOLOGY**

The overall goal period for the Palm Springs International Airport Disadvantaged Business Enterprise program is on an annual basis, beginning on October 1 and ending on September 30. The Overall Goal for FY 2008 has been set at 8.1% in compliance with the methodologies described in CFR 49 Part 26. The relevant geographic market for contractors for Palm Springs International Airport projects has been defined as Los Angeles, Orange, Riverside, San Bernardino and San Diego counties because 88.6% of the companies performing projects at the Airport over the last fiscal year are based in these areas. FAA funding for AIP projects is anticipated to be approximately \$12.3 million in FY 2008.

### **Step 1 - Determine a Base Figure representing the Relative Availability of DBEs.**

Caltrans is currently in the process of finalizing its Availability and Disparity Study. An interim report was issued on February 28, 2007, however it does not include a goal recommendation or information by region. Because the study is not available at this time, we have elected to use the methodology described in CFR 49 26.45(b)(1) to determine the base figure for the relative availability of DBE's. We have weighted the calculation based on the anticipated projects to be awarded during the fiscal year and the projected utilization of various trades for each project. When the Caltrans Study is released, we will review the findings and revise the goal if it is determined that the findings impact the goal.

Projects planned for award during FY 2008 are as follows:

- Airport Master Plan
- Environmental Documentation – Master Plan
- Pavement Condition Index
- Old Checkpoint/Terminal Rehab/Walkways and Weather Protection
- Rehabilitate/Overlay Runway 13L/31R
- Rehabilitate Taxiways E, J, H, D and B
- Extend Taxiway J

The trade classifications expected to be utilized for this project is as follows:

Table 1 - Anticipated Project Expenditures by Trade Classification			
Project	Trade	Applicable NAICS	\$
Master Plan	Architect/Engineer	541310/541330	\$286,425
	Environmental	541620	\$31,825
<b>Total Project</b>			<b>\$318,250</b>
Master Plan Environmental Documentation	Environmental	541620	\$380,000
<b>Total Project</b>			<b>\$380,000</b>
Pavement Condition Index	Consultant/Testing	541380	\$95,000
<b>Total Project</b>			<b>\$95,000</b>

Old Checkpoint/Terminal Rehab/Walkways and Weather Protection	Architectural Design	541310	\$299,982
	Grading	237310	\$76,000
	Concrete	237310	\$418,000
	Canopies	314912	\$760,000
	Studs/Drywall/Ceiling	238310	\$223,250
	Electrical	238210	\$285,000
	Mechanical	238220	\$128,250
	Flooring	238330	\$460,750
	Paint/Wall coverings	238320	\$128,250
	Security	561612	\$285,000
	Public Address	423690	\$85,500
	Signage	339950	\$71,250
<b>Total Project</b>			<b>\$3,221,232</b>
Rehab/Overlay RWY 13L/31R	Grinding	237310	\$427,500
	Grading	237310	\$327,750
	Trucking	484220	\$726,750
	Asphalt Paving	237310	\$2,280,000
	Structural Concrete	238120	\$52,250
	Pavement Striping	237310	\$190,000
<b>Total Project</b>			<b>\$4,004,250</b>
Rehab TXWYS E,J,H,D,B	Grinding	237310	\$403,750
	Grading	237310	\$223,250
	Trucking	484220	\$603,250
	Asphalt Paving	237310	\$2,028,250
	Structural Concrete	238120	\$34,200
	Striping	237310	\$185,250
	Electrical	238210	\$432,250
<b>Total Project</b>			<b>\$3,910,200</b>
Extend TXWY J 300 Feet	Grinding	237310	\$45,600
	Grading	237310	\$29,450
	Trucking	484220	\$80,750
	Asphalt Paving	237310	\$223,250
	Structural Concrete	238120	\$3,971
	Striping	237310	\$16,978
<b>Total Project</b>			<b>\$399,999</b>
<b>Total</b>			<b>\$12,328,931</b>

DBE availability has been determined by utilizing the California Unified Certification Program DBE Directory and Census Bureau Data. Census and Directory information was extracted for the trades listed above. The geographic areas represented include Los Angeles, Orange, Riverside, San Bernardino and San Diego counties. The availability calculations are as follows:

Table 2 - DBE Availability Percentages				
% OF DBE FIRMS VS. ALL FIRMS				
Trade Description	Applicable NAICS Code	Census # of Firms	Directory # of Firms	*DBE %
Highway, Street & Bridge Construction	237310	359	62	17.3%
Structural Steel & Precast Concrete	238120	239	30	12.6%
Electrical Contractors	238210	3,901	53	1.4%
Plumbing, Heating & Air Conditioning	238220	4,104	42	1.0%
Drywall & Insulation Contractors	238310	1,042	31	3.0%
Painting & Wall Covering Contractors	238320	2,019	32	1.6%
Flooring Contractors	238330	885	19	2.1%
Canvas and Related Products	314912	91	2	2.2%
Other Electronic Parts and Equipment	423690	1,703	12	0.7%
Sign Manufacturing	339950	379	0	0.0%
Trucking	484220	1,142	85	7.4%
Architectural Services	541310	1,911	48	2.5%
Engineering Services	541330	4,010	74	1.8%
Architectural/Engineering	541310/541330	5,921	122	2.1%
Testing Laboratories	541380	391	26	6.6%
Environmental Consulting Services	541620	522	94	18.0%
Security Guards and Patrol Services	561612	860	19	2.2%

\* Note: The % was obtained by dividing the DBE directory # of firms by the census # of firms.

The availability calculations from the above chart have been weighted by the anticipated expenditures for each trade classification as follows:

Table 3 - DBE \$ based on Project Expenditures by Trade Classification X DBE Availability					
Project	Trades	NAICS	Total \$ (from Table 1)	DBE % (from Table 2)	DBE \$
Master Plan	Architect/Engineer	541310/541330	\$286,425	2.1%	\$6,015
	Environmental	541620	\$31,825	18.0%	\$5,729
Total Project			\$318,250	3.7%	\$11,743
Master Plan Environmental Documentation	Environmental	541620	\$380,000	18.0%	\$68,400
Total Project			\$380,000	18.0%	\$68,400
Pavement Condition Index	Consultant/Testing	541380	\$95,000	6.6%	\$6,270

Total Project			\$95,000	6.6%	\$6,270
Old Checkpoint/Terminal Rehab/Walkways and Weather Protection	Architectural Design	541310	\$299,982	2.5%	\$7,500
	Grading	237310	\$76,000	17.3%	\$13,148
	Concrete	237310	\$418,000	17.3%	\$72,314
	Canopies	314912	\$760,000	0.0%	\$0
	Studs/Drywall/Ceiling	238310	\$223,250	3.0%	\$6,698
	Electrical	238210	\$285,000	1.4%	\$3,990
	Mechanical	238220	\$128,250	1.0%	\$1,283
	Flooring	238330	\$460,750	2.1%	\$9,676
	Paint/Wall coverings	238320	\$128,250	1.6%	\$2,052
	Security	561612	\$285,000	2.2%	\$6,270
	Public Address	423690	\$85,500	0.7%	\$599
	Signage	339950	\$71,250	0.0%	\$0
Total Project			\$3,221,232	3.8%	\$123,528
Rehab/Overlay RWY 13L/31R	Grinding	237310	\$427,500	17.3%	\$73,958
	Grading	237310	\$327,750	17.3%	\$56,701
	Trucking	484220	\$726,750	7.4%	\$53,780
	Asphalt Paving	237310	\$2,280,000	17.3%	\$394,440
	Structural Concrete	238120	\$52,250	12.6%	\$6,584
	Pavement Striping	237310	\$190,000	17.3%	\$32,870
Total Project			\$4,004,250	15.4%	\$618,331
Rehab TXWYS E,J,H,D,B	Grinding	237310	\$403,750	17.3%	\$69,849
	Grading	237310	\$223,250	17.3%	\$38,622
	Trucking	484220	\$603,250	7.4%	\$44,641
	Asphalt Paving	237310	\$2,028,250	17.3%	\$350,887
	Structural Concrete	238120	\$34,200	12.6%	\$4,309
	Striping	237310	\$185,250	17.3%	\$32,048
	Electrical	238210	\$432,250	1.4%	\$6,052
Total Project			\$3,910,200	14.0%	\$546,408
Extend TXWY J 300 Feet	Grinding	237310	\$45,600	17.3%	\$7,889
	Grading	237310	\$29,450	17.3%	\$5,095
	Trucking	484220	\$80,750	7.4%	\$5,976
	Asphalt Paving	237310	\$223,250	17.3%	\$38,622
	Structural Concrete	238120	\$3,971	12.6%	\$500
	Striping	237310	\$16,978	17.3%	\$2,937
Total Project			\$399,999	15.3%	\$61,019
Total			\$12,328,931	11.6%	\$1,435,699

**Note: The dollars to be spent for each trade (Table 1) have been multiplied by the DBE calculated availability (Table 2). The result of this calculation is the dollar amount which would be awarded to DBE firms if the award was a true reflection of the DBE availability based on the census and directory information. The total is the dollar amount of DBE participation to be awarded to DBE firms given the availability of DBE firms and dollar amount to be expended on each trade.**

**The result of the above calculations yields a base goal of 11.6%.**

**Step 2 - Examine data to determine what adjustment, if any, is needed to the Base Figure.**

Section 26.45(d) provides many examples of the types of data to examine in order to adjust the base figure. We have examined past history and bidder's lists. We have also contacted various organizations and agencies as detailed below. Based on this, we have adjusted the base figure as described below. We will reexamine the potential for additional adjustment when the Caltrans Availability and Disparity Study is released.

- 1) Past history – The table below provides the history of DBE participation for the previous eight year period.

Table 4 - Past History of DBE Participation			
Year	DBE % Accomplishment	Goal	% +/- Accomplishment vs. Goal
2000 – 2001	8.8%	11.0%	-20.0%
2001 – 2002	3.4%	2.6%	30.8%
2002 – 2003	3.0%	5.7%	-47.4%
2003 – 2004	6.1%	5.7%	7.0%
2004 – 2005	4.7%	5.8%	-19.0%
2005 – 2006	1.4%	5.8%	-75.9%
2006 – 2007	.9%	8.0%	-88.8%

The median goal accomplishment for the seven year period between 2000 and 2007 is 3.4%. If we adjust the base goal for past history, the result is as follows:

$$\begin{aligned} \text{Base goal (11.6\%)} + \text{past history (3.4\%)} &= 15.0\% \\ \text{Adjusted goal} &= 15.0\%/2 = 7.5\% \end{aligned}$$

**Given the above, the goal, adjusted for past history is 7.5%.**

- 2) We have accumulated bidder's list information from all bidders for federally-funded projects for the last six fiscal years. The results are as follows:

	Total Bidders (Non-DBE + DBE Firms)	DBE Bidders	DBE %
2001 – 2007	439	38	8.7%

The percentage of DBE bidders for the seven year period between 2001 and 2007 is 7.5%. If we further adjust the goal to include data from the bidders list, the result is as follows:

$$\begin{aligned} \text{Adjusted goal (7.5\%)} + \text{bidders list (8.7\%)} &= 16.2\% \\ \text{Adjusted goal} &= 16.2\%/2 = 8.1\% \end{aligned}$$

**Given the above, the goal, further adjusted for bidders list data is at 8.1%.**

3) Contact with various agencies/organizations

We have contacted the following organizations for input and/or suggestions/opinions:

- Association of General Contractors – Los Angeles District
- Black Chamber of Commerce of Orange County
- Coachella Valley Mexican American Chamber of Commerce
- National Association of Minority Contractors – So. Cal Chapter
- National Association of Women Contractors – Orange Co. Chapter
- Palm Springs Chamber of Commerce

No comments have been received from these organizations as of the date of this report.

If any comments are received within 45 days of the public notice, copies of comments and responses will be forwarded to the FAA Regional Civil Rights Office.

### **Race-Neutral Vs Race-Conscious Goal**

In light of the Ninth Circuit Court of Appeals decision regarding *Western States Paving v. Washington State Department of Transportation*, the DBE goal for Palm Springs International Airport will be set as race neutral. We do not have sufficient evidence of discrimination or its effects to support a race-conscious goal at this time.

As previously stated, Caltrans is in the process of conducting Availability and Disparity Studies in order to establish adequate, reliable information to be used for setting DBE goals in compliance with DOT regulations and recent court rulings. It is our intent to utilize the Caltrans study, once completed, for setting goals in the future. The Caltrans Disparity Study was scheduled to be completed on June 27, 2007. Final results and findings of the study have not yet been made available. We will review the study once completed and determine if our goal should be revised in light of any findings. If it is determined that an adjustment is necessary, we will submit a revised goal to the FAA. Until that time, we will continue to utilize only race-neutral goals in our DBE program.

The following methods will be employed to implement race-neutral goals:

- 1) Provide information on the Palm Springs International Airport organization, functions and its full range of contractual needs.
- 2) Offer instructions and clarification on bid specifications, procurement policy, procedures, and general bidding requirements.
- 3) Maintain a file of successful bid documents from past procurement and permit potential participants to review and evaluate such documents.
- 4) Conduct debriefing sessions on each awarded contract to explain why certain bids were unsuccessful.
- 5) Routinely issue projected procurement information.
- 6) Provide instructions and clarification on job performance requirements.
- 7) Provide information and assistance on certification procedures, sub-contracting practices, bonding requirements.
- 8) Provide assistance in obtaining bonding and financing and provide technical assistance.
- 9) Arrange solicitations, time for presentation of bids, quantities, specifications and delivery schedules so as to facilitate the participation of DBE's.

The recruiting area for the projects will consist of San Bernardino, San Diego, Riverside, Orange, and Los Angeles counties.

A published notice announcing our proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the our principal office for 30 days following the date of the notice, and informing the public that we will accept comments on the goals for 45 days from the date of the notice will be published in The Desert Sun.

Notices will also be sent to the following organizations:

- Association of General Contractors – Los Angeles District
- Black Chamber of Commerce of Orange County
- Coachella Valley Mexican American Chamber of Commerce
- National Association of Minority Contractors – So. Cal Chapter
- National Association of Women Contractors – Orange Co. Chapter
- Palm Springs Chamber of Commerce

Copies of the notice and responses will be forwarded to the FAA Regional Civil Rights Office.