



Los Angeles World Airports

DBE Goal Setting Stakeholders Meeting

September 29, 2016

Agenda

- Welcome and Introductions
- DBE Program Basics
- LAWA Goal Setting Methodology
- Anticipated AIP Projects
- Questions

Business Enterprise – Subcontractor Participation Plan
DBE Allocation

DBE Basics

Governing Regulation - 49 CFR Part 26

- Participation by Disadvantaged Business Enterprises (DBEs) in Department of Transportation (DOT) Financial Assistance Programs
- Pursuant to Section 26.45 of CFR, Part 26
 - LAWA must set an overall goal for DBE participation on DOT-assisted contracts
 - Overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on DOT-assisted contracts
 - Goal must reflect determination of the level of DBE participation LAWA would expect absent the effects of discrimination

Who Must Have a DBE Program?

FAA recipients receiving grants for airport planning or development who will award prime contracts exceeding \$250,000 in FAA funds in a Federal fiscal year.

What is a DBE?

Disadvantaged Business Enterprise (DBE) means a for-profit small business:

1. At least 51% owned by one or more individuals who are both socially and economically disadvantaged, or, in the case of a corporation, in which 51% of the stock is owned by one or more individuals; and
2. Management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it

DBE Program Objectives

- Ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs
- Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts
- Ensure that Department DBE program is narrowly tailored in accordance with applicable law
- Promote use of DBEs in all types of federally-assisted contracts and procurement activities

DBE Program Objectives (cont.)

- Ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs
- Help remove barriers to the participation of DBEs in DOT-assisted contracts
- Assist the development of firms that can compete successfully in the marketplace outside the DBE program
- Provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs

DBE Compliance Requirements



1. Establish Overall Goals (set triennially)
2. Certification
 - *Performed by the California Unified Certification Program*
 - *LAWA Certification Program*
3. Contracting Activities
4. Monitoring and Enforcement
5. Reporting – Performed annually

Goal Setting Methodology

Two Step Process

- Step 1.* Begin goal setting process by determining a base figure for the relative availability of DBEs.
- Step 2.* Examine all of the evidence available in LAWA jurisdiction to determine what adjustment, if any, is needed to adjust the base figure to arrive at the overall goal.

DOT Goal Setting Methodologies



1. DBE Directories and Census Bureau Data
2. Bidders List
3. Disparity Study
4. Goal of another DOT Recipient
5. Alternative Methods
 - *Local Market Conditions relative to availability of DBEs in jurisdiction*

NAICS Classifications

NAICS Construction Classifications (2014 Census)							
Revised 09/22/16							
Contractor Type	NAICS	Los Angeles County	Orange County	Riverside County	Total	Total Number of Certified DBEs (CUCP)	
Highway and Street Construction	237310	84	67	46	197	91	46.19%
Other Heavy Construction	237990	42	37	22	101	59	58.42%
<i>Subtotal Heavy Construction</i>		126	104	68	298	150	50.34%
Electrical	238210	1726	795	467	2988	60	2.01%
Concrete	238110	220	150	140	510	29	5.69%
Structural Steel	238120	88	28	24	140	10	7.14%
Excavation	238910	348	186	196	730	55	7.53%
Other Specialty Trade	238990	506	302	247	1055	25	2.37%
Surveying Services	541370	53	45	45	143	24	16.78%
<i>Subtotal Specialty Trades</i>		2941	1506	1119	5566	203	3.65%
Total Construction Categories		3067	1610	1187	5864	353	6.02%
Architectural Services	541310	943	378	56	1377	50	3.63%
Engineering Services	541330	1511	1099	260	2870	168	5.85%
Total Design Categories		2454	1477	316	4247	218	5.13%

Calculating Step One Base Figure

Step One Base Figure = Ready, willing and able DBEs
All firms ready, willing, and
able (DBEs and non-DBEs)

Construction Categories: $\frac{353}{5864} = 6.02\%$

Design Services Categories: $\frac{218}{4247} = 5.13\%$

Anticipated Projects

FFY 2017

Runway 7L and Taxiway R East End Improvements

Reconstruction Taxiway A and B and Improve Lighting (Phase 1)

Reconstruction Taxiway A and B, Service Road Improvements (Phase 1)

FFY 2018

Construction Taxiway C-14

Reconstruction Taxiway A and B and Improve Lighting (Phase 2)

Reconstruction Taxiway A and B, Service Road Improvements (Phase 2)

FFY 2019

8R-24L Runway Reconstruction

Reconstruction Taxiway A and B and Improve Lighting (Phase 3)

Anticipated Projects (Cont.)

FFY 2017	\$81,835,666
FFY 2018	\$83,552,666
FFY 2019	<u>\$132,594,666</u>
Estimated Total	\$297,982,998

Project Breakdown

Construction: 79% – 85%

Design Services: 5% – 21%

Weighted DBE Calculations

		Estimated Contract Costs	Work Breakdown	DBE Availability	Weighted DBE Dollars
FY 2017					
Runway 7L-25R and Taxiway B East End Improvements	LAX				
Estimated Project Cost		\$64,278,666	83%	6.02%	\$ 3,869,576
Estimated Soft Costs		\$13,396,000	17%	5.13%	\$ 687,215
Estimated Total Costs		\$77,674,666			
Reconstruction Taxiway A and B and Improve Lighting (Phase 1)	VNY				
Estimated Project Cost		\$2,829,000	79%	6.02%	\$ 170,306
Estimated Soft Costs		\$764,000	21%	5.13%	\$ 39,193
Estimated Total Costs		\$3,593,000			
Reconstruction Taxiway A and B Service Road Improvements (Phase I)	VNY				
Estimated Project Cost		\$447,000	79%	6.02%	\$ 26,909
Estimated Soft Costs		\$121,000	21%	5.13%	\$ 6,207
Estimated Total Costs		\$568,000			
FY 2018					
Construct Taxiway C-14	LAX				
Estimated Project Cost		\$43,166,666	85%	6.02%	\$ 2,598,633
Estimated Soft Costs		\$7,695,000	15%	5.13%	\$ 394,754
Estimated Total Costs		\$50,861,666			

Weighted DBE Calculations (Cont.)

Reconstruct Taxiway A and B and Improve Lighting (Phase 2)

	VNY				
Estimated Project Cost		\$22,060,000	79%	6.02%	\$ 1,328,012
Estimated Soft Costs		<u>\$5,957,000</u>	21%	5.13%	\$ 305,594
Estimated Total Costs		\$28,017,000			

Reconstruction Taxiway A and B Service Road Improvements (Phase 2)

	VNY				
Estimated Project Cost		\$3,680,000	79%	6.02%	\$ 221,536
Estimated Soft Costs		<u>\$994,000</u>	21%	5.13%	\$ 50,992
Estimated Total Costs		\$4,674,000			

FY 2019

8R-24L Runway Reconstruction

	LAX				
Estimated Project Cost		\$98,625,666	81%	6.02%	\$ 5,937,265
Estimated Soft Costs		<u>\$22,669,000</u>	19%	5.13%	\$ 1,162,920
Estimated Total Costs		\$121,294,666			

Reconstruct Taxiway A and B and Improve Lighting (Phase 3)

	VNY				
Estimated Project Cost		\$9,428,000	83%	6.02%	\$ 567,566
Estimated Soft Costs		<u>\$1,872,000</u>	17%	5.13%	\$ 96,034
Estimated Total Costs		\$11,300,000			

Estimated Project Cost (Construction)
Estimated Soft Costs (Design)

\$ 244,514,998
\$ 53,468,000

Total Estimated Project Costs
Weighted DBE Dollars

\$ 297,982,998

\$ 17,462,711

Step One Base Figure - Weighted

Divide the Weighted DBE Dollars (\$17,462,711)
by Total Estimated Project Costs (\$297,982,998)

Base Figure = 5.86%

Step 2: Adjustment Based on Past Participation

- Past DBE Participation

FFY 2013	4.42%
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FFY 2014	21.26%
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FFY 2015	5.96%
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- Past Median Participation = 5.96%

- The adjusted DBE goal is obtained by adding together the Step 1 Base Figure (5.86%) and the median past participation percentage (5.96%) and dividing by 2.

- **LAWA's DBE Adjusted Goal FFY2017-2019 = 5.91%**

Questions

