



Southern California

LOGISTICS AIRPORT

**SOUTHERN CALIFORNIA LOGISTICS AIRPORT
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL DBE GOAL AND METHODOLOGY
FOR
FEDERAL FISCAL YEARS (FFY) 2022/24**

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(Covering the period of October 1, 2021 to September 30, 2024)

I. INTRODUCTION

The City of Victorville’s Southern California Logistics Airport (hereinafter referred to as “SCLA”) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation as a condition of receiving federal assistance, pursuant Moving Ahead for Progress in the 21st Century; 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs” and the Federal Aviation Administration (FAA) Master Funding Agreement.

II. BACKGROUND

Effective March 3, 2010, the United States Department of Transportation (“DOT”) issued a final rule affecting the implementation and management of the Department’s Disadvantaged Business Enterprise (“DBE”) program. The final rule required submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, the SCLA is required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, the SCLA DBE goal and methodology submission is due to FAA on August 1, 2021 for proposed FAA funded contracting activities for Federal Fiscal Years (FFY) 2022/24.

SCLA herein presents its Proposed Overall DBE Goal Methodology for FFY 2022-24 goal period, which resulted in a 9% Overall DBE Goal.

III. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2022-2024

Table 1 represents the SCLA U.S. DOT-assisted (FAA) contracting program, which includes three (3) projects considered in preparing its ***Overall DBE Goal-Setting Methodology***. The projects: the Reconstruct Runway 17/35 (Phase IV) and Reconstruct Runway 17/35 (Phase V), and Runway Concrete Reconstruction 17/35 (Phase I) have viable subcontracting possibilities, a required criterion for Overall Goal consideration, and are anticipated to be awarded within FFYs 2022/24.

Table 1

PROJECT	Total Estimated Project Cost (Federal Share)
Reconstruct Runway 17/35 - Phase IV	\$5,300,000
Runway 17/35 Reconstruction – Phase V	\$4,500,000
Runway 17/35 Concrete Reconstruction – Phase I	\$5,400,000
TOTAL	\$15,200,000

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish the SCLA’s Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the SCLA FFYs 2022/24 DOT-assisted contracting opportunities projected to be solicited during the respective goal period, SCLA followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the *California Unified Certification Program (CUCP) Directory of Certified DBE Firms* and the *2019 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within the SCLA market area (defined as Los Angeles County, Orange County, Riverside County and San Bernardino County) and by specified industries and types of businesses identified in Table 2. The SCLA local market area represents where the substantial majority of the SCLA contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

SCLA made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to *Table 2 below*:

Table 2

Project: Runway 17/35 Reconstruction - Phase IV	Project Anticipated Value: \$5,300,000	%	Value
212312	Crushed and Broken Limestone Mining and Quarrying	0.25	13,250.00
212313	Crushed and Broken Granite Mining and Quarrying	0.25	13,250.00

¹ §26.45 represents Title 49 CFR Part 26 regulatory referenced section.

212319	Other Crushed and Broken Stone Mining and Quarrying	0.25	13,250.00
237310	Highway, Street, and Bridge Construction	4.5	238,500.00
238110	Poured Concrete Foundation and Structure Contractors	20	1,060,000.00
238910	Site Preparation Contractors	12.5	662,500.00
238990	All Other Specialty Trade Contractors	8	424,000.00
324121	Asphalt Paving Mixture and Block Manufacturing	10	530,000.00
327320	Ready-Mix Concrete Manufacturing	10.95	580,350.00
327390	Other Concrete Product Manufacturing	6.55	347,150.00
327991	Cut Stone and Stone Product Manufacturing	0.25	13,250.00
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.5	26,500.00
484110	General Freight Trucking, Local	6.75	357,750.00
484220	Specialized Freight (except Used Goods) Trucking, Local	3.25	172,250.00
524126	Direct Property and Casualty Insurance Carriers	1.5	79,500.00
524210	Insurance Agencies and Brokerages	0.5	26,500.00
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	0.5	26,500.00
541330	Engineering Services	4	212,000.00
541360	Geophysical Surveying and Mapping Services	0.25	13,250.00
541370	Surveying and Mapping (except Geophysical) Services	0.25	13,250.00
541380	Testing Laboratories	2	106,000.00
541611	Administrative Management and General Management Consulting Services	6	318,000.00
541620	Environmental Consulting Services	0.5	26,500.00
561612	Security Guards and Patrol Services	0.5	26,500.00
Subtotal		100	5,300,000.00
Project: Runway 17/35 Reconstruction - Phase V	Project Anticipated Value: \$4,500,000	%	Value
212312	Crushed and Broken Limestone Mining and Quarrying	0.25	11,250.00
212313	Crushed and Broken Granite Mining and Quarrying	0.25	11,250.00
212319	Other Crushed and Broken Stone Mining and Quarrying	0.25	11,250.00
237310	Highway, Street, and Bridge Construction	4.5	238,500.00

238110	Poured Concrete Foundation and Structure Contractors	20	1,060,000.00
238910	Site Preparation Contractors	12.5	662,500.00
238990	All Other Specialty Trade Contractors	8	360,000.00
324121	Asphalt Paving Mixture and Block Manufacturing	10	530,000.00
327320	Ready-Mix Concrete Manufacturing	10.95	492,750.00
327390	Other Concrete Product Manufacturing	6.55	347,150.00
327991	Cut Stone and Stone Product Manufacturing	0.25	11,250.00
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.5	22,500.00
484110	General Freight Trucking, Local	6.75	303,750.00
484220	Specialized Freight (except Used Goods) Trucking, Local	3.25	146,250.00
524126	Direct Property and Casualty Insurance Carriers	1.5	67,500.00
524210	Insurance Agencies and Brokerages	0.5	22,500.00
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	0.5	22,500.00
541330	Engineering Services	4	180,000.00
541360	Geophysical Surveying and Mapping Services	0.25	11,250.00
541370	Surveying and Mapping (except Geophysical) Services	0.25	11,250.00
541380	Testing Laboratories	2	90,000.00
541611	Administrative Management and General Management Consulting Services	6	270,000.00
541620	Environmental Consulting Services	0.5	22,500.00
561612	Security Guards and Patrol Services	0.5	22,500.00
Subtotal		100	4,500,000.00
Project: Runway 17/35 Concrete Reconstruction - Phase I	Project Anticipated Value: \$5,400,000	%	Value
212312	Crushed and Broken Limestone Mining and Quarrying	0.25	13,500.00
212313	Crushed and Broken Granite Mining and Quarrying	0.25	13,500.00
212319	Other Crushed and Broken Stone Mining and Quarrying	0.25	13,500.00
237310	Highway, Street, and Bridge Construction	3.5	189,000.00
238110	Poured Concrete Foundation and Structure Contractors	24	1,296,000.00
238910	Site Preparation Contractors	12	648,000.00
238990	All Other Specialty Trade Contractors	8	432,000.00

324121	Asphalt Paving Mixture and Block Manufacturing	7.5	405,000.00
327320	Ready-Mix Concrete Manufacturing	10.95	591,300.00
327390	Other Concrete Product Manufacturing	6.55	353,700.00
327991	Cut Stone and Stone Product Manufacturing	0.25	13,500.00
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.5	27,000.00
484110	General Freight Trucking, Local	6.75	364,500.00
484220	Specialized Freight (except Used Goods) Trucking, Local	3.25	175,500.00
524126	Direct Property and Casualty Insurance Carriers	1.5	81,000.00
524210	Insurance Agencies and Brokerages	0.5	27,000.00
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	0.5	27,000.00
541330	Engineering Services	4	216,000.00
541360	Geophysical Surveying and Mapping Services	0.25	13,500.00
541370	Surveying and Mapping (except Geophysical) Services	0.25	13,500.00
541380	Testing Laboratories	2	108,000.00
541611	Administrative Management and General Management Consulting Services	6	324,000.00
541620	Environmental Consulting Services	0.5	27,000.00
561612	Security Guards and Patrol Services	0.5	27,000.00
Subtotal		100	5,400,000.00
Total	\$15,200,000.00		

To determine the relative availability of DBEs, SCLA divided the numerator² representing the ratio of ready, willing and able DBE firms, by the denominator³ representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2019 U.S. Census Bureau's Business Pattern Database (CBP)*

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{DBE Availability \%}$$

To determine the appropriate weighting percent by NAICS, the estimated dollar value by NAICS was divided by the total estimated federal dollars for FFY 2022/24. The weighting percent by

² Numerator represents all DBE firms established within the County's market area.
³ Denominator represents all comparable available established firms.

NAICS was then multiplied by the DBE Availability % to determine the Base Figure % by NAICS, see below:

$$\text{Weighting} \quad \times \quad \text{DBE Availability \%} \quad = \quad \text{Base Figure \% by NAICS}$$

To determine the Step 1 Base Figure, the SCLA added together all Base Figure % by NAICS in Table 3 below, resulting in a 24.68% that was multiplied by 70%, (to account for 30% Prime performance required on most SCLA's contracts) to produce a Step 1 Base Figure of 17.28%.

Table 3

NAICS	Description	Value	Weight (B/A)	# of DBE's	# of All Items Census	DBE Availability (D/E)	Base Figure (F x C)
212312	Crushed and Broken Limestone Mining and Quarrying	\$38,000.00	0.25%	1	9	11.11%	0.03%
212313	Crushed and Broken Granite Mining and Quarrying	\$38,000.00	0.25%	1	5	20.00%	0.05%
212319	Other Crushed and Broken Stone Mining and Quarrying	\$38,000.00	0.25%	2	5	40.00%	0.10%
237310	Highway, Street, and Bridge Construction	\$630,000.00	4.14%	235	246	95.53%	3.95%
238110	Poured Concrete Foundation and Structure Contractors	\$3,256,000.00	21.42%	102	647	15.77%	3.38%
238910	Site Preparation Contractors	\$1,873,000.00	12.32%	140	846	16.55%	2.04%
238990	All Other Specialty Trade Contractors	\$1,216,000.00	8.00%	173	1277	13.55%	1.08%
324121	Asphalt Paving Mixture and Block Manufacturing	\$1,385,000.00	9.11%	1	36	2.78%	0.25%
327320	Ready-Mix Concrete Manufacturing	\$1,664,400.00	10.95%	3	116	2.59%	0.28%
327390	Other Concrete Product Manufacturing	\$995,600.00	6.55%	7	51	13.73%	0.90%
327991	Cut Stone and Stone Product Manufacturing	\$38,000.00	0.25%	0	57	0.00%	0.00%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	\$76,000.00	0.50%	33	173	19.08%	0.10%
484110	General Freight Trucking, Local	\$1,026,000.00	6.75%	150	2244	6.68%	0.45%

484220	Specialized Freight (except Used Goods) Trucking, Local	\$494,000.00	3.25%	384	696	55.17%	1.79%
524126	Direct Property and Casualty Insurance Carriers	\$228,000.00	1.50%	6	337	1.78%	0.03%
524210	Insurance Agencies and Brokerages	\$76,000.00	0.50%	22	6963	0.32%	0.00%
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	\$76,000.00	0.50%	44	211	20.85%	0.10%
541330	Engineering Services	\$608,000.00	4.00%	454	3254	13.95%	0.56%
541360	Geophysical Surveying and Mapping Services	\$38,000.00	0.25%	19	19	100.00%	0.25%
541370	Surveying and Mapping (except Geophysical) Services	\$38,000.00	0.25%	81	176	46.02%	0.12%
541380	Testing Laboratories	\$304,000.00	2.00%	75	372	20.16%	0.40%
541611	Administrative Management and General Management Consulting Services	\$912,000.00	6.00%	839	4453	18.84%	1.13%
541620	Environmental Consulting Services	\$76,000.00	0.50%	352	496	70.97%	0.35%
561612	Security Guards and Patrol Services	\$76,000.00	0.50%	55	941	5.84%	0.03%

Total DBE Work Amount: 17.39%
Base Figure: 17%
 (rounded)

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, SCLA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the SCLA market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the SCLA *Past DBE Goal Attainments, Disparity Studies, and Other Evidence*, as follows:

A. Past DBE Goal Attainments

The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by SCLA within the last three (3) Federal Fiscal Years:

Table 4

Year	Attainment
FFY 2020	0%
FFY 2019	0%
FFY 2018	1.1%
Median of Past Awards = 0%, 0% , 1.1% = 0% Median Past Participation	

**FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.*

SCLA considered an adjustment to the Base Figure based on the median DBE participation on DOT-assisted contracts completed within the past three FFYs (2018/20). The median goal attainment for the past three years is less than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on SCLA’s past DBE goal participation has been made. Although no DOT-assisted projects were awarded in FFYs 2019 and 2020, the projects procured in 2018 were similar in scope to the three projects projected to be solicited in the coming goal period. The years reviewed included projects with a similar variety in scope to the scopes projected for the 2022/24 period. As three years of DBE Participation data was reviewed and SCLA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform in the 2022/24 overall goal period. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past participation, as shown below.

$17\% \text{ Base Figure} + 0\% \text{ Median Past Participation} = 17\%$ $17/2 = 8.5\%$ <p>Adjusted Base Figure: 9% (Rounded to the nearest whole number)</p>

The formula resulted in a downward adjustment to Base Figure based from 17% to 9%.

B. SCLA Bidders List

SCLA does not have a viable Bidder’s List from a similar contract to those contracting opportunities identified and considered in the DBE Goal Analysis for federal fiscal years 2022-24. At this time SCLA does not have any information from similar Federal projects procured in the past three years. SCLA will work to build and maintain a Bidder’s List that can be utilized for future goal development. SCLA has not made an adjustment to the Adjusted Base Figure based on a Bidder’s List.

C. Evidence from Disparity Studies

SCLA did not find it feasible to conduct its own independent availability/disparity study; however, SCLA identified three (3) disparity studies that included the SCLA area to consider in the assessment of whether a Race-Conscious DBE Program should be adopted by SCLA. The 3 identified Disparity Studies were the Caltrans Disparity Study, The Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study and the Reno-Tahoe Airport Authority Disparity Study.

The first Disparity Study considered was that of the California Department of Transportation (Caltrans), completed in 2019 due to the timeliness of the contracts reviewed. The Caltrans Disparity Study reviewed Construction and Engineering contracts state-wide between the years October 1, 2014 to September 30, 2017. The base figure for the relative availability of DBEs in the 2019 Disparity Study is 1.7 percent. As the Caltrans' Disparity Study included thousands of contracts from areas outside of the SCLA market area as well as projects that had no relation to the scopes included on the Chino Airport Northwest Aprons, Hot Spots and Taxi-lanes Rehabilitation Project SCLA opted to not utilize this Disparity Study to apply an adjustment to their base figure or their current race-neutral DBE application measures.

The second Disparity Study taken into consideration was John Wayne Airport (JWA)'s Disparity Study due to the similarities in market area and timeliness of the contracts reviewed. The Disparity Study included the following study period (July 1, 2010 through June 30, 2015) to determine the total percentage of transportation-related construction; architecture and engineering; professional services; goods; and other services contract dollars that minority- and woman-owned businesses received on prime contracts and subcontracts. The Caltrans Study market area included the entire state of California, while the JWA Study focused on those cities and counties in the Los Angeles-Long Beach-Anaheim, California Metropolitan Statistical Area which is more aligned with the SCLA market area. The study and the accompanying analysis found that a significant gap remained overall there remains a significant gap between the market share of M/WBE firms and their share of the State of California and Los Angeles-Long Beach, Anaheim, California MSA metro area marketplaces business population. The Study made several recommendations, inclusive of a small business program as a part of the DBE Program, stronger oversight and compliance of DBE measures and clear application of DBE goal-setting.

The third Disparity Study taken into consideration was the Burbank-Glendale-Pasadena Airport Authority (BGPAA) Disparity Study, completed in 2012 due to the similarity of contract types reviewed. Disparity analysis results indicated that most racial/ethnic and gender groups showed disparities on contracts where race- and gender-conscious measures were not in place during the study period. Since August 2006, BGPAA has solely used neutral means and has fallen considerably short of its annual goals for DBE participation. BBC identified substantial disparities between the utilization of minority-owned firms in BGPAA contracts and what might be expected based upon the availability analysis (substantial disparities for each racial and ethnic group in the Federal DBE Program). Minority-owned firms were underutilized in BGPAA contracts even when the DBE contract goals program was in place. As a result, the Disparity Study recommended the use of contract DBE goals.

For the reasons reviewed above, the SCLA has elected to implement their 9% DBE goal utilizing race-conscious and race-neutral measures. SCLA will continue to review applicable Disparity Studies as they become available and apply the appropriate adjustments to their DBE Program goal application as necessary.

D. Other Evidence

SCLA did not receive any anecdotal evidence nor is aware of any other factors or adverse considerations that would have had a material affect on DBEs availability within the SCLA marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in the SCLA FAA-assisted contracting programs. Therefore, no goal adjustment

was made in consideration of this factor. However, SCLA will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in SCLA FAA-assisted contracting programs.

OVERALL DBE GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION:

The Overall DBE Goal for FFY 2022-2024 for SCLA FAA-assisted contracts is 9%. The Overall Goal is expressed as a percentage of all DOT-assisted funds that SCLA will expend in applicable DOT-assisted contracts in the given federal fiscal years.

The goal further serves to identify the relative availability of DBE’s based on evidence of ready willing, and able DBE’s to all comparable firms, which are known to be available to compete for and perform on SCLA’ DOT-assisted contracts.

V. RACE-NEUTRAL/RACE-CONSCIOUS BREAKOUT ANALYSIS

SCLA intends to meet the DBE goal to the maximum extent feasible through the race neutral measures. Where race neutral measures are inadequate to meet the overall goal, SCLA will establish contract-specific DBE goals on U.S. DOT assisted contracts with subcontracting opportunities and relative DBE availability.

SCLA may establish a DBE contract goal that is higher or lower than its overall goal, depending on such factors as the type of work involved, the location of the work, and the availability of DBEs for the work of the particular contract. SCLA’s contract goals will provide for participation by all certified DBEs and will not be subdivided into group-specific goals.

A. Consideration of the Amount by which SCLA has Exceeded Goals in the Past

DOT has identified the amount a recipient has exceeded their overall goals in the past years as a useful tool in projecting the race/gender-neutral participation one can expect in future Federal Fiscal Years.

The following table reflects the demonstrated capacity of DBEs on FAA-assisted contracts completed by SCLA within the last three (3) Federal Fiscal Years:

Table 5

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment	% Goal Exceeded
0%	FFY 2020	0%	0%
0%	FFY 2019	0%	0%
No approved goal	FFY 2018*	1.1%	N/A

**FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.*

As SCLA did not have an approved goal for the FFY 2018 period and there were no projects awarded in FFYs 2019 and 2020, a median could not be identified. SCLA’s does not have data to reasonably conclude the amount of race-neutral participation likely to be achieved in FFY 2022/24 based on the percent goals were exceeded in the past.

B. Past Participation by DBE Prime Contractors

DOT has identified that the amount of past participation obtained through the use of DBE primes should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period.

Therefore, SCLA considered the amount of past DBE participation (based on awards) obtained through the use of DBE primes in FFYs 2018, 2019 and 2020 below:

Table 6

FFY	Total Dollar Value Awarded to DBE Prime	Reporting Period	Total Dollar Value of Awarded Contracts
2020	\$0	10/1/19-09/30/20	\$0
2019	\$0	10/1/18-09/30/19	\$0
2018*	\$0	10/1/17-09/30/18	\$10,768,500
Total:	\$0		\$10,768,500
% DBE Prime Participation	Total Dollar Value Awarded to DBE Prime (\$0) / Total Dollar Value of Contracts (\$10,768,500) = 0% DBE Prime Participation		0%*

**FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.*

SCLA found that 0% of the DBE participation during FFYs 2018 through 2020 was produced by the utilization of DBE primes. This value was developed by dividing the total dollars awarded to DBE Primes (\$0) by the total dollars awarded on all Primes contracts \$10,768,500 within FFYs 2018 through 2020, as displayed in the table above. Although no DOT-assisted projects were awarded in FFYs 2019 and 2020, the projects procured in 2018 were similar in scope to the three projects projected to be solicited in the coming goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As 0% DBE participation was achieved on like-projects during the attainment period reviewed SCLA concluded that this rate of DBE participation would be an accurate reflection of DBE prime capacity in the primary types of work projected to be performed in the coming overall goal period.

C. Consider Past Participation by DBE Subcontractors on Contracts without Goals

DOT has identified that the amount of past participation obtained through the use of DBE subcontractors on contracts without DBE goals should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period. Therefore, SCLA considered the amount of past DBE subcontractor participation on contracts without DBE goals in FFYs 2018, 2019 and 2020 below:

Table 7

FFY	Total Dollar Value Awarded to DBE Subcontractors on RN Contracts	Reporting Period	Total Dollar Value of Awarded RN Prime Contracts
2020	\$0	10/1/19-09/30/20	\$0
2019	\$0	10/1/18-09/30/19	\$0
2018	\$115,223	10/1/17-09/30/18	\$10,768,500

Total:	\$115,223		\$10,768,500
Total Dollar Value Awarded to DBE Subs (\$115,223) / Total Dollar Value Awarded on RN Prime Contracts (\$10,768,500) = 1.1%			1%* RN DBE Subcontract Participation

**Rounded to the nearest whole number*

A DBE participation value of 1% was derived by the utilization of DBE firms in the Race-Neutral (RN) periods above. Although no DOT-assisted projects were awarded in FFYs 2019 and 2020, the projects procured in 2018 were similar in scope to the three projects projected to be solicited in the coming goal period. SCLA has reasonable justification to assume that the percent of DBE participation reflected above is an accurate reflection of DBE subcontractor’s capacity to perform race-neutrally in the 2022/24 overall goal period.

D. Consider MBE/WBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs.

SCLA monitors Small Business participation but does not currently track MBE/WBE/DBE participation on Race/Gender-Neutral or Local Programs. SCLA will consider methods of tracking this information in the future for use in considering the proper race/gender-neutral application.

E. Past History of Inability to Achieve Goals

DOT has identified that a recipient’s past inability to meet their goals in the past years as a powerful indicator that the recipient may be justified in applying race-/gender-conscious measures to achieve their goals in future Federal Fiscal Years. The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FAA-assisted contracts awarded by SCLA within the last three (3) Federal Fiscal Years:

Table 8

Overall DBE Goal by Period	FFY	DBE Attainment	% Below DBE Goal
7%	FFY 2020	0%	7%
7%	FFY 2019	0%	7%
No Goal Established	FFY 2018	1.1%	n/a

As SCLA did not have an approved goal for the FFY 2018 period and there were no projects awarded in FFYs 2019 and 2020, a median could not be identified. SCLA’s does not have data to reasonably conclude the amount of race-neutral participation likely to be achieved in FFY 2022/24 based on the SCLA’s past inability to achieve goals.

SCLA achieved 0% in race-neutral participation from DBE Primes and 1.1% in race-neutral participation from DBE subcontractors, SCLA added the two race-neutral percentages together and divided that number by two to find the average race-neutral participation.

As three years of DBE Participation data was reviewed for projects with similar scopes and values to the projects in the upcoming goal period, SCLA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform race-neutrally in the 2022/24 overall goal period. SCLA has applied this to the proposed DBE Goal to project the necessary race-conscious/race-neutral breakout, as illustrated below:

RN DBE Prime Participation = 0%
RN DBE Sub Participation = 1.1%
0% (RN DBE Prime Participation) + 1.1% (RN DBE Sub Participation) = 1.1%
1.1% / 2 = .51% (Average RN Participation)
1% RN Projection (Rounded to the nearest whole number)
DBE Goal: 9%
RN Application 1% / RC Application 8%

Consistent with the FAA guidance provided and the reasons delineated above SCLA has found it advisable to implement the race-neutral/race-conscious breakout illustrated above to meet the proposed Overall DBE Goal (9%) in accordance with 49 CFR Part 26.51.

VI. PUBLIC PARTICIPATION AND FACILITATION

As a part of the goal-setting public facilitation process, SCLA is required to solicit public comment, relative to the goal calculation and rationale. In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within SCLA's market area will be provided an opportunity to review the goal analysis. SCLA prepared and issued Outreach Consultation Letters advising the aforementioned business community of the proposed DBE goals analysis and availability for review.

SCLA consults and will continue to consult with minority groups and organizations year-round via event attendance and facilitation to directly solicit the public in-person regarding input they have on DBE opportunities and any real and/or perceived barriers to DBE participation. Earlier in 2021, SCLA participated in a Small Business Outreach event to provide valuable resources to Small and Disadvantaged Businesses. The outreach event included a matchmaking component, that paired small and disadvantaged businesses with Primes who had identified they were planning to bid on upcoming procurements. Additionally, SCLA published a Public Notice on their website, informing the public that the proposed goal and rationale are available for inspection on SCLA's website.

Comments received from SCLA's on-going consultation were reviewed and considered in determining whether an adjustment to the 9% Overall Goal (RN Application 1% / RC Application 8%) was necessary. Comment review produced the conclusion that the substantial bulk of input received involved questions regarding procurement opportunities rather than numeric goal values or race-conscious/race-neutral breakouts, therefore an adjustment to the goal was not necessary.