

### LAKE CHARLES REGIONAL AIRPORT

### AIRPORT AUTHORITY of CALCASIEU PARISH

### Fiscal Years 2019 to 2021 DBE GOAL METHODOLOGY

### **Attachment F**

For the Lake Charles Regional Airport

For the period: October 1, 2018 to September 30, 2021

**DBE Point of Contact:** 

Ms. Chastity Kratzer Lake Charles Regional Airport P.O. Box 5820 Lake Charles, LA 70606 T – 337-477-6051 F – 337-478-6826 ckratzer@flylakecharles.com

### Overall Goals and Methodology Lake Charles Regional Airport FY 2019-2021 Update

### OVERALL GOALS (§26.45)

### Amount of goal:

Lake Charles Regional Airport's overall goal for Fiscal Years 2019-2021 (October 1, 2018 to September 30, 2021) is **4.16%** of the Federal financial assistance we will expend in DOT-assisted contracts with DBE contractors.

### Number of Projects to be covered by this contract goal:

The Lake Charles Regional Airport (LCH) expects to fund three (3) DOT-assisted contracts during Fiscal Years 2019 to 2021. The proposed projects are:

- → 2019 Purchase of Loading Bridge;
- → 2020 Entrance Road Canopy; and
- → 2021 Purchase of Loading Bridge.

The first project, 2019 Loading Bridge Purchase, involves equipment purchase only and does not include design or construction services. The estimated budget for this project is \$1,000,000 (Federally-funded portion).

The second project, 2020 Installation of Entrance Road Canopy, includes: design concrete foundation contractors, and structural steel erecting. The anticipated funding for this project is \$1,000,000 (Federally-funded portion).

The third project, 2021 Loading Bridge Purchase, involves equipment purchase only and does not include design or construction services. The estimated budget for this project is \$1,000,000 (Federally-funded portion)

The Lake Charles Regional Airport has set a goal of expending **\$124,762** with certified DBE firms yielding a participation rate of **4.16%**.

### Market Area:

After careful research of the historical bidding practices and responses to requests for professional services, the Lake Charles Regional Airport has determined that its market area is made up of the following Cities and Parishes/Counties:

Lake Charles, Louisiana and Calcasieu Parish, Louisiana





The Airport has not implemented any projects similar to the Entrance Road Canopy within the last 5 years; however, several contracts for other recent construction and design projects, which were not similar in nature, were awarded to contractors located within the Market Area.

Though the project was locally-funded, the designer for the last entrance canopy was located in Lake Charles. The successful bidder for construction of the new Terminal was also based in Lake Charles.

As can be seen by this analysis, the majority of the respondents come from the Lake Charles Metropolitan area and the substantial majority of contracting dollars has been expended in the same area. Consequently, the Airport has determined that the appropriate Market Area is the Lake Charles Metropolitan Statistical Area.

### Method:

In accordance with the current FAA and DOT guidance, the Lake Charles Regional Airport is utilizing a two-step process in setting its FY 2019-2021 goals. The first step examines the relative availability of DBE firms in the established Market Area and the second step allows for adjustments to the relative availability based on:

- → Information from available Disparity Studies
- ➔ Information gained from research and outreach with:
  - Organizations servicing or representing DBE's,
  - Federal, State and Local agencies that procure services,
  - Agencies charged with enforcing Civil Rights Law
  - State and Local Agencies responsible for minority/women's affairs
- → Historical accomplishments of the Airport's DBE program

### **Relative Availability:**

Since the FY 2019-2021 projects will include design, construction and equipment purchase, the following documents the relative availability for each of these trades and will be used in the overall calculation of relative availability for the FY 2019-2021 goals. The following is a summary of the method used to calculate this goal:

**<u>Step 1</u>**: The method used to calculate the relative availability of DBEs for Step 1 in this process is 26.45(c) (1) DBE Directories and Census Bureau Data. The base figure was determined by dividing the total DBE firms in the local market area by the total of all firms (both compiled according to the relevant NAICS project codes).





The FY 2019-2021 projects will involve design, construction, and equipment purchase. The following tables identify the main components of the projects broken down by trade with appropriate NAICS codes.

### Project No. 1 – 2019 Purchase of Loading Bridge

This project is limited to the procurement of a loading bridge. It does not lend itself to further breakdown or opportunities for additional subcontracting since it only involves equipment procurement, and is, therefore, not subject to DBE participation. The anticipated funding for this project is \$1,000,000.

### Project No. 2 – 2020 Installation of Entrance Road Canopy

This project involves the design and installation of a canopy for passengers arriving at the Terminal via the Airport Entrance Road. It includes design, concrete foundation construction, and structural steel erecting. This project lends itself to several opportunities to attract meaningful participation by certified DBE contractors, and the following table documents the relative availability of each of these trades.

NAICS code	Work Item	Weighting Factor <sup>1</sup>	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering Services	10%	1	63	0.16%
238110	Concrete Foundation Contractors	10%	2	5	4.00%
238120	Structural Steel Erecting	80%	0	0	0.00%
	Totals for this Contract	100%	3	68	4.16%

The anticipated funding for this project is \$1,000,000 (Federal portion). As identified in the above table, the relative availability of DBE contractors in the LCH MSA includes design, concrete foundation construction, and structural steel erecting. Therefore, the baseline DBE goal for this contract should be weighted to more accurately reflect the potential DBE participation, as shown below.

Base Figure = % Eng Serv x <u># DBE – Local Market (1)</u> + # All Firms (63) % Concrete x <u># DBE – Local Market (2)</u> + # All Firms (5) % Steel x <u># DBE – Local Market (0)</u> # All Firms (0)

Base Figure = 10% x 1/63 + 10% x 2/5 + 80% x 0/0 = 4.16%

These calculations provide a Base Figure of 4.16%.





### Project No. 3 – 2021 Purchase of Loading Bridge

This project is limited to the procurement of a loading bridge. It does not lend itself to further breakdown or opportunities for additional subcontracting since it only involves equipment procurement, and is, therefore, not subject to DBE participation. The anticipated funding for this project is \$1,000,000.

Data Source:

- DBEs in Local Market Area: State of Louisiana Department of Transportation and Development DBE directory for Federal Aid Projects in the following parishes: Calcasieu, Parish, Louisiana
- All Available Firms: Census Data from American Factfinder website

### Weight Factors:

Following the procedures to add weight factors based on the individual project estimates, an additional weight factor is applied based on each project's percentage of the total amount of anticipated award construction dollars.

Project (contract)	Amount of Estimate	% of Total Estimate / Weight factor
1-2019 Purchase of Loading Bridge	\$1,000,000	N/A
2-2020 Entrance Road Canopy	\$1,000,000	100.0%
3-2021 Purchase of Loading Bridge	\$1,000,000	N/A
Total	\$3,000,000	100.0%

### **Overall Base Figure:**

The Overall Base Figure is calculated by multiplying each project's (contract) base figure by its weight factor, and adding them together.

Overall Base Figure =  $(1.00 \times 0.0416)$ 

**Overall Base Figure = 4.16%** 





**Step 2:** This step is intended to adjust the "base figure" percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination.

### **Disparity Studies:**

First, the airport searched out the availability of information from Disparity Studies. This was unable to document the preparation of any disparity studies for the area over the course of the last seven years. To document this fact, the Airport first performed an internet search which yielded two databases of disparity studies – both of which are maintained by the DOT Office of Small and Disadvantaged Business Utilization:

Disparity Studies Performed Since 1998 and found at <a href="http://osdbuweb.dot.gov/disparity/">http://osdbuweb.dot.gov/disparity/</a>

- → Disparity Studies Performed Since 1998 and found at <u>http://osdbuweb.dot.gov/disparity/</u>
- → Partial List of Disparity Studies conducted for State and Local Agencies and found at <u>http://osdbuweb.dot.gov/business/Dbe/disparit3.xls</u>

Finding no available data at either of these sites, the Airport contacted the following organizations via phone in May of 2018:

- → South Central Planning Development Commission Mr. Kevin Belanger, Chief Executive Officer
- South Louisiana Economic Council Mr. Vic LaFont, President and CEO

Neither was able to provide any other documentation of disparity studies performed for the region.

### Historical DBE Accomplishments:

Since none of these sources was able to provide the airport with any available disparity study information and with the lack of any disparity study being performed in the region, the airport must then look to historical performance and DBE goal accomplishment under previous FAA grants for similar types of construction. The airport reviewed its historical DBE participation achievement in order to ensure the goal's reasonableness. By averaging the median historical DBE participation rate with the relative availability calculated in Step 1, an adjusted DBE goal for the Fiscal Years 2019-2021 is calculated.

The historic overall DBE goals accomplished at the Airport for similar work in recent years was examined relative to the above consideration are summarized in the following table:





### LCH Historical DBE Accomplishments for Similar DOT-Assisted Contracts

Fiscal Year	Goal	Accomplishment	Type of Work
N/A	N/A	N/A	No similar projects in last 10 years
		N/A	Median Accomplishments for all Projects

The Airport has not implemented any projects similar to the Entrance Road Canopy within the last 5 years. Since 'median' is defined as the middle value in a list of numbers, the table above indicates that the median accomplishment would be 0%. If we were to use 0% for median percentage of accomplishments, the adjusted goal would be artificially lowered. When we compare the median accomplishment with the proposed base figure for FY 2019-2021, the adjusted overall goal would be 2.08%.

(Base figure) 4.16 + (Historical Median) 0% divided by 2 = 2.08% (Adjusted Overall Goal)

Since there is no recent history of similar work, it is not appropriate in this case to adjust the overall goal by comparing it to the median historical accomplishment. Therefore, we have eliminated Step 2, which adjusts the base figure percentage from Step 1 so that it reflects as accurately as possible the DBE participation at LCH.

Using this logic, the overall goal for FYs 2019-2021 is the base figure of **4.16%**.

### Breakout of Estimated Race-Neutral and Race-Conscious Participation

The Lake Charles Regional Airport will strive to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Lake Charles Regional Airport uses the following race-neutral means to increase DBE participation: By arranging solicitations, times for the presentations of bids, quantities, specifications, and delivery schedules in ways to facilitate DBE, and other small businesses, participation (e.g. requiring and/or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces). Additionally, the airport and its design professionals provide all potential bidders with information about the State of Louisiana's Department of Transportation and Development web site for certified DBE contractors found at:

### http://www.dotd.state.la.us/cgi-bin/construction.asp

Over the history of data tracking, there have been few occasions when the Airport's annual goals were exceeded. As such, LCH intends to meet the entire goal through race-conscious means. When actual achievement exceeds the goal, LCH will be in a position to meet the goal through race- neutral means. However, since actual achievement has regularly fallen short of the goal, no race-neutral participation will be assumed.





### **Public Participation:**

### Consultation:

The Airport encourages the participation of Disadvantaged Business Enterprises in its Development Program. In an effort to reach the available DBE community, seek out public input into the goal setting process, and to ensure wide distribution of the information contained in this document, the Airport makes copies of its DBE Program and Annual Goals Setting Document available to the local chapter of the Associated General Contractors, local architects and engineers, prospective bidders, and other interested parties.

As documented in the Market Area section of this report, the relative availability of DBE firms is limited. In order to encourage participation by Certified DBE firms, the Airport:

- 1. Provides prospective bidders with information on the State of Louisiana's certified list of DBE contractors.
- 2. Contacts the State of Louisiana to ascertain the availability of DBE contractors in the Market Area and work on ways to encourage participation.

To comply with Code of Federal Regulations Title 49, Part 26, Section 26.45(g)(1)(i), the Airport held a teleconference on July 26, 2018, to:

- Reach out to minority, women's and general contractor groups to discuss opportunities for DBEs;
- Discuss the process to become a certified-DBE;
- Address issues that contractors face with the DBE certification process;
- Present the proposed DBE Goal for FYs 2019-2021, and
- Discuss proposed construction projects that are planned at the airport during this period.

The following parties were invited to participate:

- South Louisiana Economic Council;
- Louisiana Minority Business Council;
- Women's Business Enterprise Council;
- Hispanic Chamber of Commerce of Louisiana;
- Louisiana Small Business Development Center-McNeese State University;
- Louisiana Association of General Contractors, Lake Charles Chapter;
- LA DOTD DBE/SBE Program Manager; and
- All Certified DBEs in the market area.





The following documents related to the DBE Goal Teleconference can be found in the Appendix:

- A Email invitation to the July 26, 2018 teleconference.
- B List of the participants invited to attend the teleconference.
- C PDF of the online presentation.
- D List of attendees.
- E Questions/Comments.
- F Screenshot of website notice.





### **Published Notice**

The following is the notice of availability of the Airport's proposed goals and goal setting methodology:

### WEBSITE PUBLIC NOTICE

### Disadvantaged Business Enterprise (DBE) Goals for Federal Fiscal Years 2019-2021

The Lake Charles Regional Airport hereby announces its DBE goals for fiscal years 2019 through 2021 for airport construction projects. The proposed goals and goal setting methodology is available for inspection between 8:00 a.m. and 4:30 p.m., Monday through Friday, beginning July 30, 2018, through August 29, 2018, in the Airport Administration offices, 500 Airport Boulevard, Suite 104, Lake Charles, LA 70607.

Ms. Chastity Kratzer Disadvantaged Business Enterprise Liaison Officer (DBELO) Lake Charles Regional Airport P.O. Drawer 5820 Lake Charles, LA 70606 Federal Aviation Administration Civil Rights Staff, AWP-9 PO Box 92007 Los Angeles, CA 90009-2007





### **Contract Goals**

Historically, the Lake Charles Regional Airport has used race-conscious measures in obtaining its overall contract goals on federally assisted contracts. While the Airport continues to look for meaningful participation in its federally funded program, it still believes that race -conscious goal setting is appropriate for the FY 2019 to 2021 Program. This is largely due to the fact that historical experience with construction projects has not resulted in the airport exceeding its goals.

We estimate that, in meeting our overall adjusted goal of **4.16%** we will obtain **0%** from race-neutral participation and **4.16%** from race-conscious measures (e.g. setting contract goals). The estimation of race-neutral participation and race-conscious measures percentages are based on past participation and established goals.

The Airport will use contract goals to meet any portion of the overall goal the Airport does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the Airport's overall goal that is not projected to be met through the use of race-neutral means.

The Airport will establish contract goals only for those DOT-assisted contracts that have subcontracting possibilities. It is not necessary to establish a contract goal on every contract, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).





### APPENDIX DBE GOAL TELECONFERENCE

### Thursday, July 26, 2018, at 11:00 am

- A Email invitation to the July 26, 2018 teleconference.
- B List of the participants invited to attend the teleconference.
- C PDF of the online presentation.
- D List of attendees.
- E Questions/Comments.
- F Screenshot of website notice.





### Appendix A

From:	KG Admin
То:	<u>George Groh; Brad Kutchins; Lisa Lawson; Darren Persick; mramirez@emailatg.com;</u> harmonsconstruct@bellsouth.net; melanie@keilandllc.com; jfgradney@yahoo.com; shalonll@aol.com;
	josh w trahan@yahoo.com; vic.lafont@nicholls.edu; awilliams@lambc.org; evelyn@wbecsouth.org; info@hccl.biz; lsbdc.msu@lsbdc.org; davidl@lagc.org; Remy.Graves@la.gov; hallen@flylakecharles.com; ckratzer@flylakecharles.com
Subject:	LCH DBE Goal Teleconference
Date:	Monday, July 16, 2018 12:51:35 PM

You are invited to attend a teleconference regarding Disadvantaged Business Enterprise (DBE) participation for upcoming construction projects at the Lake Charles Regional Airport (LCH) in Lake Charles, Louisiana.

### Thursday, July 26, 2018, at 11:00 AM (CST)

As part of the Federal Aviation Administration's public consultation requirement for the Disadvantaged Business Enterprise (DBE) goal-setting process\*, Kutchins & Groh, LLC is hosting a teleconference to notify currently registered DBE companies and Small Businesses within the market area for LCH of potential upcoming construction projects.

The purpose of this teleconference is to:

- Reach out to minority, women's, small business and general contractor groups to discuss opportunities for DBEs
- Discuss the process to become a certified-DBE
- Identify issues that contractors face with the DBE certification process
- Present the proposed DBE Goal for the Lake Charles Regional Airport for Federal Fiscal Years 2019-2021
- Review proposed construction projects that are planned at the Airport during this period

To register for this teleconference, please click on the link below entitled "Register." Once your registration is complete, you will be provided will the teleconference details and the dial-in information. Prior to the start of the teleconference, a PDF version of the presentation that will be presented during the teleconference will be sent to all registered participants via email.

Please feel free to share this with anyone else that you think might be interested in participating in the teleconference.

\*Code of Federal Regulations Title 49, Part 26, Section 26.45(g)(1)(i)

LCH DBE Teleconference Thursday, July 26, 2018 11:00 am | Central Daylight Time (Chicago, GMT-05:00) | 1 hr

### **Register**

After your request has been approved, you'll receive instructions for joining the meeting. If you already registered for this meeting, you do not need to register again.

Need help? Go to http://collaborationhelp.cisco.com.

### blackstarrecoverygroup@gmail.com harmonsconstruct@bellsouth.net josh\_w\_trahan@yahoo.com mramirez@emailatg.com Remy.Graves@LA.GOV melanie@keilandllc.com evelyn@wbecsouth.org Email vic.lafont@nicholls.edu jfgradney@yahoo.com lsbdc.msu@lsbdc.org awilliams@lambc.org shalonll@aol.com davidl@lagc.org info@hccl.biz Work Type Contractor Grp Contractor Grp Contractor Grp Contractor Grp Contractor Grp Contractor Grp Engineers Engineers LA DOTD Concrete Concrete Concrete Concrete Concrete 337-439-4477 David Landreneau 337-430-0704 Keith Durousseau <u>337</u>-529-6912 Joshua Trahan Contact 337-436-3489 Paula Harmon 504-293-0400 Alvin Williams 337-855-7235 John Gradney 225-379-1762 Remy Graves 337-302-8978 Loretha Little 512-821-2081 Gayle Heath 504-830-0149 Evelyn King 985-448-4485 Vic Lafont Louisiana Small Business Development Center-McNeese 337-475-5529 337-884-8662 504-885-4262 Phone Hispanic Chamber of Commerce of Louisiana Louisiana Association of General Contractors LA DOTD DBE/SBE Program Manager Women's Business Enterprise Council Louisiana Minority Business Council John F Gradney General Contractor South Louisiana Economic Council Organization Alliance Transportation Group, Inc. Blackstar Recovery Group, LLC Service International of SWLA Harmon Construction, LLC Keiland Construction, LLC JWade Enterprises Organizations Calcasieu Calcasieu Calcasieu Calcasieu Calcasieu Calcasieu Calcasieu Parish

## LCH DBE TELECONFERENCE INVITEES Thursday, July 26 2018, at 11:00 AM

Appendix B

Airport Staff

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LCH Airport Director

LCH DBELO

ckratzer@flylakecharles.com

hallen@flylakecharles.com

Airport Airport

337-477-6051 Chastity Kratzer

337-477-6051 Heath Allen

Appendix C

## Lake Charles Regional Airport

DBE Goal Teleconference July 26, 2018 11:00 AM CST



# **Teleconference** Participants

## **Certified DBEs Across Airport's Market Area**

## Lake Charles Regional Airport Staff:

- Heath Allen, Executive Director
- Chastity Kratzer, DBE Liaison Officer

### **Consultant:** Kutchins & Groh, LLC

## Professional & Economic Development Organizations:

- South Louisiana Economic Council
- Louisiana Minority Business Council
- Women's Business Enterprise Council
- Hispanic Chamber of Commerce of Louisiana
- Louisiana Small Business Development Center
- Louisiana Association of General LA Contractors
- LA DOTD DBE/SBE Program Manager

## Teleconference Purpose

- Reach out to minority, women's and general contractor groups to discuss opportunities for DBEs
- Discuss the process to become a certified-DBE
- Address issues that contractors face with the DBE certification process
- Present the proposed DBE Goals for Lake Charles Regional Airport for Federal Fiscal Years 2019-2021
- Discuss the proposed construction projects that are planned at the <u>Airport during this period</u>
- Discuss DBE Goal Setting Process

## Airport's Market Areas



4 Presented by Kutchins & Groh, LLC





# DBE Certification FAQs/Issues

- The certification process takes approximately 5-6 weeks.
- There is no "expiration" date. A firm is certified as long as they meet the C
- Firms located in New Orleans and surrounding areas may apply to any of the eligibility requirements and submit a No Change Affidavit annually. •
- 4 certifying agencies. If located anywhere else in the state they must apply to
- DBE firms are certified in specific North American Industry Classification Codes (NAICS) and DOTD work types.
  - You can narrow your search of the UCP DBE Directory by these specific codes at this link:
- To assist in setting DBE goals, the UCP Directory may be "Exported to Excel".

## DBE Goal Setting Process

STEP 1: Identify relative availability of DBE-certified contractors, vendors & consultants

STEP 2: Adjust the goal based on past participation of DBEs and available studies and other information

## Lake Charles Regional Airport Lake Charles, Louisiana

DBE Goal: 4.1<u>6</u>%

FY 2019-2021 DOT Assisted Projects:

- 2019 Purchase of Loading Bridge;
- 2020 Installation of Entrance Road Canopy;
- 2021 Purchase of Loading Bridge

Federal Allocation: \$3,000,000 Expected DBE Apportionment: \$124,762



### Federally-Funded Projects for FYs 2019-2021

- 2019 Purchase of Loading Bridge
- 2020 Installation of Entrance Road Canopy
  - 2021 Purchase of Loading Bridge

The **2019 Purchase of a Loading Bridge** involves equipment acquisition only, with an estimated value of \$1,000,000

The 2020 Installation of Entrance Road Canopy project will include engineering services, concrete foundation, and structural steel construction, with an estimated value of \$1,000,000 The **2021 Purchase of Loading Bridge** will involve equipment acquisition only, with an estimated value of \$1,000,000

- Total Federal Allocation: \$3,000,000
  - Expected DBE Apportionment: \$124,762
- Anticipated DBE Participation Rate: 4.16%

### Contacts

Federal Aviation Administration Civil Rights Staff, AWP-9 PO Box 92007 Los Angeles, CA 90009-2007

LA DOTD DBE/SBE Program Manager DOTD, Room 305-P P. O. Box 94245 Baton Rouge, LA 70804

Lake Charles Regional Airport **Chastity Kratzer** DBE Liaison Officer 500 Airport Blvd #104 Lake Charles, LA 70607 Presented by Kutchins & Groh. LLC

### Conclusion

Questions?

Kutchins & Groh, LLC 400 Poydras St. Suite 1380 New Orleans, LA 70130 (504) 799-4090 k-g@kutchins-groh.com 12 Presented by Kutchins & Groh, LLC

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### LCH DBE TELECONFERENCE PARTICIPANTS Thursday, July 26 2018, at 11:00 AM

	Parish	Organization	Contact	Work Type	Email
	Aimort Stoff	LCH Airport Director	Heath Allen	Airport	hallen@flylakecharles.com
		LCH DBELO	Chastity Kratzer	Airport	ckratzer@flylakecharles.com
1		Kutchins & Groh, LLC	Greg Groh	Consultant	greg@kutchins-groh.com
	K&G	Kutchins & Groh, LLC	<b>Brad Kutchins</b>	Consultant	brad@kutchins-groh.com
		Kutchins & Groh, LLC	Lisa Lawson	Consultant	lisa@kutchins-groh.com

### Appendix E

### Lake Charles Regional Airport (LCH) in Lake Charles, Louisiana

### Questions During 7-26-18 DBE Goal Teleconference

There were no questions during the 7-26-18 LCH DBE Goal Teleconference.