

**NEW ORLEANS AVIATION BOARD (NOAB)  
LOUIS ARMSTRONG NEW ORLEANS' INTERNATIONAL AIRPORT 2020 – 2022  
DISADVANTAGED BUSINESS ENTERPRISE GOAL  
GOAL SETTING METHODOLOGY AND CALCULATIONS FOR DBE PARTICIPATION**

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**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 33.99% was developed in compliance with 49 CFR Part 26 to ensure a level playing field for DBE certified businesses.** Of the overall goal, 4.76% will be Race and Gender Conscious or 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 based on total FAA AIP Commitments for 2019–2024 and AIP Discretionary Funds request, noted in Table 1. These projects, and the overall weighting of each project for calculation of the base goal is detailed below.

**Table 1: Anticipated FAA AIP Funded Projects**

<b>Project Time</b>	<b>Project</b>	<b>Amount</b>	<b>Weight</b>	<b>Weight (%)</b>
<b>2019</b>	Taxiway G West Extension	\$28,900,000	0.559102341	55.91%
<b>2019</b>	Airport Master Plan	\$2,000,000	0.038692204	3.87%
<b>2021</b>	Taxiway Rehabilitation Echo & Sierra & Foxtrot	\$10,790,000	0.208744438	20.87%
<b>2022</b>	Airfield Rehabilitation Program Runway 2-20	\$10,000,000	0.193461018	19.35%
		<b>\$51,690,000</b>	<b>1.0000000</b>	<b>100.00%</b>

Notably, \$51.69 million in projects are identified as contracting opportunities for the 2020–2022 DBE Goal Setting period.

### 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) 2016 Economic Census data for the New Orleans MSA is used to determine the general market population of ready, willing and able businesses. Table 2 displays a total market availability of 1365 total firms for the construction trades represented in the federally funded contracting opportunities as detailed below. Of these 351 DBE firms are DBE Certified.

**Table 2: DBE Market by NAICS**

NAICS	Type of Work	Market	DBEs
541330	ENGINEERING	353	38
541310	ARCHITECTURAL	112	15
541620	ENVIRONMENTAL	41	28
238110	POURED CONCRETE	47	26
238910	SITE PREPARATION	76	51
238210	ELECTRICAL	283	43
237110	WATER/SEWER LINE	30	22
541320	LANDSCAPING ARCHITECTURE	24	7
541370	GEOPHYSICAL SURVEYING/MAPPING	30	6
237130	POWER & COMMUNICATIONS LINES & STRUCTURES	21	3
484110	TRUCKING	73	33
237310	HIGHWAY	43	45
561730	LANDSCAPING	207	14
541820	PUBLIC RELATIONS	25	20
<b>Total</b>		<b>1365</b>	<b>351</b>

### 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. Based on the ready willing and able analysis, a base figure of 33.99% participation was developed as detailed below.

**Table 3: Relative Availability & Base Goal**

Project	Amount	DBE	Market	Relative Availability	Weight	Relative Weight
<b>2019</b>						
Taxiway G West Extension	\$28,900,000	302	997	0.302908726	55.91%	0.1693569779
Airport Master Plan	\$2,000,000	101	490	0.20612245	3.87%	0.0079753317
<b>2021</b>						
Taxiway Rehabilitation Echo & Sierra & Foxtrot	\$10,790,000	274	530	0.51698113	20.87%	0.1079169359
<b>2022</b>						
Airfield Rehabilitation Program- Runway 2-20	\$10,000,000	271	959	0.28258603	19.35%	0.0546693804
<b>TOTAL</b>						
	<b>\$51,690,000</b>					
					100.00%	0.3399186259
					<b>Base Goal</b>	<b>33.99%</b>

**HISTORIC PARTICIPATION**

After calculating the Base Figure of 33.99%, NOAB’s historic data was calculated from the period of 2008-2009 to 2017-2018 to determine if the goal is consistent with the agency’s performance. It was determined that NOAB has historic DBE direct participation ranging from 28% to 32% as detailed below.

**Table 4: Historic Participation**

<b>Fiscal Year</b>	<b>DBE Goal</b>	<b>DBE Attainment (%)</b>
2008 – 2009	30.66%	33.30%
2009 – 2010	28.29%	33.35%
2010 – 2011	29.04%	29.22%
2011 – 2012	31.83%	34.83%
2012 – 2013	27.87%	29.66%
2013 – 2014	31.85%	32.71%
2014 – 2015	31.85%	31.21%
2015 – 2016	31.85%	19.39%
2016 – 2017	30.35%	22.52%
2017 - 2018	30.35%	26.09%
<b>Average</b>	<b>30.39%</b>	<b>29.23%</b>
<b>Median</b>	<b>30.51%</b>	<b>30.44%</b>

In consideration of whether historic performance supports the calculated base goal of 33.99% for the 2020-2022 triennial period, adjustments to the base goal were considered. The average DBE goal of 30.39% and the average actual DBE attainment for the ten-year period (2008–2018) is 29.23%.

**CONSIDERED ADJUSTMENTS TO THE FY 2020 – 2022 BASE FIGURE DBE GOAL**

The base DBE goal calculated for 2020 – 2022 is 33.99%

The ten-year average DBE attainment is 29.23%

Adjustments to the FY 2020 – 2022 DBE Goal was considered as calculated using the following formula:

$$((10\text{-Year attainment Average}) + (\text{FY 2020 Base Goal}))/2 = \text{Adjusted DBE Goal}$$
$$(29.23\%) + 33.99\% \text{ divided by } 2 = 31.61\%$$

It was determined, in consideration of the potential adjustment, the specific scope of work for the anticipated projects, the Airport’s strong record attainment performance, and its strong DBE Program, the base goal of 33.99% is appropriate in consideration of several factors:

- Projected availability of DBEs to perform work on federally funded MSY projects over this triennial period;
- Current capacity of Market Area DBEs to perform work (relative availability at the NAICS/project level in the market area);

- The Airport’s capital projects pipeline and historic compliance with the MSY DBE program.

In addition, the City of New Orleans recently contracted with an economic research firm to conduct a Disparity study, which was made available in 2018. Key findings from the study included:

- 44% percent of local businesses are available for City work are MBE/WBEs.
- MBE/WBEs might be expected to receive 41 percent of City contract dollars if there were a level playing field for minority- and women-owned firms.
- Analysis of the New Orleans marketplace suggests that there is not a level playing field for minority- and women-owned businesses.
- There is evidence of disparities for people of color and women in entry and advancement, business ownership, access to capital and business success.
- There are substantial disparities in the utilization of MBE/WBEs.
- There is qualitative evidence of discrimination against minority and female business owners.
- Without City action, there would be disparities in MBE/WBE utilization in City contracts.
- To avoid being a passive participant in marketplace discrimination, there is a need for City efforts to assist minority- and women-owned companies in its procurement.”

These factors were considered, leading to a determination not to make further adjustments to the base goal based on the future pipeline as well as the historic performance, given promising evidence of ongoing and future capacity for inclusion of minority and small businesses at MSY.

### **USE OF RACE NEUTRAL MEANS**

Historically, the NOAB has achieved DBE participation through the use of race-neutral and race-conscious (contract goals) strategies. It is estimated that, in meeting the overall 33.99% DBE goal, 4.76% will be obtained from race-neutral participation. The estimation of race-neutral participation and race-conscious measures percentages are based on past participation and established goals. 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 federally 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.

The Airport will also utilize race-neutral means of facilitating DBE participation. The race-neutral measures include:

- Inclusion of DBE firms and other small businesses in project notifications.
- Supplying a list of potential subcontractors to potential prime contractors.

- Ensuring the widest feasible distribution of this program by utilizing the LAUCP Directory.

## **PUBLIC PARTICIPATION AND CONSULTATION**

This goal will be presented to the New Orleans Aviation Board. The meeting agenda reflecting discussion of the goal methodology and meeting sign in sheet will be provided in the Appendix. 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. Notice of the proposed overall goal will be made available to the public via the Airport's website, local news publication, public outreach email, and stakeholder engagement. 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. These notices will also be provided in the Appendix. A formal public notice, which indicated the location where the proposal can be reviewed and where comments can be transmitted, has also been published. These notices will be published in the following publications:

- NOLA.com
- *The Advocate*
- *New Orleans Tribune*

A Public Hearing on the goal will be scheduled and announced, taking place at the Airport. The Airport will continue to accept any written comments concerning the proposed goal through October 31, 2019.

## APPENDIX

<b>Taxiway G West Extension</b>					
<b>NAICS</b>	<b>Type of Work</b>	<b>Weight</b>	<b>DBE</b>	<b>Market</b>	<b>Relative Availability</b>
541330	Engineering	10%	38	353	0.010764873
238210	Electrical	5%	43	283	0.007597173
541370	Surveying	2%	6	30	0.004000000
238110	Poured Concrete	10%	26	47	0.055319149
237130	Power & Communication	5%	3	21	0.007142857
237110	Water and Sewer	2%	22	30	0.014666667
238910	Site Prep	10%	51	76	0.067105263
237310	Highway	40%	45	43	0.418604651
541620	Environmental Consulting	5%	28	41	0.034146341
484220	Trucking	9%	33	73	0.040684932
541320	Landscaping	2%	7	24	0.005833333
	<b>Total</b>	100%	302	997	0.665865239 <b>66.59%</b>

<b>Airport Master Plan</b>					
<b>NAICS</b>	<b>Type of Work</b>	<b>Weight</b>	<b>DBE</b>	<b>Market</b>	<b>Relative Availability</b>
541310	Architecture	20%	15	112	0.026785714
541330	Engineering	30%	38	353	0.032294618
541820	Public Relations	5%	20	25	0.040000000
541620	Environmental Consulting	45%	28	41	0.307317073
	<b>Total</b>	100%	101	490	0.406397405 <b>40.64%</b>

<b>Taxiway Rehabilitation Echo &amp; Sierra &amp; Foxtrot</b>					
<b>NAICS</b>	<b>Type of Work</b>	<b>Weight</b>	<b>DBE</b>	<b>Market</b>	<b>Relative Availability</b>
238210	Electrical	5%	43	283	0.007597173
541370	Surveying	2%	6	30	0.004000000
238110	Poured Concrete	10%	26	47	0.055319149
237130	Power and Communications	5%	3	21	0.007142857
237110	Water and Sewer	5%	22	30	0.036666667
237310	Highway	38%	45	43	0.397674419
238910	Site Prep	10%	51	76	0.067105263
541330	Engineering	10%	38	353	0.010764873
484220	Trucking	10%	33	73	0.045205479
561730	Landscaping	5%	7	24	0.014583333
	<b>Total</b>	100%	274	530	0.646059213 <b>64.61%</b>

<b>Airfield Rehabilitation Program- Runway 2-20</b>					
<b>NAICS</b>	<b>Type of Work</b>	<b>Weight</b>	<b>DBE</b>	<b>Market</b>	<b>Relative Availability</b>
561730	Landscaping	5%	7	24	0.014583333
541330	Engineering	10%	38	353	0.010764873
238110	Poured Concrete	10%	26	47	0.055319149
238910	Site Prep	10%	51	76	0.067105263
484220	Trucking	10%	33	73	0.045205479
238210	Electrical	5%	43	283	0.007597173
237110	Water and Sewer	5%	22	30	0.036666667
541370	Surveying	2%	6	30	0.004000000
237310	Highway	43%	45	43	0.450000000
237130	Power and Communications	5%	0	21	0.000000000
	<b>Total</b>	<b>100%</b>	<b>271</b>	<b>959</b>	<b>0.691241937</b>
					<b>69.12%</b>

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