

NORTH LITTLE ROCK REGIONAL AIRPORT

***CITY OF NORTH LITTLE ROCK
AIRPORT COMMISSION***

Fiscal Years 2025-2027 REVISED DBE GOAL METHODOLOGY

Attachment F

**For the
North Little Rock Regional Airport**

**For the period:
October 1, 2024, to September 30, 2027**

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Overall Goals and Methodology North Little Rock Regional Airport Revised FYs 2025-2027 Goal Update

OVERALL GOALS (\$26.45)

Amount of goal:

The North Little Rock Regional Airport's overall revised goal for Fiscal Years 2025-2027 (October 1, 2021, to September 30, 2024) is **7.28%** 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 North Little Rock Regional Airport (ORK) expects to fund four (4) DOT-assisted contract during Fiscal Years 2025-2027:

- T-Hangar Replacement - Phase I (FY 2025)
- Runway 5-23 Joint Seal Rehabilitation/Remarking (FY 2026)
- Taxiway D Lighting Rehabilitation (FY 2026)
- Master Plan with AGIS and Pavement Study (FY 2027)

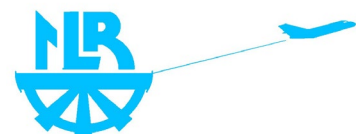
The first project, 2025 Phase I T-Hangar Replacement, involves design, implementation, surveying, heavy civil construction, site preparation, hangar construction, electrical, and local trucking. The estimated budget for this project is **\$1,180,000** (federally funded portion).

The second project, 2026 Runway 5-23 Joint Seal Rehabilitation/Remarking, involves design, implementation, surveying, heavy civil construction, site preparation, and local trucking. The estimated budget for this project is **\$570,000** (federally funded portion).

The third project, 2026 Taxiway D Lighting Rehabilitation, involves design, implementation, surveying, site preparation, and local trucking. The estimated budget for this project is **\$617,500** (federally funded portion).

The fourth project, 2027 Master Plan with AGIS and Pavement Study, involves planners and engineers. The estimated budget for this project is **\$675,000** (federally funded portion).

The North Little Rock Regional Airport has set a goal of expending **\$221,618** with certified DBE firms yielding a participation rate of **7.28%**.



Market Area:

After careful research of the historical bidding practices and responses to requests for professional services, the North Little Rock Regional Airport has determined that its market area is the entire state of Arkansas.

The analysis prepared in determining this included a review of the responses to advertised opportunities over the last several years. Immediate past projects entailed planning services for an AWOS installation and design and construction for the lighting system rehabilitation and include the following projects:

1. FY 2021 – AWOS Installation
2. FY 2017 – Pavement Marking/Pavement Repair
3. FY 2016 – Phase III Lighting Rehabilitation Construction
4. FY 2014 – Phase II Lighting Rehabilitation Construction

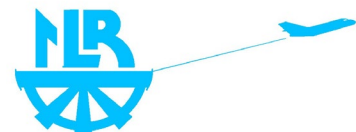
The prime contractor for the 2021 AWOS project was based in Hot Springs, Arkansas, which lies within the market area. The prime contractor for the 2017 pavement project was based in Florida, which is not in ORK's market area. The prime contractor for the 2016 lighting project was based in Greenbrier, Arkansas, which is in the market area for ORK. The prime contractor for the 2014 lighting project was based in Hot Springs, Arkansas, which is in the market area for ORK.

As can be seen by this analysis, the majority of the respondents come from the state of Arkansas 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 entire state of Arkansas.

Method:

In accordance with the current FAA and DOT guidance, the North Little Rock Regional Airport is utilizing a two-step process in setting its FYs 2025-2027 goal. 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 DBEs
 - 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



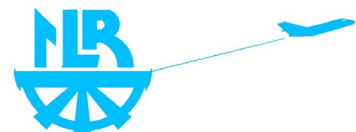
Relative Availability:

The following documents the relative availability for each of the trades expected to be involved in each project. It will be used in the overall calculation of relative availability for the FY 2025-2027 goal. The following is a summary of the method used to calculate this goal.

Step 1:

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 following tables identify the main components of the projects broken down by trade with the appropriate NAICS codes:



Project No. 1 – 2025 Phase I T-Hangar Replacement

This project involves design, implementation, surveying, heavy civil construction, site preparation, hangar construction, lighting, and local trucking. It 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:

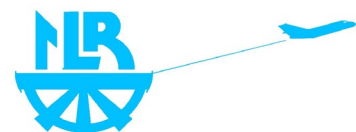
NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering/Drafting	9%	16	377	0.38%
541518	Implementation	3%	3	41	0.22%
541360	Surveying	1%	1	401	0.00%
237310	Heavy Civil Construction	26%	20	96	5.42%
238910	Site Preparation	9%	39	461	0.76%
332311	Hangar Construction	45%	0	41	0.00%
238210	Electrical Contractors	6%	7	742	0.06%
484110	Local Trucking	1%	2	240	0.01%
	Totals for this Contract	100%	88	2,399	6.85%

The anticipated federally funded portion of this project is **\$1,180,000** (federal portion.) As identified in the above table, the relative availability of DBE contractors in the ORK market area includes design, implementation, surveying, heavy civil construction, site preparation, hangar construction, lighting, and local trucking. Therefore, the baseline DBE goal for this contract should be weighted to reflect the potential DBE participation more accurately, as shown below.

$$\begin{aligned}
 \text{Base Figure} &= \% \text{ Eng} \times \frac{\# \text{ DBEs in Local Market (16)}}{\# \text{ All Firms (377)}} + \% \text{ Imp} \times \frac{\# \text{ DBEs in Local Market (3)}}{\# \text{ All Firms (41)}} + \\
 &+ \% \text{ Surv} \times \frac{\# \text{ DBEs in Local Market (1)}}{\# \text{ All Firms (401)}} + \% \text{ Civil} \times \frac{\# \text{ DBEs in Local Market (20)}}{\# \text{ All Firms (96)}} + \\
 &+ \% \text{ Site Prep} \times \frac{\# \text{ DBEs in Local Market (39)}}{\# \text{ All Firms (461)}} + \% \text{ Hangar} \times \frac{\# \text{ DBEs in Local Market (0)}}{\# \text{ All Firms (41)}} + \\
 &+ \% \text{ Elec} \times \frac{\# \text{ DBEs in Local Market (7)}}{\# \text{ All Firms (742)}} + \% \text{ Truck} \times \frac{\# \text{ DBEs in Local Market (2)}}{\# \text{ All Firms (240)}}
 \end{aligned}$$

$$\text{Base Figure} = 9\% \times 16/377 + 3\% \times 3/41 + 1\% \times 1/401 + 26\% \times 20/96 + 9\% \times 39/461 + 45\% \times 0/41 + 6\% \times 7/742 + 1\% \times 2/240 = 6.85$$

These calculations provide a Base Figure of **6.85%**.



Project No. 2 – 2026 Runway 5-23 Joint Seal Rehabilitation/Remarking

This project involves design, implementation, surveying, heavy civil construction, site preparation, and local trucking. It 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:

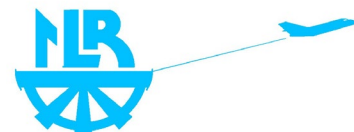
NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering/Drafting	13.0%	16	377	0.55%
541518	Implementation	5.7%	3	41	0.42%
541360	Surveying	3.3%	1	401	0.01%
237310	Heavy Civil Construction	50.0%	20	96	2.28%
238910	Site Preparation	27.0%	39	461	10.42%
484110	Local Trucking	1.0%	2	240	0.01%
	Totals for this Contract	100%	88	2,399	13.69%

The anticipated federally funded portion of this project is **\$570,000** (federal portion.) As identified in the above table, the relative availability of DBE contractors in the ORK market area includes design, implementation, surveying, heavy civil construction, site preparation, and local trucking. Therefore, the baseline DBE goal for this contract should be weighted to reflect the potential DBE participation more accurately, as shown below.

$$\begin{aligned}
 \text{Base Figure} &= \% \text{ Eng} \times \frac{\# \text{ DBEs in Local Market (16)}}{\# \text{ All Firms (377)}} + \% \text{ Imp} \times \frac{\# \text{ DBEs in Local Market (3)}}{\# \text{ All Firms (41)}} + \\
 &+ \% \text{ Surv} \times \frac{\# \text{ DBEs in Local Market (1)}}{\# \text{ All Firms (401)}} + \% \text{ Civil} \times \frac{\# \text{ DBEs in Local Market (20)}}{\# \text{ All Firms (96)}} + \\
 &+ \% \text{ Site Prep} \times \frac{\# \text{ DBEs in Local Market (39)}}{\# \text{ All Firms (461)}} + \% \text{ Truck} \times \frac{\# \text{ DBEs in Local Market (2)}}{\# \text{ All Firms (240)}}
 \end{aligned}$$

$$\begin{aligned}
 \text{Base Figure} &= 13\% \times 16/377 + 5.7\% \times 3/41 + 3.3\% \times 1/401 + 50\% \times 20/96 + 27\% \times 39/461 + 1\% \times 2/240 \\
 &= 13.69
 \end{aligned}$$

These calculations provide a Base Figure of **13.69%**.



Project No. 3 – 2026 Taxiway D Lighting Rehabilitation

This project involves design, implementation, surveying, site preparation, and local trucking. It 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:

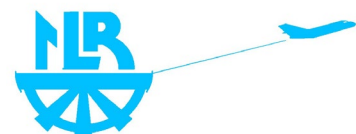
NAICS code	Work Item	Weighting Factor ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering/Drafting	12.0%	16	377	0.51%
541518	Implementation	4.0%	3	41	0.29%
541360	Surveying	2.5%	1	401	0.01%
238210	Electrical	71.0%	7	742	0.67%
238910	Site Preparation	10.0%	39	461	0.85%
484110	Local Trucking	0.5%	2	240	0.00%
	Totals for this Contract	100%	68	2,262	2.33%

The anticipated federally funded portion of this project is **\$617,500** (federal portion.) As identified in the above table, the relative availability of DBE contractors in the ORK market area includes design, implementation, surveying, site preparation, and local trucking. Therefore, the baseline DBE goal for this contract should be weighted to reflect the potential DBE participation more accurately, as shown below.

$$\begin{aligned}
 \text{Base Figure} &= \% \text{ Eng} \times \frac{\# \text{ DBEs in Local Market (16)}}{\# \text{ All Firms (377)}} + \% \text{ Imp} \times \frac{\# \text{ DBEs in Local Market (3)}}{\# \text{ All Firms (41)}} + \\
 &+ \% \text{ Surv} \times \frac{\# \text{ DBEs in Local Market (1)}}{\# \text{ All Firms (401)}} + \% \text{ Elec} \times \frac{\# \text{ DBEs in Local Market (7)}}{\# \text{ All Firms (742)}} + \\
 &+ \% \text{ Site Prep} \times \frac{\# \text{ DBEs in Local Market (39)}}{\# \text{ All Firms (461)}} + \% \text{ Truck} \times \frac{\# \text{ DBEs in Local Market (2)}}{\# \text{ All Firms (240)}}
 \end{aligned}$$

$$\text{Base Figure} = 12\% \times 16/377 + 4.0\% \times 3/41 + 2.5\% \times 1/401 + 71\% \times 7/742 + 10\% \times 39/461 + 0.5\% \times 2/240 = 2.33$$

These calculations provide a Base Figure of **2.33%**.



Project No. 4 – 2027 Master Plan with AGIS and Pavement Study

This project involves engineers and planners. It 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 ¹	DBEs in Market Area	All Available Firms	Relative Availability
541330	Engineering	15%	16	377	0.64%
541518	Planners	85%	3	41	6.22%
	Totals for this Contract	100%	88	2,399	6.86%

The anticipated federally funded portion of this project is **\$675,000** (federal portion.) As identified in the above table, the relative availability of DBE contractors in the ORK market area includes engineers and planners. Therefore, the baseline DBE goal for this contract should be weighted to reflect the potential DBE participation more accurately, as shown below.

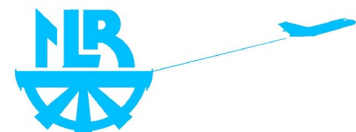
$$\text{Base Figure} = \% \text{ Eng} \times \frac{\# \text{ DBEs in Local Market (16)}}{\# \text{ All Firms (377)}} + \% \text{ Plan} \times \frac{\# \text{ DBEs in Local Market (3)}}{\# \text{ All Firms (41)}}$$

$$\text{Base Figure} = 15\% \times 16/377 + 85\% \times 3/41 = 6.86$$

These calculations provide a Base Figure of **6.86%**.

Data Sources for all projects:

- *DBEs in Local Market Area: State of Arkansas Unified DBE Directory for Federal Aid Projects in the following counties: All Counties in Arkansas*
- *(All Available Firms) from the U.S. Census 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)	Estimate	% of Total Estimate / Weight factors
1-Phase I T-Hangar Replacement (2025)	\$1,180,000	38.8%
2-Rwyn 5-23 Joint Seal Rehab (2026)	\$570,000	18.7%
3-Twy D Lighting Rehab (2026)	\$617,500	20.3%
4-Master Plan with AGIS, Pavement Study (2027)	\$675,000	22.2%
Total:	\$3,042,500	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.

$$\text{Overall Base Figure} = (6.85\% \times 0.388) + (13.69\% \times 0.187) + (2.33\% \times 0.203) + (6.86\% \times 0.222) = 2.66\% + 2.56\% + 0.47\% + 1.52\% = 7.21\%$$

Overall Base Figure = 7.21%

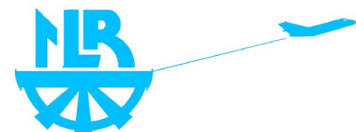
Step 2:

Evidence was examined to determine what, if any, adjustment is needed to 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.

First, the Airport searched for the availability from disparity studies. The Arkansas Small Business Development Center was contacted in September of 2024 but was unable to provide any local Disparity studies or other Step 2 factors that would indicate the need for further adjustment based on disparity.

Since no disparity information was available, the Airport must then look to historical performance and DBE goal accomplishment under previous FAA grants. 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 is calculated.

The historic overall DBE goals accomplished at the Airport in recent years are summarized in the following table:



ORK Historical DBE Accomplishments for Similar DOT-Assisted Contracts:

Fiscal Year	Goal	Accomplishment	Type of Work
FY 2017	5.48%	5.74%	Pavement Marking/Pavement Repair Construction
FY 2021	6.28%	8.97%	AWOS Installation
		7.36%	Median Accomplishments for all Projects

By averaging the median historical DBE participation rate with the relative availability calculated in Step 1, an adjusted DBE goal is calculated. With only two similar projects in recent years, the median participation of accomplishments is therefore determined to be **7.36%**. When we compare this with the proposed base figure, we determined an adjusted overall goal of **7.28%**.

$$(Overall\ Base\ figure)\ 7.21\% + (Historical\ median)\ 7.36\% \text{ divided by } 2 = 7.28\% \text{ (Adjusted Overall Goal)}$$

Adjusted Overall DBE Goal of 7.28%.

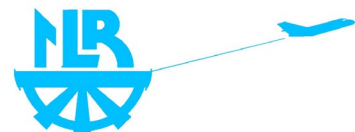
Breakout of Estimated Race-Neutral and Race-Conscious Participation:

The Airport will strive to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The 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 Arkansas’s Department of Transportation and Development web site for certified DBE contractors found at:

<http://www.arkansashighways.com/ProgCon/letting/dbedirectory.pdf>

The North Little Rock Regional Airport has had limited success in meeting its DBE goals. Given this, the Airport intends to utilize race-conscious measures for the FYs 2025-2027 goal.

As such, we estimate that, in meeting our overall adjusted goal of **7.28%**, we will obtain **0.0%** from race-neutral participation and **7.28%** 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 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.)



Public Participation:

Consultation:

The Airport encourages the participation of DBEs 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 reached out to certified DBEs in the State of Arkansas that perform the types of work that are expected in the new projects for FYs 2025-2027 by emailing this revised DBE Goal Methodology Report to them.

Attached are the following appendices regarding the public consultation event:

- A – Email invitations to 11-6-24 public consultation event
- B – List of the firms/groups invited to public consultation event
- C – Presentation used during 11-6-24 public consultation event
- D – Questions asked during public consultation event

