



**Port of Portland FY14-16 Disadvantaged Business Enterprise (DBE) Goal
Portland International Airport**

Name of Recipient: Port of Portland

Airport: Portland International Airport

Goal Period: FY 2014, 2015, 2016

DOT-assisted contract amount:	FY-2014	\$9,150,000.00
	FY-2015	\$15,777,668.00
	FY-2016	\$9,000,000.00
	Total	\$33,927,688.00

Overall Three-Year Goal: 5.36%, to be accomplished through 5.36% RC and 0% RN

Total dollar amount to be expended on DBE's: \$1,817,111.99

Number and Type of Projects that the Port of Portland anticipates awarding:

Projects Fiscal Year 2014

1. Taxiway T Southwest Rehabilitation & Taxiways T & K Centerline Lighting - \$9,150,000.00

Projects Fiscal Year 2015

1. Taxiway E North & Exits Rehab - \$5,011,400.00
2. Access Control System – \$10,766,268.00

Projects Fiscal Year 2016

1. Runway 3/21 Rehabilitation - \$9,000,000.00

Market Area:

The **market area** for the Port of Portland was determined during a 2009 disparity study which identified the relevant market area for construction, architecture and engineering business categories to be Oregon and Washington States. It further identified the Portland Metropolitan Service Area which comprises Multnomah County, Washington County, Clackamas County in Oregon, as well as, Clark County in Washington State. The disparity study further identified King County in Washington State as part of the Port of Portland's primary market area.

Step 1. Analysis: Actual relative availability of DBE's

Method: Use DBE Directories <http://osdbu.dot.gov/DBEProgram/StateDOTDBESites.cfm> and Census Bureau Data <http://www.census.gov/econ/cbp/index.html>

NAICS	Type of Work	Total DBE's	Total All Firms
236210	Industrial Building Construction	14	49
237110	Water and Sewer Line	41	136
237310	Highway, Street & Bridge Construction	69	150
238110	Poured Concrete Foundation and Structure Contractors	35	280
238210	Electrical Contractor	22	905
238220	Plumbing, Heating, Air Conditioning	20	1048
238350	Carpentry	26	523
238910	Site Preparation Contractors	65	413
238990	All other specialty trade contractors	49	342
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	8	244
484110	Trucking	17	283
541330	Engineering Services	85	1200
541370	Surveying	21	102
561730	Landscape Service (Seeding, Erosion Control)	33	1391
561990	All Other Support Services (Traffic Control)	22	223
Total		513	7240

Divide the total number of DBE's by the total number of All Firms = base figure for each project.

Base Figure: 7.09%

To determine the overall base figure for more than one project, add all the project percentages together.

Step 2. Analysis: Adjustments to Step 1 base figure.

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal.

An examination of the anticipated projects for each fiscal year, the availability of the DBE firms by trade classification and the volume of work performed by DBE firms over previous years.

Fiscal Year #1
For FY-2014, we anticipate the award of the following:

A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Directory	DBE (%) (= F/E)	DBE (\$) (= G x D)
Taxiway T Southwest Rehabilitation & Taxiway T & K Centerline Lighting	Highway, Street and Bridge Construction	237310	\$8,154,500.00	150	69	46.00%	\$3,751,070.00
	All other Specialty Trade Contractors/Sweeping	238990	\$206,000.00	342	49	14.33%	\$29,514.62
	Trucking	484220	\$500,000.00	283	17	6.01%	\$30,035.34
	Surveying	541370	\$65,000.00	102	21	20.59%	\$13,382.35
	Landscaping Services	561730	\$4,500.00	1391	33	2.37%	\$106.76
	All Other Support Services/Traffic Control	561990	\$220,000.00	223	22	9.87%	\$21,704.04
Total Project			\$9,150,000.00	2491	211	8.47%	\$775,050.18
Total FY-2014			\$9,150,000.00			8.47%	\$775,050.18

Fiscal Year #2
For FY-2015, we anticipate the award of the following:

A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Directory	DBE (%) (= F/E)	DBE (\$) (= G x D)
Access Control System	Excavation	236210	\$410,431.35	49	14	28.57%	\$117,266.10
	Poured Concrete Foundations & Structure Const.	238110	\$137,732.05	280	35	12.50%	\$17,216.51
	Electrical Contractors	238210	\$8,764,811.05	905	22	2.43%	\$213,067.23
	All other Specialty Trade Contractors/Fencing Contractors	238990	\$192,824.87	342	49	14.33%	\$27,626.96
	All Other Support Services/Traffic Control	561990	\$115,141.96	223	22	9.87%	\$11,359.30
	Surveying	541370	\$115,141.96	102	21	20.59%	\$23,705.70
	Landscaping Services	561730	\$115,141.96	1391	33	2.37%	\$2,731.62
	Computer Peripheral Equipment	423430	\$915,043.00	244	8	3.28%	\$30,001.41
Total Project			\$10,766,268.20	3536	204	5.77%	\$621,130.86
Taxiway E North & Exits Rehab	Water and Sewer Line Repair	237110	\$1,300,000.00	136	41	30.15%	\$391,911.76
	Highway, Street and Bridge Construction	237310	\$11,400.00	150	69	46.00%	\$5,244.00
	Electrical Contractors	238210	\$1,600,000.00	905	22	2.43%	\$38,895.03
	Trucking	484110	\$1,100,000.00	283	17	6.01%	\$66,077.74
	Surveying	541370	\$200,000.00	102	21	20.59%	\$41,176.47
	Landscaping Services	561730	\$200,000.00	1391	33	2.37%	\$4,744.79
	All Other Support Services/Traffic Control	561990	\$600,000.00	223	22	9.87%	\$59,192.83
Total Project			\$5,011,400.00	3190	225	7.05%	\$353,468.65
Total FY-2015			\$15,777,668.20			6.41%	\$1,011,547.51

Fiscal Year #3

For FY-2016, we anticipate the award of the following:

A	B	C	D	E	F	G	H
Project Name	NAICS/Trade Description	NAICS	Trade (\$)	Census	Directory	DBE (%) (= F/E)	DBE (\$) (= G x D)
Runway 3/21 Rehabilitation	Water and Sewer Line Repair	237110	\$700,000.00	136	41	30.15%	\$211,029.41
	Highway, Street and Bridge Construction	237310	\$6,300,000.00	150	69	46.00%	\$2,898,000.00
	Electrical Contractors	238210	\$900,000.00	905	22	2.43%	\$21,878.45
	Trucking	484110	\$600,000.00	283	17	6.01%	\$36,042.40
	Surveying	541370	\$100,000.00	102	21	20.59%	\$20,588.24
	Landscaping Services	561730	\$100,000.00	1391	33	2.37%	\$2,372.39
	All Other Support Services/Traffic Control	561990	\$300,000.00	223	22	9.87%	\$29,596.41
Total Project			\$9,000,000.00	3190	225	7.05%	\$634,796.24
Total FY-2016			\$9,000,000.00			7.05%	\$634,796.24

FY 14, 15, 16 anticipated DBE utilization calculated by averaging the 3 year anticipated project goal is 7.31%.

Step 2 weighted goal calculated averaging the base goal with the step 2 analysis. = 7.2%

Past History Participation

Other data used to determine the adjustment to the base figure was the median of historical DBE accomplishments as follows:

FY	Total Grant \$ Amount	DBE Goals			Accomplishments			Type of work
		RN	RC	Total	RN	RC	Total	
FY 09	\$7,838,385.00	0.0%	3.0%	3.0%	3.4%	0%	3.4%	Airfield Construction
FY 10	\$27,346,116.00	4.0%	1.0%	5.0%	5.4%	0%	5.4%	Airfield Construction
FY 11	\$6,940,025.00	0.5%	7.5%	8.0%	3.1%	0%	3.1%	Airfield Construction
FY 12	\$39,755,701.14	0.5%	7.5%	8.0%	3.0%	7.4%	10.04%	Airfield Construction
FY 13	\$0	0.5%	7.5%	8.0%	0%	0%	0%	No contracts closed FY13

Arranging this historical data from low to high, (0%, 3.1%, 3.4%, 5.4%, 10.04%) the median is 3.4%.

To arrive at an overall goal, we reviewed our Step 1 base figure 7.09% with our Step 2 analysis figure 7.31% and then averaged the total arriving at an overall goal of 7.2%. We then reviewed past participation accomplishments and used the median of our FY09-FY13 accomplishments to further refine our anticipated goal. We calculated our Step 2 analysis figure 7.31% with our past participation median 3.4%; we averaged the two figures to arrive at an overall agency goal of 5.36%. We feel this adjusted goal figure will accurately reflect DBE participation that can be achieved for the type of project work being awarded during this three-year period.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation.

26.51(b) (1-9)

The recipient will meet the maximum feasible portion of its overall goal by using RN means of facilitating DBE participation

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
2. Encouraging prime contractors to solicit bids from DBE sub-contractors.
3. Advertising projects in media that is focused toward minority and women owned businesses.
4. Promoting Port of Portland projects at community outreach events including encouraging DBE contractors to consider bidding or proposing on Port projects.
5. Providing technical assistance and small business development through the Port of Portland Mentor-Protégé Program.
6. Conducting open pre-bid meetings for all interested bidders.
7. Provide contractors with a list of DBE certified businesses whose work scopes match the work scope needed for specific projects.
8. Evaluating solicitation methods including the RFP method where points can be awarded for small business inclusion, rather than the low bid process for award of federally funded contracts.
9. Conduct formal educational workshops on how to do business with the Port of Portland.
10. Facilitate a Mentor-Protégé program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBE's and other small businesses.
11. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;

The recipient estimates that in meeting its overall goal 5.36%, it will obtain 0% from RN participation and 5.36% through RC measures.

This breakout is based on:

- The Port of Portland used a 2009 disparity study which established the need for Race Conscious goals on Port construction and engineering projects. (Disparity study findings are outlined below)
- Past FY 11-13 DBE goal was 8%. The Port of Portland achieved 5.7% average for the three years and failed to meet our overall agency DBE goal.
- New FY 14-16 DBE goal is 5.6%. The Port of Portland has determined that this goal is within range of our current attainment based on race conscious efforts and chose to meet our entire 5.36% DBE goal utilizing Race Conscious efforts.

Disparity Study Findings:

The Port completed a disparity study in February 2009. MGT of America was the disparity study consultant. The study time period was July 1, 2002 – June 30, 2007. The study findings and recommendations related to the Port DBE program were:

1. Findings:
2. M/W/DBE Prime Utilization – During the study period, 18 M/W/DBEs won prime construction contracts for \$34.8 million on Port projects (13.22% of the total). 8 M/W/DBEs won prime architecture and engineering contracts for \$1.2 million on Port projects (9.64% of the total).
3. M/W/DBE Prime Availability was 13.36% for construction prime contractors and 27.44% for architecture and engineering prime contractors.
4. Underutilization existed for African American, Hispanic American, Asian American, and Native American prime construction contractors and for Hispanic American, Asian American, Native American and Nonminority Women architecture and engineering prime contractors.
5. Over the current study period 73 M/W/DBE construction subcontractors won \$14.1 million in construction subcontracts on Port projects (15.85% of the total construction subcontracts). 6 M/W/DBEs won 12 A&E subcontracts for \$39,425 on Port projects (14.98%).
6. Underutilization existed during the study period for African American, Hispanic American, Asian American, and Native American construction subcontractors. Underutilization existed during the study period for African American, Asian American, Native American, and Nonminority Women architecture and engineering subcontractors.
7. The Port stopped placing DBE goals on construction contracts in 2006. Minority DBE construction subcontractor utilization stopped entirely at that point. The implementation of the ESB program in 2007 did not halt this pattern. There was, however evidence of the use of M/WBEs that were not certified DBEs on projects without goals.

Recommendations:

There is evidence supporting the reestablishment of race- and gender conscious DBE goals in construction and architecture and engineering subcontracting. This evidence is based on disparities in subcontracting, and the collapse in use of DBEs in the absence of goals on federal contracts, considerable statistical and anecdotal evidence of barriers in the private sector markets associated with race and gender after controlling for capacity variables. At the same time there was some evidence of the use of non-certified M/WBEs in the absence of goals. The strongest case for the restoration of DBE goals can be made for minority DBEs.

Port DBE goals should be linked to certified DBE availability. Port DBE goals should not be a rigid quota placed on every project. The limited use of DBE goals means that the Port should continue to let out some opportunities without specific DBE goals and closely monitor DBE utilization on these projects. The objective should be to steadily increase the number of DBE dollars achieved without using race and gender conscious DBE goals.

The following actions were taken in fiscal year 2010 based on the study recommendations:

1. The Port expanded the definition of small business to include all small businesses certified by the states of Oregon and Washington as minority-owned, disadvantaged-owned, women-owned, or emerging small business.
2. New Port guidelines for Work as Required contracts were adopted to better manage the associated task order process and the equitable use of awarded contractors.
3. An updated review of bonding and insurance requirements, including benchmarking with local agency peers, was conducted to verify that the Port was not setting bonding and insurance requirements that are not consistent with local peer agencies. No changes were made based on review and benchmarking.
4. DBE goals were resumed on FAA AIP projects. 2 FAA AIP projects were solicited with DBE goals and DBE goals were committed to by the awarded contractors.

The Port of Portland will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation (see Section 26.51(f)) and track and report RN and RC participation separately. For reporting purposes, RN DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract obtained through customary competitive procurement procedures.
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal.
- 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.

PUBLIC PARTICIPATION

Consultation: Section 26.45(g)(1).

The Airport Authority submits its overall DBE three-year goal to DOT on August 1 as required by the set schedule.

Before establishing the overall goal, the Port of Portland will consult with the Oregon Association of Minority Entrepreneurs and the National Association of Minority Contractors. without limiting consultation to these persons or groups, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Port of Portland's efforts to establish a level playing field for the participation of DBEs

Following the consultation, we will publish a notice in the *Daily Journal of Commerce* of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the airport administration building for 30 days following the date of the notice, and informing the public that the Port of Portland and the DOT will accept comments on the goals for 45 days from the date of the notice

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses, if any.

No comments have been received.

PUBLIC NOTICE

The Port of Portland hereby announces its fiscal years 2014 thru 2016 goal of 5.36% for Disadvantaged Business Enterprise (DBE) airport construction projects. The proposed goals and rationale is available for inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday at Port of Portland Headquarters 7200 NE Airport Way, 8th Floor, Portland, OR 97218 for 30 days from the date of this publication.

Comments on the DBE goal will be accepted for 45 days from the date of this publication and can be sent to the following:

Kimberly Mitchell-Phillips
7200 NE Airport Way
Portland, Oregon 97218

Or

*Federal Aviation Administration
Office of Civil Rights Staff
(Attn: Ricky Watson)
PO Box 92007
Los Angeles, CA 90009*

Contract Goals

The Port of Portland will use contract goals to meet any portion of the overall goal that the recipient does not project being able to meet using RN 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 recipient's overall goal that is not projected to be met through the use of RN means.

The Port of Portland will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It need not establish a contract goal on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work and availability of DBE's to perform the particular type of work).

We will express our contract goals as a percentage *of the* total amount of a DOT-assisted contractor.