

Phoenix-Mesa Gateway Airport

Mesa, AZ

Overall DBE Three-Year (FFY24 – 26) Goal Methodology

Introduction To DBE Goal Setting

This report details the methodology used for establishing a three-year (FY 2024-2026) overall goal for Airport DBE participation for the Phoenix Mesa Gateway Airport. Since the Airport is a recipient of federal funds for airport improvement projects, the airport is required under 49 CFR Part 26 to establish goals for DBE participation on DOT-assisted contracts as it plans to award prime contracts with an annual cumulative total value that exceeds \$250,000 in FAA funds. The Airport is required to review its DBE participation achievement annually, and this annual review determines whether or not the triennial DBE goal is being met. If the goal is not being met, a goal adjustment may be necessary due to unanticipated conditions impacting the DBE goal's attainment.

Anticipated Federally Funded Projects

This analysis is based on the projects reported on the Airport's ACIP submitted to the State of Arizona Department of Transportation in 2022. The Airport anticipates awarding a total of \$42,405,360 in FAA-assisted contracts for Airport improvement projects during the three-year goal period of FY 2024-2026. **Table 1** below provides a breakdown of anticipated projects and associated funds.

Table 1 - Anticipated Federally Funded Projects (FY 2024-2026)

FFY	Project	Anticipated Project Total*
2024	Reconstruct 2,600 linear feet of Runway 12R/30L	\$ 16,000,000.00
2024	Mill and repave 5,500 linear feet of Runway 12C/30C	\$ 2,500,000.00
2025	Design, realignment, and reconstruct Taxiway Golf	\$ 12,974,800.00
2026	Design & Construct midfield connectors	\$ 10,930,560.00
Estimated Totals, FFY 2024-2026		\$ 42,405,360.00

Notes:

FFY= Federal Fiscal Year (October 1 - September 30)

*Anticipated Project Totals includes federal, state, and local funds

Determination of Market Area

A market area is the geographical area in which the substantial majority of firms that seek to do business with the Airport are located, and the geographical area in which the firms that are awarded the substantial majority of DOT-associated contracts are located. Phoenix Mesa Gateway Airport (IWA) is located in Central Arizona within Maricopa County, with close proximity to Pima and Pinal Counties. The Airport has determined that the Airport's market area encompasses the Arizona counties of Maricopa, Pinal, and Pima. This determination was based on previously awarded contracts and firms that are ready, willing, and able to do business at the Airport.

Step 1 – Determination of Base Figure

49 CFR Part 26, Section 26.45 requires a two-step process to develop an overall DBE participation goal. Step one prescribes the calculation of a base figure for the relative availability of DBEs within the market area. This base figure is determined by comparing all ready, willing, and able DBE firms in the market area to all market area firms ready, willing, and able that are capable of performing the anticipated work at the Airport during this three-year goal period.

The Arizona Department of Transportation’s (ADOT) Unified Certification Program (UCP) database was referenced to determine the number of certified DBE firms in the market area that fall into the applicable North American Industrial Classification System (NAICS) Codes of construction and professional services. Additionally, the U.S. Census Bureau’s 2021 County Business Pattern (CBP) data was referenced to determine the total number of firms in the market area within the respective NAICS Codes. **Table 2**, presented on the following page, provides the NAICS Codes related to the anticipated contracting opportunities at the Airport for this goal period and the number of firms, DBE and non-DBE, that fall within these codes.

Table 2 - NAICS Codes and Market Area Firms

Type of Work	NAICS Code	DBE Firms Willing to Work in Market Area*†	Total Market Area Firms	DBE Percent Availability
Highway, Street, and Bridge Construction	237310	39	129	
Concrete Pouring / Resurfacing	238110	26	299	
Electrical Contractors	238210	34	1,269	
Site Preparation Contractors	238910	25	395	
Architecture	541310	9	481	
Engineering Services	541330	57	1,119	
Survey	541370	13	90	
Testing	541380	8	121	
Total		211	3,903	5.41%

Sources:

North American Industry Classification System (accessed May 2023).

Arizona Department of Transportation Unified Certification Program UTRACS (accessed May 2023): <https://utracs.azdot.gov/Search/>

U.S. Census Bureau, 2021 County Business Patterns: <https://www.census.gov/programs-surveys/cbp.html>

Notes:

NAICS = North American Industrial Classification System

DBE = Disadvantage Business Enterprise

*Market area consists of Maricopa, Pinal, and Pima Counties

†DBE Firms Willing to Work in the market area were determined from available data on ADOT’s UCP UTRACS database.

The Airport has determined that there are 211 ready, willing, and able DBE firms in the market area within the applicable NAICS Codes of construction and professional services for the work anticipated

over the three-year goal period. This figure is compared to 3,903, or the total number of all firms (DBE and non-DBE) in the market area that are ready, willing, and able to perform the anticipated work at the Airport, according to the U.S. Census Bureau’s 2021 CBP data.

Based on the contracting opportunities at the Airport for this goal period, the NAICS Codes can be further organized into two broad work categories: Engineering, Planning, and Technical Services and Construction Services. **Table 3** groups the NAICS Codes from **Table 2** into these broad categories. Additionally, **Table 3** displays an estimated breakdown of the approximate percentage of contract dollars for each work category and presents the relative availability of DBEs within the market area from which a base figure may be derived.

Work Category	Applicable NAICS Codes (from Table 2)	DBE Firms Willing to Work in Market Area*†	Total Market Firms	DBE Availability‡	Percent of Estimated Total Expenditure	Weighted DBE Availability§
A&E, Survey and Testing	541310 541330 541370 541380	87	1,811	4.80%	9%	0.43%
Construction Services	237310 238110 238210 238910	124	2,092	5.93%	91%	5.39%
Total		211	3,903			5.83%

Sources:

North American Industry Classification System (accessed May 2023).

Arizona Department of Transportation Unified Certification Program UTRACS (accessed May 2023): <https://utracs.azdot.gov/Search/>

U.S. Census Bureau, 2021 County Business Patterns: <https://www.census.gov/programs-surveys/cbp.html>

Notes:

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†DBE Firms Willing to Work in the market area were determined from available data on ADOT’s UCP UTRACS database.

‡DBE Availability is calculated per the following: Market Area DBE Firms Willing to Work in Market Area ÷ Total Market Area Firms.

§Weighted DBE Availability is calculated per the following: DBE Availability x Percent of Estimated Total Expenditure

As shown in **Table 3**, a weighted DBE availability was developed based on an approximate percentage of contract dollars for each work category. From this analysis, the Airport has determined a base figure for the overall goal for Airport DBE participation of **5.83%** (0.43% + 5.83%).

Step 2 - Adjustments Needed to Availability

49 CFR Part 26, Section 26.45 requires that additional evidence, if available, is considered to determine if an adjustment to the base figure is warranted. This step ensures that the overall goal for Airport DBE participation reflects the local economic climate of a given market and takes historical DBE participation into consideration. These factors are evaluated in this section.

Historical DBE Participation

Table 4 illustrates historical reporting periods in which projects containing similar major work items as those anticipated for FFY 2024-26 were conducted at the Airport.

Table 4

Historical DBE Participation in Awards under Updated Race Neutral Program		
FFY 22	16.4%	\$4,868,995
FFY 21	0.00%	\$0
FFY 20	3.1%	\$565,438
FFY 19	5.5%	\$496,888
FFY 18	14.3%	\$1,474,112
Median for FY18-22 = 5.5%		

An adjustment to the base figure may be based on historical DBE participation. The median DBE participation rate for FFY18-22 was 5.5%. An adjustment will be made to the base figure based on the Airport's Historical DBE participation.

Disparity Studies

ADOT analyzes the availability of DBE firms every three years in a disparity study that informs the department's overall DBE goals. The results of the most recent disparity study, completed in April 2020, suggest that the number of minority- and women-owned firms in the State of Arizona have increased by 5% since 2015. Subsequently, ADOT's DBE goals increased. While this disparity study is relevant to the total number of DBE firms within the Airport's market area, the number of DBE firms willing to work in Maricopa County remains unchanged. Therefore, this disparity study will not be considered in the determination of the overall DBE participation goal. The Airport is not aware of any additional disparity studies within the market area that may impact this goal-setting process.

Other Evidence

The Airport is not aware of any other evidence, factors, or adverse considerations that would have a material effect on DBE availability within the market area or on the ability of DBEs to participate in the Airport's DOT-assisted contracts. The Airport will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete on opportunities at the Airport.

Determination Of Overall DBE Participation Goal

DBE Participation Goal and Methodology

To arrive at an overall goal, the base goal calculated in the step 1 base figure (5.83%) was added with the step 2 median historical DBE Participation rate (5.5%) and then divided by 2 to arrive at the averaged total overall goal of 5.67% with adjustments. Therefore, the Airport has determined an overall goal for Airport DBE participation of **5.67%** for the period of FY 2024-2026.

This goal will be reviewed annually, and a goal adjustment may be necessary due to unanticipated conditions impacting the DBE goal's attainment. This goal represents a percentage of total federal dollars that should try to be expended on DBE firms to perform work on DOT-assisted contracts. The Airport's overall goal for Airport DBE participation illustrates the availability of ready, willing, and able DBE firms that are capable of participating in the planned contract opportunities at the Airport, as summarized in **Table 1**, and is reflective of the amount of DBE participation expected absent the effects of discrimination.

Race and Gender-Neutral Implementation Measures

The Airport intends to meet the maximum feasible portion of this goal through race-neutral measures. Race-neutral DBE participation includes any instance where a DBE firm wins a prime contract through customary competitive procurement procedures or is awarded a subcontract that does not carry a DBE contract goal. The overall goal for Airport DBE participation and breakout of race-neutral measures will be reviewed annually, and a goal adjustment may be necessary due to unanticipated conditions impacting the DBE goal's attainment.

Public Notice and Comment

(Consultation and Public Outreach Efforts to be documented at the conclusion of the public comment period. Public Comment Period is from May 18, 2023 to June 17, 2023)

If the proposed goal changes following review by FAA, the revised goal will be posted on PMGAA official website.

Notwithstanding paragraph (f)(4) of §26.45, PMGAA proposed goals will not be implemented until this requirement has been met.