

**Mission:** To enhance the region's economy and quality of life by providing efficient cargo and air passenger access to national and global markets.



# Port of Portland DBE Triennial Goal Portland International Airport

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FEDERAL FISCAL YEARS 2020-2022

## Executive Summary

The Port of Portland (Port) submits its triennial Disadvantaged Business Enterprise (DBE) goal and goal-setting methodology for Federal Fiscal Year (FFY) period 2020-2021 to the Federal Aviation Administration (FAA) of the United States Department of Transportation (USDOT), in accordance with Title 49 Code of Federal Regulations (CFR) Part 26.

For FFYs 2020-2022, the Port has established an overall DBE goal of 11%. The Port plans to achieve the overall DBE goal through 3.9% race-neutral (RN) means and 7.1% race-conscious (RC) means.

To meet the requirements of 49 CFR 26.45, the Port of Portland (Port) completed a disparity study led by Collette Holt and Associates, a nationally recognized law and consulting firm that specializes in disparity studies.

The disparity study provided a statistical analysis of baseline DBE availability which was used to establish the Step 1 base figure of DBE availability in the Port's market area. The disparity study further analyzed Census Bureau and other econometric and social science evidence to determine whether there are disparities between DBEs and non-DBEs in factors impacting entrepreneurial success on Port contracts and subcontracts. It also provided anecdotal data on DBEs' experiences in seeking Port prime contracts and subcontracts, and whether firms owned by minorities or women have equal opportunities to compete.

The Ports goal methodology consists of two steps:

1. Establish the base figure for the relative availability of DBEs
2. Adjust the base figure based on analysis of available evidence

The port used the 2018 Disparity Study to calculate the base figure of the relative availability of DBEs. For this methodology, the 2018 Disparity Study is the most up-to-date study conducted for the Port regarding ready, willing, and able minority-and women-owned businesses. We adjusted the base figure after an evaluation of past participation, comments from public consultation forums and one-on-one in person meetings.

Annually, the Port will monitor DBE participation for federal-aid contracts to determine if market conditions warrant adjustments to the overall DBE goal. Additionally, the Port will monitor and make necessary adjustments to the RN and RC measures toward the overall goal.

**Portland International Airport  
Triennial Disadvantaged Business Enterprise Goal  
Federal Fiscal Years 2020-2022**

**Name of Recipient:** Port of Portland

**Airport:** Portland International Airport (PDX)

**Goal Period:** FFY 2020-22 (10/1/2019 through 9/30/2022)

**DOT-assisted contract amounts:**

Year 1	\$7,200,000
Year 2	\$2,550,755
Year 3	\$1,800,000
Totals	\$11,550,755

**Overall Three-Year Goal:** 11.0%, to be accomplished through 7.1% R/C and 3.9% R/N

**Total dollar amount to be expended on DBEs:** \$1,039,448

**Anticipated Projects**

The Port has 3 FAA-assisted projects that are anticipated to be awarded during the triennial period and which were considered in preparing this goal methodology.

- Contracts in Fiscal Year 2020
  1. SE Taxiway T Rehabilitation - \$7,200,000
- Contracts in Fiscal Year 2021
  1. Deicing Rehab Phase 2 - \$2,550,755
- Contracts in Fiscal Year 2022
  1. Taxiway T Rehab Phase 2 - \$1,800,000

**Overall Goal Setting Methodology**

The two-step goal-setting process required by regulations CFR 49 Part 26 and the findings of Western States has been used to determine the recommended overall goal for FFY 2020-2022.

1. Establish a base figure for the relative availability of DBEs
2. Determine the base figure adjustment, if necessary

The base figure is intended to be a measurement of the current ready, willing and able DBEs as a percentage of all businesses ready, willing and able to perform the recipients anticipated FAA-assisted contracts.

The base figure was established using the Ports most recent 2018 Disparity Study.

## **Market Area**

The Port's market area is a geographical area that represents where the majority of the contractors that do business with the Port are located. The market was determined by our most recent 2018 Disparity study which identified the State of Oregon, and King County, WA, and Clark County, WA as our market area.

### **Step 1. Actual relative availability of DBEs**

The base figure for the relative availability was calculated as follows:

Method: Use Disparity Study -- completed by Colette Holt and Associates for study period 2012-2016 and was completed in December 2018.

### **Weighted Availability of DBE firms:**

For 10/1/2019 - 9/30/2020, award of the following is anticipated:

### **Fiscal Year #1**

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
SE Taxiway T Rehab	Underground Utilities	Water, Sewer line and Related Structures Construction	237110	\$720,000	6.9%	\$49,680
SE Taxiway T Rehab	Asphalt Paving	Highway, Street and Bridge Construction	237310	\$3,406,000	11.5%	\$391,690
SE Taxiway T Rehab	Dump Trucking	Specialized Freight Trucking	484220	\$432,000	5.2%	\$22,464
SE Taxiway T Rehab	Excavation	Site Preparation Contractors	238910	\$901,440	8.7%	\$78,425
SE Taxiway T Rehab	Sweeping,	All Other Specialty Trade Contractors	238990	\$100,000	5.3%	\$5,300
SE Taxiway T Rehab	Soil Testing	Engineering Services	541330	\$375,000	7.5%	\$28,125
SE Taxiway T Rehab	Land Survey	Surveying and Mapping	541370	\$216,000	9.2%	\$19,872
SE Taxiway T Rehab	Erosion Control Services	Landscaping Services	561730	\$144,000	4.9%	\$7,056
SE Taxiway T Rehab	Traffic Control & Flagging	All Other Support Services	561990	\$205,000	6.7%	\$13,735
SE Taxiway T Rehab	Runway Striping	Highway, Street, and Bridge Construction	237310	\$50,000	11.5%	\$5,750

SE Taxiway T Rehab	Electrical	Electrical Contractors	238210	\$432,000	6.9%	\$29,808
SE Taxiway T Rehab	De-watering	Site Preparation Contractors	238990	\$178,560	8.7%	\$15,535
SE Taxiway T Rehab	Asphalt Coating & Sealing	All Other Specialty Trade Contractors	238990	\$40,000	5.3%	\$2,120
SE Taxiway T Rehab				\$7,200,000	9.3%	\$669,560
Year 1 Total				\$7,200,000	9.3%	\$669,560

## Fiscal Year #2

For 10/1/2020 - 9/30/2021, award of the following is anticipated:

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Deicing Rehab	Deicing Building Structural Repairs	Industrial Building Construction	236210	\$76,523	9.1%	\$6,964
Deicing Rehab	Pump Equipment Repair	Industrial Equipment and Machinery Repair & Maintenance Service	811310	\$1,030,505	5.8%	\$59,769
Deicing Rehab	Concrete Repair	Poured Concrete Foundation & Structure Contractors	238110	\$71,421	0.0%	\$0
Deicing Rehab	Underground Concrete Walls	Structural Steel and Precast Concrete	238120	\$586,673	8.7%	\$51,041
Deicing Rehab	Conduit Pipe Coating	Electrical Contractors	238210	\$102,030	6.9%	\$7,040
Deicing Rehab	Industrial Metal Coating	Painting & Wall Covering Contractors	238320	\$25,508	5.6%	\$1,428
Deicing Rehab	De-watering	Site Preparation Contractors	238990	\$484,643	8.7%	\$42,164
Deicing Rehab	Safety Netting System	All Other Specialty Trade Contractors	238990	\$96,929	5.3%	\$5,137
Deicing Rehab	Dump Trucking	Specialized Freight Trucking	484220	\$76,523	5.2%	\$3,979
Deicing Rehab				\$2,550,755	7.0%	\$177,522
Year 2 Total				\$2,550,755	7.0%	\$177,522

### Fiscal Year #3

For 10/1/2020 - 9/30/2021, award of the following is anticipated

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	DBE (%)	DBE (\$) (= Trade \$ x DBE %)
Taxiway T Rehab	Asphalt Paving	Highway, Street and Bridge Construction	237310	\$1,512,000	11.5%	\$173,880
Taxiway T Rehab	Traffic Control & Flagging	All Other Support Services	561990	\$90,000	6.7%	\$6,030
Taxiway T Rehab	Dump Trucking	Specialized Freight Trucking	484220	\$144,000	5.2%	\$7,488
Taxiway T Rehab	Land Survey	Surveying and Mapping	541370	\$54,000	9.2%	\$4,968
Taxiway T Rehab				\$1,800,000	10.7%	\$192,366
Year 3 Total				\$1,800,000	10.7%	\$192,366

The base goal projection after weighting is as follows:

- Total Weighted DBE Availability: **\$1,039,448**
- Total for All Trades: **\$11,550,755**

Dividing the weighted DBE totals by the total estimate for all trades gives a base DBE availability figure for the projects anticipated during the goal-setting period. This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Base of DBE Goal: **9.0%**

### Past History Participation

One piece of data used to determine the adjustment to the base figure was the median of historical DBE accomplishments. There were no Federally Funded Grants for FY 18 therefore it was excluded from the past participation analysis. The results are in the table below as follows:

FY	Total Grant \$ Amount	DBE Goals			Accomplishments			Type of Work
		Race Conscious (%)	Race Neutral (%)	Total	Race Conscious (%)	Race Neutral (%)	Total	
FY 15	\$16,055,690	5.4%	0.0%	5.4%	4.2%	0.0%	4.2%	Runway Construction
FY 16	\$17,772,138	5.4%	0.0%	5.4%	9.2%	3.9%	13.1%	Runway Construction
FY 17	\$2,550,754	12.0%	2.1%	14.1%	13.9%	4.1%	18.0%	Runway Construction

Arranging this historical data from low to high (4.21%, 13.1%, 18.0%), the median is **13.1%**.

Step 1 Base averaged with historical median: **(9.0% + 13.1%) / 2 = 11.0%**

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of **11.0%**. The Port believes this adjusted goal accurately reflects DBE participation that can be achieved for the type(s) of work being awarded during this three-year goal period (FY 2020-22).

### **Other Evidence Considered**

The Port researched its market area and comparable jurisdictions for any recent disparity studies to determine if any adjustments to the goal should be considered.

#### **Oregon Department of Transportation (ODOT) – 2019 Update**

ODOT completed their disparity study of their FHWA funded contracts in 2016. The study was completed by Keen Independent Research. ODOT updated this study in spring 2019 for study period 2014-2017. This study was not used to adjust the Port's goal because ODOT's market area is dissimilar than the Port's. In addition, the range of contract opportunities for DBE participation at ODOT are vastly different from the range and kind of opportunities available at the Port and airport runway construction projects in general. Consequently, the study findings would not be directly applicable to the Port.

The Ports most recent 2018 study completed by Collette Holt and Associates, is the most applicable disparity study as it was narrowly tailored to the Port of Portland contract types, NAICS codes and market area.

No further adjustment was made to the Ports proposed overall DBE goal for FFY 20-22.

### **Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation**

The Port of Portland will meet the maximum feasible portion of the overall goal by using race neutral means of facilitating DBE participation. The Port has many race and gender-neutral remedies and partners with other organizations serving small businesses in the region to outreach and promote the participation of DBEs and other small businesses in the Port's FAA-assisted contracting program

The Port plans to continue to implement the following race-neutral measures for FFY2020-2022 and will continue to explore other options for consideration based on the Port's success in meeting its overall DBE goal from these efforts:

1. The Port will arrange solicitations, times for presentation of bids, quantifies, specifications, and delivery schedule in ways that facilitate participation by DBE and other small businesses. This includes unbundling large contracts to make it feasible for a small contractors to perform the work. We will also require or encourage our prime contractors to subcontract out portions of work they might otherwise perform with their own forces;
2. The Port will hold planned and scheduled pre-bid conferences for FAA-funded projects, which will include a networking component to promote teaming and subcontracting opportunities between prospective prime contractors and DBEs and other small businesses;
3. The Port will continue to administer its nationally recognized Mentor-Protégé program which provides technical assistance and small business development as well as facilitates relationships between large prime contractors and DBEs;
4. The Port will continue to promote Port projects at community outreach events including encouraging DBE contractors to consider bidding on Port projects;

5. The Port has implemented a technical services program to support DBEs and other small businesses performing work on Port projects. The supportive services program helps develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. The Port will conduct open pre-bid meetings for all interested bidders and ensure that the DBELO and staff are present to answer questions and provide guidance for DBEs interested in bidding work.
7. The Port will continue to provide contractors with a list of DBE certified businesses and graduates of our Mentor-Protégé program whose work scopes match the work scope need for specific projects;
8. The Port will provide services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
9. The Port will continue to host our annual open house event “Contractor-Connect” which is open to all DBEs and small businesses interested in performing Port work. The event is hosted at the Port HQ every March and is free to the public. The open house is a “Meet the Primes” event featuring our top 20 prime contractors as well as Port representatives from all business lines. Contractor-Connects also features workshops on how to do business with the Port, upcoming projects, and information on Port compliance systems. The purpose of the event is to facilitate relationship building between large prime contractors and DBEs and other small businesses interested in performing work on Port projects;
10. The Port provides assistance to new start-up firms, particularly in fields in which DBE participation has historically been low;
11. The Port will ensure our DBE directory is distributed, through print and electronic means, to the widest feasible universe of potential prime contractors;
12. The Port in conjunction with other USDOT funded agencies in our region host a DBE focused open house annually. This event “Growing Portland” features our partner agencies from FTA, FAA, and FHWA all under one roof for DBEs and potential DBEs to learn about upcoming federal-aid contracts, learn how to get DBE certified, understand what resources are available to provide technical assistance, and how to bid work with us. The event also has representatives from all agency business lines for the DBEs to meet;
13. In addition to the list below, the Port sponsors and attends several community events throughout the year to promote its FAA-funded contracting program.

<b>Open Houses</b>	<b>Attendees</b>
Growing Portland Open House – Winter	300
Contractor-Connect - Fall	300
<b>Tradeshows</b>	
Oregon Association of Minority Entrepreneurs Tradeshaw (OAME)	500
Governor’s Marketplace Conference and Tradeshaw	1000
Business Expo West	500
Oregon Public Purchasing Assoc. Reverse Vendor Tradeshaw	1000
US Army Corps Portland Industry Day	500
<b>Monthly Community Meetings</b>	
OAME Contractors and A/E Outreach (Monthly)	300
Prime Business Development Group (Monthly)	100
National Association of Minority Entrepreneurs (Monthly)	75
Salem Capitol Connections (Monthly)	75



The Port estimates that in meeting the established overall goal of 11.0%, it will obtain 3.9% from RN participation and 7.1% through race conscious measures.

To determine the portions of the goal to be met through race neutral and race conscious measures, the Port evaluated past race-neutral DBE participation, as defined in 49 CFR 26.51(a). The Port's median percentage on federal AIP grant funded contracts thorough race neutral means for FFY 2015-2017 was 3.9%. Therefore, the Port projects that it will meet 3.9% of its overall goal through race-neutral measures and 7.1% of its overall goal through race-conscious measures.

Federal Fiscal Year	Total DBE Participation	RN Participation	RC Participation
2015	4.2%	0%	4.2%
2016	13.1%	3.9%	9.2%
2017	18.0%	4.1%	13.9%
2018	No grants or contracts for FFY18		

The Port will adjust the estimated breakout of race-neutral and race-conscious DBE participation as needed to reflect actual DBE participation (see §26.51(f)) and track and report race neutral and race conscious participation separately. For reporting purposes, RN DBE participation includes, but is not necessarily limited to the following: DBE participation through a prime contract obtained 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.

### **Disparity Study Findings**

The Port completed a disparity study in December 2018. Colette Holt & Associates was the disparity study consultant. The study time period was 2012 through 2016. The study findings and recommendations related to the Port's DBE program were:

1. The DBE weighted availability of DBE firms for FAA-Funded contracts was found to be 13%;
2. The study initially showed an overutilization of black contractors due to one contractor who received an unusually high share of contract dollars in NAICS code 238210 (Electrical Contractors and Other Wiring Installation Contractors). Given the weight of this code in the study, its inclusion presented a distorted view for overall black utilization. The study consultant recommended that the weighted availability with NAICS code 238210 be used for goal setting, as it best represents the firms ready, willing and able to perform Port contracts and associated subcontracts.
3. All races were shown to have disparities in Port contracting opportunities.
4. Anecdotal interviews and survey results strongly suggest that minorities and women continue to suffer discriminatory barriers to full and fair access to contracts and associated subcontracts in the Port's market area.
5. Both quantitative and anecdotal evidence establishes that minorities and white women in the Port's market area continue to experience significant disparities in and barriers to their fair and equal access to the Port's FAA-funded contracts, non-FAA-funded contracts, concession opportunities, and the aviation and construction industry in the Portland area. While DBEs did not experience large disparities in their utilization on FAA-funded contracts, the underutilization of minority- and women-owned businesses on non- FAA-funded contracts, coupled with the anecdotal and economy-wide results, support the inference that utilization is

the result of the Port's strong administration of the DBE program, not the absence of discrimination on the basis of race and gender in the Port's market area.

6. The study's results support the determination that the Port has a strong basis in evidence to continue to implement a fully race-conscious DBE program that includes all groups for race-conscious relief for its FAA-funded contracts. The study therefore recommended the Port continue to implement a narrowly tailored DBE program and the use of race-conscious efforts for its FAA-funded contracts.

## **Consultation**

As required in 49 CFR Part 26.45, the Port employed a consultative process requesting input from organizations serving DBEs, minority-owned or women-owned businesses, state or local offices of procurement, federal, state or local offices responsible for enforcing civil rights laws, local labor offices and organizations.

In establishing the overall goal for Portland International Airport, the Port provided for consultation and publication. This process included consultation with minority, women's, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Port's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process and was conducted before the goal methodology was submitted to the operating administration for review. Details of the consultation are as follows.

The consultation engaged in was a public meeting with a teleconferencing option for attendees. The meeting was held at the Oregon Association of Minority Entrepreneurs – Big Jim Conference Room, 731 N. Hayden Meadows Dr. Portland, OR 97217 11/8/2019 9:30 am to 11am.

We also met one-on-one with interested stakeholders and provided written copies as requested for those who could not meet face-to-face. Those stakeholders who could not attend a meeting were given the option to provide written comments to the Ports DBELO either standard mail or email.

In addition, we issued a press release to Oregon and Washington media outlets and published notices in the Daily Journal of Commerce Oregon, Daily Journal of Commerce Seattle, and the Portland Business Journal. Additionally, we posted notices to the FAA DBE Matchmaker System, and sent public notice announcements and goal setting methodology seeking comments on our proposed goal and methodology used to the following organizations:

- National Association of Minority Contractors Oregon
- National Association of Minority Contractors Washington
- Associated General Council Oregon/SW Washington
- Southwest Washington Contractors Association
- Oregon Association of Minority Entrepreneurs
- Prime Business Development Group
- Construction Design Entrepreneurs Washington
- Latino Built
- Portland Business Alliance
- Hispanic Metropolitan Chamber of Commerce
- Philippine American Chamber of Commerce
- Native American Chamber of Commerce
- Black American Chamber of Commerce
- Salem Capitol Connections

The following comments were received during the course of the consultation:

*"The Port does an amazing job making sure the small business community always has access to the construction work that is occurring at the port. The Ports program and the systems they have in place ensures SBE participation is an important part of the construction contracts"*

*"I am so happy with the Port from A to Z. From being in a great program as a mentee to mentor. Kimberly Sutton has been the best at all levels"*

*"Port of Portland is very insular and it is missing an aspect that engages Port systems/business opportunities with direct connection to the community beyond the business sector. Equity initiatives need connection to people of color, local youth for succession planning and mentorship."*

No further adjustment to the goal was made from the comments received during the public comment period.

A notice of the proposed goal was published on the Port of Portland's official website before the methodology was submitted to Federal Aviation Administration.

If the proposed goal changes following review by Federal Aviation Administration, the revised goal will be posted on Port of Portland's official website.

Notwithstanding paragraph (f)(4) of §26.45, Portland International Airport's proposed goals will not be implemented until this requirement has been met.

## **Public Notice**

To satisfy the public consultation requirement of 49 CFR Part 26.45 (d)(2), the Port will provide a press release to all media outlets in our market area and publish the proposed overall annual DBE goal for FFY20-22 in the Oregon and Seattle Daily Journal of Commerce and the Portland Business Tribune.

### **PUBLIC NOTICE Disadvantaged Business Enterprise Program Proposed Goal FFY 2020-2022**

October 25<sup>th</sup>, 2019

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 CFR Part 26, the Port of Portland hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation triennial overall goal for Portland International Airport (PDX) of 11.0% for FAA-funded contracts/agreements. 7.1% will be achieved through race-conscious methods and 3.9% will be achieved through race-neutral methods. The proposed goal pertains to federal fiscal years 2020 through 2022 (10/1/2019 - 9/30/2022).

### **Public Information Session**

A public information session on the goal and methodology will be held for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process:

November 8<sup>th</sup>, 2019  
9:30am – 11am  
731 N, Hayden Meadows Dr.  
Big Jim Conference Room  
Portland, OR 97217

### **Request for Public Comment on Proposed DBE Goal**

The proposed goal and methodology are available for review on the Ports website [www.portofportland.com/business/dbe](http://www.portofportland.com/business/dbe). If you would like to have a physical copy mailed to you or would like an in-person meeting or phone call to provide comments on the proposed DBE goal, please contact Kimberly Sutton at the email or phone number below.

The proposed goal and its attendant methodology are available for inspection between 8:00 a.m. 5:00 p.m. Monday through Friday at Port of Portland 7200 NE Airport Way, Portland OR 97218 for 30 days from the date of this publication. Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

Kimberly Sutton  
7200 NE Airport Way  
Portland, OR 97218  
503-415-6587  
kimberly.sutton@portofportland.com

OR

Federal Aviation Administration  
Office of Civil Rights  
Sonia Cruz  
sonia.cruz@faa.gov

## **Contract Goals**

The Port of Portland will use contract goals to meet any portion of the overall goal that the recipient does not project being able to meet using RN 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 the recipient's overall goal that is not projected to be met through the use of RN means.

The Port of Portland will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It 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 (e.g., type and location of work and availability of DBE's to perform the particular type of work).

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