



NEW ORLEANS AVIATION BOARD (NOAB)
LOUIS ARMSTRONG NEW ORLEANS' INTERNATIONAL AIRPORT
2017 – 2019 DISADVANTAGED BUSINESS ENTERPRISE GOAL
Goal Setting Methodology and Calculations for DBE Participation

GOAL OVERVIEW

The New Orleans Aviation Board (NOAB) proposes an overall Disadvantaged Business Enterprise (DBE) Goal applicable to contracting opportunities that are budgeted to receive federal financial assistance from the U.S. Department of Transportation. **The proposed overall goal of 30.35% was developed in compliance with 49 CFR Part 26 to ensure a level playing field for DBE certified businesses.** Of the overall goal, 27.12% will be Race and Gender Conscious and 3.23%¹ will be Race and Gender Neutral.

MARKET AREA

The New Orleans Metropolitan Statistical Area (MSA) is the defined Market Area for DBE goal setting. The MSA is the eight-parish region utilized by the US Census Bureau which includes Orleans (coterminous with the city of New Orleans), Jefferson, St. John the Baptist, St. James, St. Tammany, St. Bernard, St. Charles and Plaquemines parishes. The eight-parish MSA is the coverage area for the New Orleans International Airport which is owned by the City of New Orleans and physically located in Jefferson and St. Charles Parishes.

FEDERALLY FUNDED PROJECTS – CONTRACTING OPPORTUNITIES

Seven federally funded contracting opportunities are identified for the reporting period for a total of \$99,510,000 based on total FAA AIP Commitments for 2014 – 2019 and AIP Discretionary Funds request. These projects, and the overall weighting² of each project for calculation of the base goal is detailed below.

Project	Amount	Weight	Weight (%)
NAVAIDS	9,080,000	0.09124711	9.12%
Civil Airside	75,120,000	0.75489901	75.49%
Pumping Station	7,500,000	0.07536931	7.54%
Taxiway Rehabilitation Phase 1	970,000	0.00974776	0.97%
Taxiway Rehabilitation Phase 2	4,340,000	0.04361371	4.36%
Airfield Rehabilitation - 1-19	1,580,000	0.01587780	1.59%
Airfield Rehabilitation - 10-28	920,000	0.00924530	0.92%
Total	99,510,000		100%

¹ 3.23% is the median race-neutral attainment for the ten year period from 2005 through 2015.

² The total project value for each project is divided by the total of all projects to determine the relative weight of each project.

Notably, of the \$99 million in projects identified as contracting opportunities for the 2017 – 2019 DBE Goal Setting period, over \$92 million in projects (NAVAIDS, Civil Airside, and Pumping Station) are currently in progress as part of the NOAB’s North Terminal Expansion Project.

READY, WILLING & ABLE CONTRACTING POOL

The Louisiana Unified Certification Program (LAUCP) is the basis of the airport’s DBE pool. For the purposes of this analysis, only DBEs’ located in the eight-parish New Orleans MSA are considered as the vendor target market.

Additionally, the list of certified DBE contractors is compared to a more global list of businesses, segregated by NAICS Code. The U.S. County Business Pattern (USCBP) 2014 Economic Census data for the New Orleans MSA is used to determine the general market population of ready, willing and able businesses.

These data sources reveal a total market availability of 1890 total firms for the construction trades represented in the federally funded contracting opportunities as detailed below. Of these 354 DBE firms are DBE Certified.

NAICS	Type of Work	DBE	Market
237990	Heavy & Civil Construction	24	43
237130	Power & Communications Lines	5	21
238220	Poured Concrete	22	48
238210	Electrical & Wiring	41	282
236220	Institutional Building Construction	77	219
238910	Site Preparation	67	80
237110	Water & Sewer	17	30
238120	Structural Steel	11	18
238210	Electrical & Wiring	41	282
236210	Commercial & Industrial Building	21	5
238220	Mechanical Contractors	19	446
423830	Electrical/Mechanical Equip.	0	196
238140	Masonry Contractors	9	24
		354	1890

BASE FIGURE

The Base Figure calculation weighs the relative availability of DBE contractors to the amount of contracting opportunities available for the total pool of contractors in the Market Area.

Project	Amount	DBE	Market	Relative Availability	Weight	Relative Weight
NAVAIDS	9,080,000	238	889	0.267716535	9.12%	0.02442836
Civil Airside	75,120,000	206	988	0.208502024	75.49%	0.157397971
Pumping Station	7,500,000	177	1073	0.164958062	7.54%	0.012432775
Taxiway Rehabilitation Phase 1	970,000	55	115	0.47826087	0.97%	0.004661974
Taxiway Rehabilitation Phase 2	4,340,000	55	115	0.47826087	4.36%	0.02085873
Airfield Rehabilitation - 1-19	1,580,000	55	115	0.47826087	1.59%	0.007593731
Airfield Rehabilitation - 10-28	920,000	55	115	0.47826087	0.92%	0.004421666
Total	99,510,000					0.231795207

Base Goal

23.18%

Based on the ready willing and able analysis, a base figure of 23.18% participation was developed as detailed below.

HISTORIC PARTICIPATION

After calculating the Base Figure of 23.18%, NOAB’s historic data was calculated from the period from 2004 to 2015 to determine if the goal is consistent with the agency’s performance. It was determined that NOAB has historic DBE direct participation ranging from 30% to 62% as detailed below.

Year	DBE Goal	DBE Attainment (%)	Race Neutral Attainment (%)
2005 - 2006	34.53%	34.90%	0.37%
2006 - 2007	30.31%	45.10%	14.79%
2007 - 2008	26.16%	40.40%	14.24%
2008 - 2009	30.66%	33.30%	2.64%
2009 - 2010	28.29%	33.35%	5.06%
2010 - 2011	29.04%	29.04%	0.00%
2011 - 2012	31.83%	35.64%	3.81%
2012 - 2013	27.87%	61.69%	33.82%
2013 - 2014	31.85%	32.23%	0.38%
2014 - 2015	31.85%	29.62%	-2.23%
Total	302.39%	375.27%	72.88%
Average	30.24%	37.53%	7.29%
Median	30.49%	34.13%	3.23%

As such, adjustments to the base goal factor the average DBE participation of 37.53% for a ten year period (2005 – 2015) and yields an overall goal of 30.35%.

OTHER ADJUSTMENTS

There is no current disparity study data available for the City, State of the region. However, the City of New Orleans has recently contracted with an economic research firm to conduct a study which will be available by January 2018.

USE OF RACE NEUTRAL MEANS

Historically, the NOAB has achieved DBE participation through the use of race-neutral and race-conscious (contract goals) strategies. The NOAB will continue to establish contract goal to meet any portion of the overall goal that is not attainable via race-neutral means. Contract goals will be established only on DOT assisted contracts that have subcontracting opportunities. Contract goals are not established on every project and the size of contract goals are determined based on the type of work and availability of DBE firms to participate.

PUBLIC PARTICIPATION AND CONSULTATION

The NOAB will make this goal setting methodology available to key community stakeholders including Black, Hispanic and Asian Chambers of Commerce as well as other relevant civic, community and professional organizations and trade associations. As well, the goal setting methodology will be made available to certified DBE firms and other public agencies that could be expected to have information concerning the effects of discrimination and/or the availability of DBE firms.

CALCULATION OF THE FY 2017 – 2019 DBE GOAL

The base DBE goal calculated for 2017 – 2019 is 23.18%

The ten-year average DBE participation is 37.53%

The FY 2017 – 2019 DBE Goal is calculated using the following formula:

$$\begin{aligned} & [(10\text{-Year Participation Average} + \text{FY 2017 Base Goal})/2 = \text{Adjusted DBE Goal}] \\ & [(37.53 \% + 23.18\%) \text{ divided by } 2] = 30.35\% \end{aligned}$$

APPENDIX

USDOT-Assisted Project Calculations

NAVAIDS					
NAICS	Type of Work	Weight	DBE	Market	Relative Availability
237990	Heavy Construction	11.4%	24	43	6.36%
237130	Power & Communications	22.3%	5	21	5.31%
238220	Poured Concrete	9.3%	22	48	4.26%
238210	Electrical & Wiring	21.3%	41	282	3.10%
236220	Institutional Building	7.8%	77	219	2.74%
423830	Electrical/Mechanical Equip.	24.4%	0	196	0.00%
238910	Site Preparation	3.5%	67	80	2.93%
		100.0%	236	889	24.7%

CIVIL AIRSIDE					
NAICS	Type of Work	Weight	DBE	Market	Relative Availability
237990	Heavy Construction	11.5%	24	43	6.42%
238110	Poured Concrete	12.3%	22	48	5.64%
237110	Water & Sewer	5.8%	17	30	3.29%
238120	Structural Steel	16.9%	11	18	10.33%
238210	Electrical & Wiring	27.7%	41	282	4.03%
238220	Mechanical	16.5%	19	466	0.67%
237130	Power & Communications	8.2%	5	21	1.95%
238910	Site Preparation	1.1%	67	80	0.92%
		100.0%	206	988	33.2%

PUMPING STATION					
NAICS	Type of Work	Weight	DBE	Market	Relative Availability
236210	Industrial Building	1.0%	21	5	4.20%
237130	Power & Communications	9.2%	5	21	2.19%
237990	Heavy Building	12.1%	24	43	6.75%
238210	Electrical & Wiring	9.8%	41	282	1.42%
238220	Mechanical	9.2%	19	446	0.39%
423830	Electrical/Mechanical Equip.	58.6%	0	196	0.00%
238910	Site Preparation	0.1%	67	80	0.08%
		100.0%	177	1073	15.0%

TAXIWAY PHASE I

NAICS	Type of Work	Weight	DBE	Market	Relative Availability
238140	Masonry Contractors	20.0%	9	24	7.50%
238110	Poured Concrete	60.0%	22	48	27.50%
237990	Civil Construction	20.0%	24	43	11.16%
		100.0%	55	115	46.2%

TAXIWAY PHASE II

NAICS	Type of Work	Weight	DBE	Market	Relative Availability
238140	Masonry Contractors	20.0%	9	24	7.50%
238110	Poured Concrete	60.0%	22	48	27.50%
237990	Civil Construction	20.0%	24	43	11.16%
		100.0%	55	115	46.2%

AIRFIELD REHABILITATION PHASE I

NAICS	Type of Work	Weight	DBE	Market	Relative Availability
238140	Masonry Contractors	20.0%	9	24	7.50%
238110	Poured Concrete	60.0%	22	48	27.50%
237990	Civil Construction	20.0%	24	43	11.16%
		100.0%	55	115	46.2%

AIRFIELD REHABILITATION PHASE II

NAICS	Type of Work	Weight	DBE	Market	Relative Availability
238140	Masonry Contractors	20.0%	9	24	7.50%
238110	Poured Concrete	60.0%	22	48	27.50%
237990	Civil Construction	20.0%	24	43	11.16%
		100.0%	55	115	46.2%