

**FY 2018 – FY 2020**

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY  
FOR**



**SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT**

**SAVANNAH, GEORGIA**

**OCTOBER 2017**

**METHODOLOGY for Establishing the FY 2018 – FY 2020 Overall Disadvantaged Business Enterprise (DBE) Goal for:**

*SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT  
Savannah, Georgia*

In fulfillment of the requirements of 49 CFR Part 26, the Savannah Airport Commission (hereafter ‘the Airport Commission’) has developed a proposed Overall Goal for FY 2018-2020 FAA-AIP projects for the Savannah/Hilton Head International Airport. The methodology used in establishing this goal is described herein.

Airport Sponsor: **Savannah Airport Commission**

Airport: **Savannah/Hilton Head International Airport**

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**I. Detailed Methodology: Specific Steps**

**A. Amount of Goal**

The Airport Commission’s FY 2018-2020 overall goal for the Federal financial assistance it will expend in USDOT-assisted contracts is the following:

Overall Goal:	<b><u>10.6%</u></b>
Race-Neutral:	<b><u>2.9%</u></b>
Race-Conscious:	<b><u>7.7%</u></b>

Given the amount of USDOT-assisted contracts that the Airport Commission expects to let from FY 2018-2020, which is approximately **\$15,969,713**, this means that the Authority has set a goal of expending approximately **\$1,503,798** with DBEs during this period.

**B. Determination of the Market Area of the study**

The normal market area was based on discussions with the Airport Commission staff and an assessment of bidders from similar recent projects. Specifically, the market area is based on where the substantial majority of bidders, both successful and unsuccessful are located and where the substantial majority of funding was spent as illustrated in **Table 1** below.

**Table 1: Market Area for  
Savannah/Hilton Head International Airport**

<b>County</b>	<b>Number of Bidders</b>	<b>Percent of Bidders</b>	<b>Dollars spent</b>	<b>Percent of dollars spent</b>
Chatham	5	31.3%	\$1,323,972	14.6%
Fayette	1	6.3%		0.0%
Liberty	2	12.5%	\$4,798,428	52.9%
Tattnall	1	6.3%		0.0%
Ware	1	6.3%		0.0%
<b>Market Area</b>	<b>10</b>	<b>62.5%</b>	<b>\$6,122,400</b>	<b>67.5%</b>
Other	6	37.5%	\$2,949,395	32.5%
<b>Total</b>	<b>16</b>	<b>100.0%</b>	<b>\$9,071,795</b>	<b>100.0%</b>

**C. Determination of relevant NAICS codes**

Based on information provided by the Airport Commission concerning the proposed projects, a list of NAICS codes corresponding to these projects was developed and is shown below:

**Table 2: Savannah/Hilton Head International Airport  
FY 2018-FY 2020 Projects & Activities**

FY	PROJECT	ACTIVITY	NAICS
FY 2018	Jumbo GA FIS Facility	Building Construction	236220
		Water/Sewer Line	237110
		Highway & Street	237310
		Drainage	237990
		Concrete	238110
		Structural Steel	238120
		Roofing	238160
		Electrical	238210
		Mechanical	238220
		Carpentry	238350
		Site Prep	238910
		Fencing	238990
		Engineering	541330
		Surveying	541370
Landscaping	561730		
FY 2019	<b><i>No projects at this time</i></b>		
FY 2020	Design Terminal Expansion/Passenger Processing Area/FIS	Engineering	541330
	Wood stork Management	Environmental Consulting	541620
		Bird proofing Services	561710
	Air Cargo Ramp	Highway & Street	237310
		Site Prep	238910
		Engineering	541330
		Landscaping	561730

SOURCE: Savannah/Hilton Head International Airport

**D. Determination of Relative Availability Of DBEs in Market Area, Compared to all Firms**

**Table 3a: DBES—SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT  
by Relevant NAICS Codes—FY 2018  
Jumbo GA FIS Facility**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
Building Construction	236220	11	87	12.6%	\$1,982,275	\$250,632.43
Water/Sewer Line	237110	1	25	4.0%	\$166,439	\$6,657.56
Highway & Street	237310	6	53	11.3%	\$2,017,355	\$228,379.78
Drainage	237990	2	10	20.0%	\$243,433	\$48,686.50
Concrete	238110	2	8	25.0%	\$328,795	\$82,198.68
Structural Steel	238120	1	6	16.7%	\$545,324	\$90,887.34
Roofing	238160	0	24	0.0%	\$298,306	\$0.00
Electrical	238210	3	99	3.0%	\$1,306,145	\$39,580.15
Mechanical	238220	0	160	0.0%	\$990,427	\$0.00
Carpentry	238350	1	26	3.8%	\$1,387,520	\$53,366.14
Site Prep	238910	8	44	18.2%	\$1,307,571	\$237,740.17
Fencing	238990	6	32	18.8%	\$46,000	\$8,625.00
Engineering	541330	5	117	4.3%	\$869,633	\$37,163.78
Surveying	541370	1	21	4.8%	\$50,800	\$2,419.05
Landscaping	561730	3	141	2.1%	\$99,192	\$2,110.47
<b>Total</b>					<b>\$11,639,213</b>	<b>\$1,088,447</b>
<b>Weighted Step 1 Goal =</b>						<b>9.4%</b>

SOURCES:

1. 2015 County Business Patterns, U.S. Census Bureau.
2. Georgia UCP DBE Directory, August 2017.

**Table 3b: DBES—SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT  
by Relevant NAICS Codes—FY 2020  
Design Terminal Expansion/Passenger Processing Area/FIS**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
Engineering	541330	5	117	4.3%	\$130,500	\$5,577
<b>Total</b>					<b>\$130,500</b>	<b>\$5,577</b>
<b>Weighted Step 1 Goal =</b>						<b>4.3%</b>

SOURCES:

1. 2015 County Business Patterns, U.S. Census Bureau.
2. Georgia UCP DBE Directory, August 2017.

**Table 3c: DBES—SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT  
by Relevant NAICS Codes—FY 2020  
Wood stork Management**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
Environmental Consulting	541620	0	14	0.0%	\$90,000	\$0
Bird proofing Services	561710	1	44	2.3%	\$810,000	\$18,409
<b>Total</b>					<b>\$900,000</b>	<b>\$18,409</b>
<b>Weighted Step 1 Goal =</b>						<b>2.0%</b>

SOURCES:

1. 2015 County Business Patterns, U.S. Census Bureau.
2. Georgia UCP DBE Directory, August 2017.

**Table 3d: DBES—SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT  
by Relevant NAICS Codes—FY 2020  
Air Cargo Ramp**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Goal (Dollars)
Highway & Street	237310	6	53	11.3%	\$2,342,323	\$265,169
Site Prep	238910	8	44	18.2%	\$568,623	\$103,386
Engineering	541330	5	117	4.3%	\$355,515	\$15,193
Landscaping	561730	3	141	2.1%	\$33,539	\$714
<b>Total</b>					<b>\$3,300,000</b>	<b>\$384,461</b>
<b>Weighted Step 1 Goal =</b>						<b>11.7%</b>

SOURCES:

1. 2015 County Business Patterns, U.S. Census Bureau.
2. Georgia UCP DBE Directory, August 2017.

**NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.**

#### **E. Determination of the “Weighted” DBE Base Figure**

The Step 1 DBE Base Figure for each project was derived by multiplying the dollars for each activity by the percentage of relevant DBE firms to all relevant firms. The total DBE goal in dollars was divided by the total project costs to derive the step 1 goals.

The Step 1 DBE Base Figures for the Airport Commission are as follows:

Jumbo GA FIS Facility -	<b>9.4%</b>
Design Terminal Expansion/Passenger Processing Area/FIS -	<b>4.3%</b>
Wood stork Management -	<b>2.0%</b>
Air Cargo Ramp -	<b>11.7%</b>

## II. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

### A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

*“(i) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.*

The historical overall DBE goals accomplished at the Airport in recent years were examined relative to the above consideration. Notice the annual DBE percent accomplishment indicated in Table 4 below:

**Table 4: Savannah/Hilton Head International Airport DBE Accomplishment**

Report Period	DBE Goal	DBE Percent Achieved	Achieved Over/Under
FY 2014	8.8%	11.7%	2.9%
FY 2015	9.8%	8.0%	-1.8%
FY 2016	9.8%	12.9%	3.1%
<b>MEDIAN</b>	<b>9.8%</b>	<b>11.7%</b>	<b>2.9%</b>

The median DBE accomplishment for the periods as shown above for the Airport Commission is 11.7%.

**B. Consultations**

The Airport Commission held a public meeting on October 30, 2017. The purpose of the meeting was to solicit information from interested stakeholders about the draft goal, as well as the availability of potential DBEs at the Airport, the effects of discrimination on opportunities for DBEs, and the Airport Commission’s effort to increase DBE participation. Please see Appendix B for the attendee list and public comments.

**C. Adjustment to Step 1 DBE Base Figures: Savannah/Hilton Head International Airport, FY 2018-FY 2020**

With the adjustment factors considered to this point, the Airport Commission will adjust the Step 1 base figures as calculated above by averaging the accomplishment factor derived in Table 4 above (11.7%) with the base figures, for an adjusted overall DBE goal.

**Table 5: Savannah/Hilton Head International Airport  
FY 2018 – FY 2020 Overall Goal**

Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total project costs	DBE Goal (dollars)
FY 2018	Jumbo GA FIS Facility	9.4%	11.7%	10.6%	\$11,639,213	\$1,227,937
<b>FY 2018 Total</b>				<b>10.6%</b>	<b>\$11,639,213</b>	<b>\$1,227,937</b>
<i>No projects at this time</i>						
<b>FY 2019 Total</b>				<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
FY 2020	Design Terminal Expansion/Passenger Processing Area/FIS	4.3%	11.7%	8.0%	\$130,500	\$10,440
	Wood stork Management	2.0%	11.7%	6.9%	\$900,000	\$61,650
FY 2020	Air Cargo Ramp	11.7%	11.7%	11.7%	\$3,300,000	\$386,100
<b>FY 2020 Total</b>				<b>10.6%</b>	<b>\$4,330,500</b>	<b>\$458,190</b>
<b>FY 2018 - FY 2020 Overall Goal</b>				<b>10.6%</b>	<b>\$15,969,713</b>	<b>\$1,686,127</b>



The total DBE goal in dollars was divided by the total federal portion of project costs to derive the overall DBE goal of 10.6% for FY 2018-FY 2020.

### **III. Process**

The Airport Commission normally submits its overall goal to the FAA on or before August 1 of each goal period.

Before establishing the overall goal this year, the Airport Commission consulted with minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Airport Commission's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, the Airport Commission published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale were available for review and comment during normal business hours at the Airport's administrative office for 30 days following the date of the notice. The notice included addresses (including offices) to which comments could be sent and addresses where the proposal could be reviewed. This process was used to establish the goals for FY 2018 through FY 2020.

The Airport Commission's overall goal submission to the FAA will include a summary of information and comments received during this public participation process and our responses.

The Airport Commission will begin using the overall goal on October 1 of each year, unless the Airport Commission has received other instructions from DOT/FAA (or, if the goal is established on a project basis) by the time of the first solicitation for a DOT/FAA-assisted contract for the projects.

### **IV. Breakout of Estimated Race-Conscious/Race-Neutral Participation**

The Airport Commission will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Airport Commission will use a combination of the following race-neutral means to increase DBE participation:

1. *Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
2. *Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses,*

*on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).*

The Airport Commission proposes a race-conscious goal of **7.7%** and a race-neutral goal of **2.9%**, for a total of **10.6%**. The reason for this breakout is that the projects from the previous years show that the median amount by which the past DBE goals were over-achieved is **2.9%** (see **Table 4**).

The Airport Commission will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains 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; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

## **V. Contract Goals**

The Airport Commission will use contract goals to meet any portion of the overall goal that it does not project being able to meet using race-neutral 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 our overall goal that is not projected to be met through the use of race-neutral means.

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

The Airport Commission will express its contract goals as a percentage of the Federal share of a DOT-assisted contract.

**Resources: Savannah/Hilton Head International Airport FY 2018 – FY 2020  
Disadvantaged Business Enterprise Program Methodology**

**A. Resource Documents:**

1. Savannah Airport Commission Capital Improvements Plan.
2. Georgia Unified Certification Program, DBE Directory.
3. Uniform Report of DBE Commitments/Awards and Payments
4. 2015 County Business Patterns, U.S. Census Bureau