

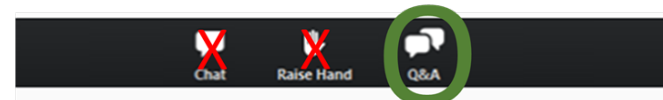


Disadvantaged Business Enterprise (DBE) 2021-2023 Goal Setting Stakeholders Meeting May 28, 2020

Welcome!

While we wait to begin, please note the following:

- This is a Zoom webinar, so you will **not** see your video image onscreen.
- All attendee audio is muted.
- If you have a question to ask during the presentation, please use the Q&A feature, **not** 'Chat' or 'Raise Hand'
- Questions will be answered at the end of the presentation, but you can submit them at any time.



Submit your questions using the Q&A function online



Disadvantaged Business Enterprise (DBE)
2021-2023 Goal Setting
Stakeholders Meeting
May 28, 2020

Welcome and Introductions

Sandra Charon

Properties & Concessions

Coordinator/ACDBELO

Tulsa Airports Improvement Trust

Sandracharon@tulsaairports.com

M. Denise Bailey

Principal

Milligan & Company, LLC

dbailey@milligancpa.com

Overview

- Overview of Tulsa Airports Improvement Trust (TAIT)
- DBE Program Basics
- TAIT Goal Setting Methodology
- How to Provide Comments
- Questions

Overview of TAIT

- Administers, manages and operates:
 - Tulsa International Airport (TUL)
 - R.L. Jones, Jr. Airport (RVS)
- Mission: provide a safe, efficient, self-supporting airport system for the citizens of the Tulsa metropolitan area and surrounding region
- Primary airport funding is received from:
 - Federal Aviation Administration
 - Airlines/Air Cargo fees
 - Concessions
 - Food/beverage/retail
 - Parking
 - Car rental
- Types of FAA-funded projects at TAIT reviewed for DBE participation:
 - Runway and taxiway
 - Design
 - Construction
 - Reconstruction

What is a DBE?

- Disadvantaged Business Enterprise
 - Small, independent businesses
 - At least 51% owned and controlled by social and economically disadvantaged person/people
 - Certified by the Oklahoma Unified Certification Program (UCP)
 - https://www.ok.gov/odot/Doing_Business/Civil_Rights/DBE_Information.html
- Basic certification requirements for Oklahoma-based firms
 - Complete application
 - Submit supporting documentation
 - Demonstrate ownership and control of requested work codes (NAICS codes)
 - Receive an initial site visit
 - Once certified, provide streamlined information annually to remain certified
- Basic certification requirements for non-Oklahoma-based firms
 - Get home state certified first
 - Apply for 'interstate certification from Oklahoma UCP
 - Once certified, provide streamlined information annually

DBE Program Basics

- Governing US DOT Regulation
 - 49 CFR Part 26 and Participation by DBEs in Department of Transportation (DOT) Financial Assistance Programs
- TAIT Responsibilities
 - Establish Overall Goals (every three years)
 - Determine Contract Goals
 - Monitoring and Enforcement
 - Reporting

Establishing Overall Goals

- 49 CFR 26.45 requires an Airport to set overall DBE goals for FAA-funded projects. TAIT must establish a DBE goal for TUL and a separate one for RVS.
- Overall goals 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 in the airport's FAA-funded contract opportunities.
- Goal must reflect the level of DBE participation TAIT would expect absent the effects of discrimination.
- Development of future goals considers previous attainments

Recent DBE Attainment

	TUL		RVS	
Fiscal Year	Goal	Attainment	Goal	Attainment
2017	9%	7.67%	9%	6.99%
2018	10%	10.2%	10%	2.55%
2019	10%	0%	10%	14.83%

TAIT is currently developing its
Federal Fiscal Year 2021-2023 DBE goals.

DBE Goal Setting Process

- Goal-setting is a two-step process:
 1. Establish a base figure based on the relative availability of DBEs to participate in TAIT's FAA-funded capital projects.
 2. Make any necessary adjustments to the base figure based on local market conditions.

Calculating the Base Figure

- The goal focuses on the participation of DBEs in FAA-funded contracts that will be *awarded* over the next three federal fiscal years.
- Potential projects are forecasted three years into the future.
- This provides a “best estimate” of potential contracting activity and opportunities.

TAIT's Projected FAA-Funded Projects

Federal Fiscal Year 2021 – 2023



TUL

- Construction
 - Runway 18R/36L
- Design
 - Runway 36L reconstruction
 - Taxiway "K" reconstruction

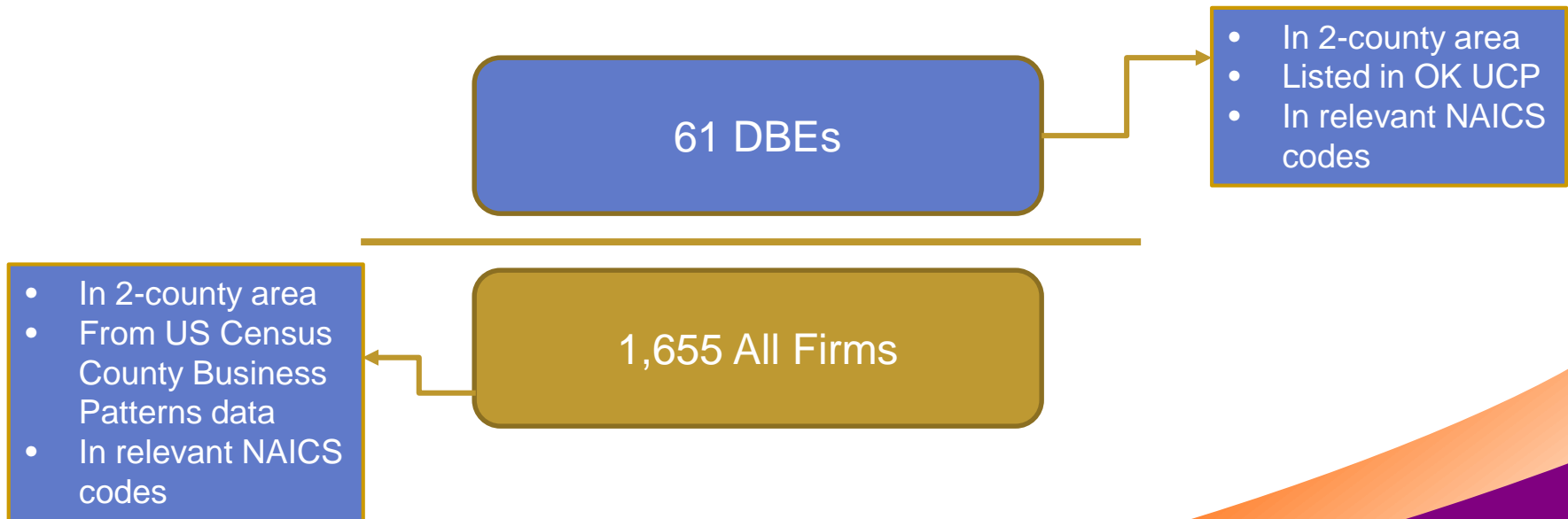


RVS

- Construction
 - Taxiway Connector
- Design
 - Runway widening/rehab
 - Taxiway connector rehab
 - Taxiway reconstruction

TAIT's Base Figure

- 86% of FAA-funded OK-based contracting activity at TUL and RVS is with firms located in Oklahoma and Tulsa Counties
- Based on projected opportunities and past/current DBE participation, TAIT estimates the percentage of DBEs compared to all firms that can participate in its FAA-funded contracts.



Base Figure Calculation

Detailed Calculation of Base Figure - Tulsa

NAICS Description	NAICS Code	DBE Firms	All Firms	Relative Availability	% of Project Costs	Weighted Availability
Highway, Street and Bridge Construction	237310	3	49	6.12%	75.45%	4.62%
Other heavy and civil engineering construction	237990	3	13	23.08%	0.89%	0.21%
Electrical Contractors and Other Wiring Installation Contractors	238210	2	395	0.51%	8.88%	0.04%
Site preparation contractors	238910	2	95	2.11%	0.89%	0.02%
Specialized Frieght, Trucking, Local	484220	16	86	18.60%	1.78%	0.33%
Engineering Services	541330	21	382	5.50%	11.33%	0.62%
Surveying and Mapping	541370	3	52	5.77%	0.42%	0.02%
Testing Laboratories (Geotechnical Services)	541380	1	51	1.96%	0.16%	0.00%
General Management Consulting	541611	4	482	0.83%	0.11%	0.00%
Environmental Consulting Services	541620	6	50	12.00%	0.11%	0.01%
Total		61	1,655	3.69%		5.88%

Detailed Calculation of Base Figure - RVS

NAICS Description	NAICS Code	DBE Firms	All Firms	Relative Availability	% of Project Costs	Weighted Availability
Highway, Street and Bridge Construction	237310	3	49	6.12%	72.37%	4.43%
Other heavy and civil engineering construction	237990	3	13	23.08%	0.86%	0.20%
Electrical Contractors and Other Wiring Installation Contractors	238210	2	395	0.51%	6.03%	0.03%
Site preparation contractors	238910	2	95	2.11%	1.72%	0.04%
Specialized Frieght, Trucking, Local	484220	16	86	18.60%	5.17%	0.96%
Engineering Services	541330	21	382	5.50%	13.16%	0.72%
Surveying and Mapping	541370	3	52	5.77%	0.42%	0.02%
Testing Laboratories (Geotechnical Services)	541380	1	51	1.96%	0.28%	0.01%
Total		51	1,123	4.54%		6.41%

Adjusting TAIT's Base Figure

Once a base figure has been calculated, relevant evidence in the market area is examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal. Considerations include:

- Past DBE participation
- Evidence from disparity studies
- Any available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, such as:
 - Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate
 - Data on employment, self-employment, education, training and union apprenticeship programs, to the extent that it is relevant

Adjusting For Past Participation

- Past participation of DBEs was determined to be the relevant adjustment to consider.
- For past three years, that participation was:

TUL Historical DBE Goal Attainment - FFYs 2017 – 2019							
	Total Dollars	Total DBE Dollars RC	Total DBE Dollars RN	Total DBE Dollars	% to DBE	%RC	%RN
2017	\$14,680,898	\$1,127,000	\$0	\$1,127,000	7.67%	7.67%	0.00%
2018	\$12,316,650	\$1,194,716	\$62,226	\$1,256,942	10.20%	9.70%	0.50%
2019	\$224,190	\$0	\$0	\$0	0.00%	0.00%	0.00%
Total	\$27,221,738	\$2,321,716	\$62,226	\$2,383,942	8.75%		
					MEDIAN PAST DBE PARTICIPATION	7.67%	
					AVERAGE PAST DBE PARTICIPATION	5.96%	

RL Jones Historical DBE Goal Attainment - FFYs 2017 – 2019							
	Total Dollars	Total DBE Dollars RC	Total DBE Dollars RN	Total DBE Dollars	% to DBE	%RC	%RN
2017	\$139,290	\$9,743	\$0	\$9,743	6.99%	6.99%	0.00%
2018	\$133,470	\$3,400	\$0	\$3,400	2.55%	2.55%	0.00%
2019	\$2,256,585	\$316,026	\$18,840	\$334,866	14.83%	14.00%	0.83%
Total	\$2,529,345	\$329,169	\$18,840	\$348,009	13.75%	13.00%	
					MEDIAN PAST DBE PARTICIPATION	6.99%	
					AVERAGE PAST DBE PARTICIPATION	8.12%	

Regulations require using the median (or middle) past participation percentage

Adjusting TUL's Base Figure

Calculate the Overall Goal by *averaging* the results of Step 1 (5.88%) with Step 2 (7.67%)

The diagram illustrates the calculation of an average goal. It features a horizontal line with a blue box containing the number '2' below it. Above the line, two blue boxes containing '5.88%' and '7.67%' are separated by a plus sign. To the right of the line is an equals sign, followed by a blue box containing '6.78%'.

$$\frac{5.88\% + 7.67\%}{2} = 6.78\%$$

Adjusting RVS' Base Figure

Calculate the Overall Goal by *averaging* the results of Step 1 (6.41%) with Step 2 (6.99%)

The diagram illustrates the calculation of an average. It features a horizontal line with a blue box containing the number '2' centered below it. Above the line, two blue boxes containing '6.41%' and '6.99%' are separated by a plus sign. To the right of the line, an equals sign is followed by a blue box containing '6.70%'.

$$\frac{6.41\% + 6.99\%}{2} = 6.70\%$$

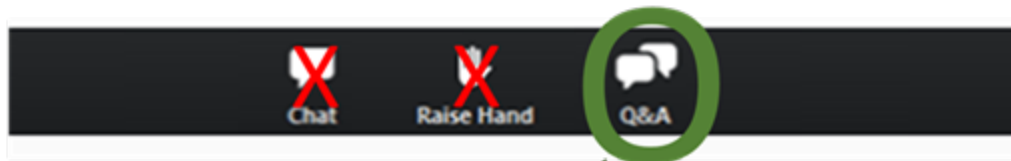
Projecting Race-Neutral/Race Conscious Split

- Once the overall goal is established, TAIT must project what part of the goal it anticipates achieving race-neutrally (i.e. no DBE goals set on agreements/contracts) and what portion it anticipates achieving race-consciously (i.e. setting a goal).
 - Since the TAIT has had some race-neutral attainment, that factors into the future use of race-conscious goals.
 - Based on past participation and current agreements, for its 2021-2023 goal, TAIT projects
 - For TUL, attaining 0.5 % race neutrally and 6.28% race-consciously
 - For RVS, attaining 0.5 % race neutrally and 6.2% race-consciously

Public Participation

- TAIT is required to communicate with the public in two ways
 - Consultative process with stakeholders
 - Today
 - Publishing of goal on its website
- Please send any additional comments on the goal setting methodology to:
Sandra.charon@tulsaairports.com by June 5, 2020.

Questions/Discussion



Submit your questions using the Q&A function online