



June 26, 2017

Mrs. Clara Bennett
 Executive Director
 Boca Raton Airport Authority
 903 NW 35th Street
 Boca Raton, FL 33431

Dear Mrs. Bennett:

Dickey Consulting Services, Inc. is the Disadvantaged Business Enterprise (DBE) Liaison Officer for the Boca Raton Airport Authority (Authority) to set DBE goals and monitor reporting for the Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA) grants. As required by 49 CFR Part 26, this letter serves as notification of the Authority's goal and methodology for the Capital Improvement Program regarding fiscal year's 2017-2023.

Amount of Goal:

The Authority's DBE goal for the projected projects for the fiscal year periods of 2017 to 2023 was calculated using the weighting method for Step One and Step Two and considered past participation, which resulted in a 24.67% proposed goal. The projected cost is estimated to be \$12,743,500.00 for fiscal years 2017 to 2023; therefore, approximately \$3,143,821.45 will be expended with qualified DBE firms.

Project:	Fiscal Year:	Projected Costs:
<i>Runway 5-23 Displaced Threshold Light Relocation</i>	2017	\$166,500.00
<i>Building 3700 Assessment</i>	2017	\$200,000.00
<i>Transportation/Access Road Development</i>	2017	\$1,500,000.00
<i>Electrical Vault, Airfield Signage, and Airfield Lighting Improvements</i>	2017	\$280,000.00
<i>Safety Management Systems (SMS) Gap Analysis</i>	2017	\$100,000.00
<i>Expand Airport Road and Utility Corridor</i>	2018	\$1,500,000.00
<i>Landside Access Pavement Rehabilitation</i>	2018	\$350,000.00
<i>Taxiways P4, C and F Widening</i>	2018	\$750,000.00
<i>Airfield Pavement Rejuvenator</i>	2018	\$910,000.00
<i>Geographic Information System Implementation (Phase 1)</i>	2019	\$100,000.00
<i>Storm Drainage System Upgrades</i>	2019	\$357,000.00
<i>Security Enhancements - Phase 4</i>	2020	\$750,000.00
<i>Master Plan</i>	2020	\$450,000.00
<i>Strategic Business Plan Update</i>	2020	\$200,000.00
<i>Observation Area</i>	2020	\$180,000.00
<i>Land Acquisition (NO APPLICABLE NAIC Code)</i>	2021	-\$1,500,000.00
<i>Geographic Information System Implementation (Phase 2)</i>	2021	\$300,000.00
<i>NAVAIDS and Airfield Lighting Upgrades</i>	2021	\$800,000.00
<i>eALP</i>	2021	\$300,000.00
<i>ARFF Vehicle (NO APPLICABLE NAIC Code)</i>	2020	-\$600,000.00
<i>Blast Fence (RWY 23 End)</i>	2020	\$750,000.00
<i>Landside Lighting and Signage Replacement</i>	2020	\$500,000.00
<i>Landside Landscaping and Pedestrian Access Improvements</i>	2020	\$350,000.00
<i>Airfield Service Road Rehabilitation</i>	2023	\$1,000,000.00
<i>Tower Radio, Communication, and Electronics Upgrade</i>	2023	\$750,000.00
<i>Marketing Plan Update</i>	2023	\$200,000.00
TOTAL	2017-2023	\$12,743,500.00

Methodology Used to Calculate Overall Goal

Step 1: Determining the Base Figure-26.45(c)

The method described in 49 CFR 26.45(c)(1) was used to determine the base figure for the relative availability of DBE firms in the Authority's overall normal market area. The base figure was calculated on the premise that the firms identified in the table are ready, willing and able to do business on federally and FDOT-assisted projects. The numerator was calculated using the FDOT DBE directory data for Palm Beach County, Broward County, and Miami-Dade County. The denominator was calculated using the 2015 U.S. Census Bureau County Business Patterns. Both the numerator and denominator used the same NAICS Codes within the Authority's market area: 6,876/ 24,515 = 28.05%.

The local market area was determined by using the Palm Beach, Broward, and Miami-Dade Counties region because the work will be performed in Palm Beach County, the northern part of the Miami Urbanized Area. These boundaries were set due to the proximity of the contractors to the actual worksite as well as the majority of contractors in South Florida coming from this region. Table 1 shows the NAICS Codes and types of industries required for the project.

Table 1: NAICS Codes

NAICS Code	Description	DBE Firms	Total Firms
111421	Nursery and Tree Production	0	0
236220	Commercial and Institutional Building Construction	552	816
237110	Water and Sewer Line and Related Structures Construction	155	138
237130	Power and Communication Line and Related Structures Construction	45	84
237310	Highway, Street and Bridge Construction	552	126
237990	Other Heavy and Civil Engineering Construction	121	107
238110	Poured Concrete Foundation and Structure Contractors	106	226
238150	Glass and Glazing Contractors	9	171
238160	Roofing Contractors	37	369
238210	Electrical Contractors and Other Wiring Installation Contractors	211	1,619
238220	Plumbing, Heating, and Air-Conditioning Contractors	63	2,057
238310	Drywall and Installation Contractors	63	355
238320	Painting and Wall Covering Contractors	154	783
238330	Flooring Contractors	24	351
238350	Finish Carpentry Contractors	30	794
238910	Site Preparation Contractors	485	303
238990	All Other Specialty Trade Contractors	826	674
327332	Concrete Pipe Manufacturing	9	4
339950	Sign Manufacturing	21	116
423320	Brick, Stone and Related Construction Material Merchant Wholesalers	59	109
541110	Offices of Lawyers	27	8,012
541310	Architectural Services	99	670
541330	Engineering Services	895	1,360
541350	Building Inspection Services	49	211
541370	Surveying and Mapping (except Geophysical) Services	124	142
541380	Testing Laboratories	109	92
541618	Other Management Consulting Services	438	1,270
541620	Environmental Consulting Services	393	148
541690	Other Scientific and Technical Consulting Services	450	600
541990	All Other Professional, Scientific, and Technical Services	451	870
561730	Landscaping Services	319	1,938
Total		6,876	24,515

Total number of DBE Firms = 6,876
 Total number of firms = 24,515
 Base figure = 28.05%

Table 2: Weighted Base Figure Calculation: (% of Work) x (Total DBE/Total Firms).

NAICS Code	Description	% of Work	Total DBE/Total Firms	Weighted
111421	Nursery and Tree Production	0.00314	0.00000	0.00000
236220	Commercial and Institutional Building Construction	0.00706	0.67647	0.00478
237110	Water and Sewer Line and Related Structures Construction	0.04292	1.12319	0.04821
237130	Power and Communication Line and Related Structures Construction	0.05218	0.53571	0.02795
237310	Highway, Street and Bridge Construction	0.07690	4.38095	0.33690
237990	Other Heavy and Civil Engineering Construction	0.09220	1.13084	0.10426
238110	Poured Concrete Foundation and Structure Contractors	0.01962	0.46903	0.00920
238150	Glass and Glazing Contractors	0.00000	0.05263	0.00000
238160	Roofing Contractors	0.00078	0.10027	0.00008
238210	Electrical Contractors and Other Wiring Installation Contractors	0.19265	0.13033	0.02511
238220	Plumbing, Heating, and Air-Conditioning Contractors	0.00000	0.03063	0.00000
238310	Drywall and Installation Contractors	0.00000	0.17746	0.00000
238320	Painting and Wall Covering Contractors	0.00000	0.19668	0.00000
238330	Flooring Contractors	0.00000	0.06838	0.00000
238350	Finish Carpentry Contractors	0.00000	0.03778	0.00000
238910	Site Preparation Contractors	0.02746	1.60066	0.04395
238990	All Other Specialty Trade Contractors	0.03924	1.22552	0.04809
327332	Concrete Pipe Manufacturing	0.02448	2.22500	0.05447
339950	Sign Manufacturing	0.01177	0.18103	0.00213
423320	Brick, Stone and Related Construction Material Merchant Wholesalers	0.13328	0.54128	0.07214
541110	Offices of Lawyers	0.01177	0.00337	0.00004
541310	Architectural Services	0.00902	0.14776	0.00133
541330	Engineering Services	0.10295	0.65809	0.06775
541350	Building Inspection Services	0.00000	0.23223	0.00000
541370	Surveying and Mapping (except Geophysical) Services	0.02825	0.87324	0.02467
541380	Testing Laboratories	0.00502	1.18478	0.00595
541618	Other Management Consulting Services	0.00000	0.34488	0.00000
541620	Environmental Consulting Services	0.00157	2.65541	0.00417
541690	Other Scientific and Technical Consulting Services	0.00000	0.75000	0.00000
541990	All Other Professional, Scientific, and Technical Services	0.13536	0.51839	0.07017
561730	Landscaping Services	0.01766	0.16460	0.00291
TOTAL:		1.03528	0.28048	0.29038

The Weighted Base Figure is 0.29038 x 100 = 29.04%

Step 2: Examination of Available Evidence to Determine Adjustment, If any, to Base Figure - 26.45(d)

Under this rule, evidence may be considered from disparity studies conducted in one's market area to determine if a base figure adjustment should be made. Broward County, one of the counties in the normal market area, conducted a Disparity Study in September, 2010. The study has documented large and statistically significant adverse disparities in the County's relevant markets impacting disadvantaged business enterprises ready, willing, and able to conduct business. A disparity ratio falling under 100 indicates that minority and women-owned firms are participating in Broward County contracts and subcontracts at a level much lower than their estimated availability. In Broward County, disparity ratios are less than or equal to 80 in 20 of 35 cases examined. Statistical disparities were also found in the ability of these firms to get financing. Commercial loan denial rates and cost of credit was higher for these firms even when comparing similarly situated businesses and business owners.

Anecdotal evidence of disparities was also confirmed in this study. In-depth interviews and focus groups confirmed the results of the statistical evidence showing minorities and women encounter significant barriers to success in seeking public and private sector contracts. Additionally, it has been found that minority and women-owned firms which were hired by prime contractors on contracts with DBE goals were not hired by the same prime contractors on contracts without DBE goals. Based on the analysis of the statistical and anecdotal data, the base figure is an accurate projection.

Making an adjustment to the base figure based on past participation was also considered. Please see Table 2 below showing past DBE participation.

Table 2: Past DBE Participation

<u>Fiscal Year</u>	<u>DBE Goal</u>	<u>Actual DBE Participation</u>	<u>% Over/Under</u>
2015	21.11%	14.50%	-6.61%
2014	9.3%	40.42%	+31.12%
2013	9.3%	20.29%	+10.99%

- a. **Determining the Median Past Participation –** The first step in adjusting the Step 1 Base Figure for past participation is to determine the median past participation percentages. The following principles were considered in calculating the median past participation percentage:

The median was determined by arranging the values of previous actual DBE participation from low to high: 14.50%, 20.29%, and 40.42%. The median is the middle value; therefore, 20.29% is the median past participation. The median past participation of 20.29% is added to the Step 1 base figure of 29.04% and divided by 2 to yield a proposed DBE goal of 24.67%.

The race/gender-neutral and race/gender conscious participation:

Based on Table 2, the Authority's race-neutral over/under goals for the past three years have been -6.61%, +31.12%, and +10.99%. As stated in 49 CFR sections 26.51, the maximum feasible portion of the goal must be met using race/gender-neutral means of facilitating DBE participation. The Authority will utilize race/gender-neutral means and race/gender-conscious measures to achieve the goal.

With that in mind, the Authority anticipates 10.99% of the total proposed 24.67% goal will be attained through race/gender-neutral means and 13.68% will be attained through race/gender-conscious means. This is based on past disparities in Palm Beach County and the current disparities found in Broward County. The Authority will use the following race/gender-neutral means to meet the DBE participation goal:

- Participate in tri-county disadvantaged business enterprise workshops.
- Post these contract opportunities on the Airport's website.

For reporting purposes, race/gender-neutral DBE participation includes, but is not necessarily limited to:

- DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures.
- DBE participation on a prime contract exceeding a contract goal.
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

In order to insure that the DBE goal will be narrowly tailored to overcome the effects of discrimination, the Authority will adjust the estimated breakout of race/gender-neutral and race/gender-conscious participation as

needed to reflect actual DBE participation (see 26.51(f)). The Authority will track and report race/gender-neutral and race/gender-conscious participation separately.

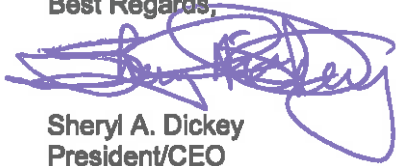
The Process:

The Authority will publish bids on its website, www.bocairport.com, and in tri-county area local newspapers (*Palm Beach Post*, *Sun-Sentinel*, and *el Sentinel*). The Authority is aware that DBE firms and firms that are potentially eligible for the DBE program are frequently unaware of the opportunities available to them through the DBE program. While the Authority has engaged in outreach activities to make firms aware of certification and contracting opportunities, it is assumed that the market of DBE and DBE-eligible firms is potentially larger than the tri-county's certification directory or statewide certification directory would indicate.

Recommendation:

It is recommended that the Boca Raton Airport Authority use 24.67% as the DBE goal for the 2017 to 2023 Fiscal years.

Best Regards,



Sheryl A. Dickey
President/CEO
SAD/ch

cc: Scott Kohut, Deputy Director, Boca Raton Airport Authority