

ATTACHMENT I
Methodology for Determination of the Overall DBE Goal
FFY 2022 – 2024

Over all 3 Year Race Conscious Goal – 4.49%
Race Conscious Goal 2022 – 1.54%
Race Conscious Goal 2023 – 5.22%
Race Conscious Goal 2024 – 5.19%
Race Neutral All Years – 0.0%

Methodology

Step 1. Determining the Base Figure:

The Rapid City Regional Airport utilized the SD-DOT information on DBE firms and participation efforts as it has a more comprehensive program and data available from all firms certified to perform DBE work. The SD-DOT did not use DBE Directory and Census Bureau data as described in §26.45 c. Example (1) as this would provide an inappropriately low DBE percentage. It used Example (2) to base its data.

The Rapid City Regional Airport reviewed the SD-DOT DBE Goals and used only firms that had been active during the period of January 1, 2018, to January 12, 2021. There were 46 active DBE firms and 768 overall active contractors including DBE’s, Prime Contractors, Subcontractors, and Suppliers. Dividing the 768 firms on the bidders list into the 46 DBE firms gave us a relative availability of 5.99% ($46/768 = .0598958$ or 5.99% rounded).

The SD-DOT adjusted the goal based on past participation on highway work. The established SD-DOT DBE goal with adjustments is 9.05% for FFY 2022-2024; 7.47% through race neutral means and 1.58% through race conscious means.

Step 2. Adjustment to the Base Figure

To adjust the base figure by examining all evidence in our jurisdiction, the airport used the actual DBE participation amounts from FY16 through FY20, and found the mean DBE participation is 2.70%.

FY	AIP Dollars	DBE Part. Dollars	DBE %
2020	\$4,591,474	\$206,076	4.5%
2019	\$3,435,335	\$344,271	10%
2018	\$776,173	\$0	0%
2017	\$1,522,104	\$35,213	2.3%
2016	\$2,776,944	\$75,209	2.7%

Past performance percentages in ascending order are as follows:

FY	AIP Dollars	DBE Part. Dollars	DBE %
2019	\$3,435,335	\$344,271	10%
2020	\$4,591,474	\$206,076	4.5%
2016	\$2,776,944	\$75,209	2.70%
2017	\$1,522,104	\$35,213	2.30%
2018	\$776,173	\$0	0%

The Rapid City Regional Airport also looked at the SD-DOT’s eligible bidders and the type of work they are willing to participate and the locations they are willing to work within the state. The SD-DOT Certified DBE Roster has a total of 145 firms listed; of the firms listed only 37 of the firms do the type of work related to the Rapid City Regional Airport’s anticipated 2022-2024 projects and are willing to do work in Rapid City, making only 25% of Certified DBE’s eligible to work on the 2022-2024 projects.

145	Number of DBEs on SD-DOT List
37	Total willing to do work in Rapid City & eligible with proposed 2022 – 2024 Projects
25%	Percentage of DBEs in the State willing and able to participate in the RAP Airport’s projects

The airport anticipates (6) construction contracts being let during the 2022 – 2024 federal fiscal year using federal grants. Some DBE contractor and sub-contractor participation is anticipated for the construction projects equaling an anticipated \$61,250,000 of \$71,340,000 worth of projects. However, the remaining projects will involve Engineering Services and purchase of Snow Removal Equipment (SRE) for which the airport does not typically have DBE participation. Bringing the anticipated percentage of DBE participation down 14% = $((71,340,000 - 61,250,000) / 71,340,000)$.

The final goal can be figured by adjusting the Base Figure of 9.05% by a reduction of 1.28% for the amount of DBE’s in the state which are willing and able to participate in the 2022-2024 projects to 7.77%. Then a simple average of 7.77% to the average mean of 2.70% from 2016-2020 creates 5.24%. This number is then reduced by 14% to create a new DBE Goal of 4.49% for Federal Fiscal Years 2022-2024.

However, based on the variety and complexity of each year’s projects, it is necessary to consider the DBE goal on a year to year basis for Federal Fiscal Years 2022-2024. Also, the airports Capital Improvement Plan (CIP) includes \$56,169,506 in FAA AIP Discretionary funding. Since Discretionary funding is not guaranteed or known at this time, the CIP and goals will need to be reviewed each year based on the level of federal funding. If the desired Discretionary funding is not available, the CIP and goals will be adjusted. The final annual goals based on the airport’s CIP were determined as follows:

Goal Determination:	2022	2023	2024
Total Projects	\$11,040,000	\$20,700,000	\$39,600,000
Less Construction	(\$5,000,000)	(\$19,350,000)	(\$36,900,000)
Engineering, Equipment Projects	\$6,040,000	\$1,350,000	\$2,700,000
DBE Participation Reduction Rate (EngEquip / (Construction))	54.71%	6.52%	6.82%
State Goal	9.05%	9.05%	9.05%
Reduction Rate (State Goal * DBE Participation Reduction Rate)	4.95%	.59%	.62%
SD DBEs Willing & Able (State Goal Less Reduction Rate)	4.10%	8.46%	8.43%

Rapid City Mean (2016-2020 Actual DBE %)	2.70%	2.70%	2.70%
Average Rate (Average of Willing & Able # and RC Mean)	3.40%	5.58%	5.57%
Final Reduction Rate (Average * DBE Participation Reduction Rate)	54.71%	6.52%	6.82%
Revised DBE Goal (Average Rate less Final Reduction Rate)	1.54%	5.22%	5.19%

Process

The Rapid City Regional Airport submits its overall goal to DOT on August 1 of each year. As set forth in Section 26.45 (g)(1), consultation will include, but not necessarily be limited to minority, women’s and general contractor groups, community organizations, and other officials or organizations.

Rapid City Regional Airport held a goal consultation meeting on July 13, 2018, at 9:00 am. Local contractors and DBEs were mailed invitations to attend the meeting, however, no one attended. The proposed goal was also sent to the SDDOT with no response given. Following the consultation meeting, the notice of the proposed overall goal was posted on the Airport’s website, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the airport administration building. The notice was posted for 30 days informing the public that the Rapid City Regional Airport will accept comments on the goals for 45 days from the date of the notice. The notice included the address to which comments could be sent and where the proposal may be reviewed.

In an effort to include more entities in the consultation process, Rapid City Regional Airport will conduct a second concurrent goal setting consultation meeting in December for the FY2019-FY2021 DBE Goals. Attachment J-DBE Goal Consultation Meeting Documentation will then be resubmitted documenting all required items under 26.45. Rapid City Regional Airport plans to invite the DBE Firms listed on the current SD DOT website and any local DBE outreach organizations.

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses, if any.

We will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT.

Race-Neutral and Race Conscious Breakout

After carefully considering the scope of this year’s projects and getting the latest revised Certified DBE Firm Listing from the SD-DOT, the Rapid City Airport felt it was necessary to set our race conscious versus race neutral breakout based on the following information:

Since breaking out Race Conscious versus Race Neutral goals, we have not received Race Neutral participation on any Federally Assisted Contract.

Therefore, we feel that we can meet the newly established goals through the use of Race-Neutral and Race Conscious means by the following:

- 0.0% Race-Neutral
- 4.49% Over all 3 Year Race Conscious Goal
- 1.54% Race-Conscious 2022
- 5.22% Race-Conscious 2023
- 5.19% Race-Conscious 2024

Race Neutral means will include:

- a. DBE Prime Contract Awards
- b. DBE Participation on Contracts Without Contract Goals
- c. DBE Participation that Exceeds a Contract Goal

In addition, we set contract goals only on federal-aid contracts that have subcontracting possibilities. Other considerations will be the type of work to be performed and the availability of DBE firms for the work of the contracts.

Contract Goals

The Rapid City Regional Airport will use contract goals to meet any portion of the overall goal that the Rapid City Regional Airport does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goals 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.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract.

We will express our contract goals as a percentage of total amount of a DOT-assisted contract.