



SAN FRANCISCO INTERNATIONAL AIRPORT

**Proposed Disadvantaged Business Enterprise Goals
FY 2020 – FY 2022**

Airport Sponsor: San Francisco International Airport

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Goal Period: October 1, 2019 - September 30, 2022

Overall DBE Goal for FAA-Assisted Projects: 7.5% (race-neutral)

1. GOAL METHODOLOGY

San Francisco International Airport's (SFO) proposed overall Disadvantaged Business Enterprise (DBE) program goal is **7.5%**. The overall goal period covers Federal Fiscal Years 2020 through 2022, a three-year period beginning October 1, 2019 and ending September 30, 2022. FAA funding for AIP projects is anticipated to be approximately \$86.1 million over the three-year period. The Overall DBE Goal for the three-year period was calculated in compliance with the methodologies described in CFR 49 Part 26 and subsequent guidance. The methodology for determining the DBE goal is described below.

1A. Define geographic region

The relevant geographic market for contractors for SFO projects is defined as the nine counties surrounding the Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) because more than 75% of the companies performing projects (including federally-funded contracts) at the Airport over the last three years are based in one of these counties.

1B. Step 1 - Determine a base figure representing the relative availability of DBEs

For Federal fiscal years 2020 through 2022, we anticipate the following projects to be awarded:

FFY 2020

- Taxiways D and T Reconstruction (Design & Construction) Airfield Lighting
- Runway 1L-19R Rehabilitation (Design & Construction) and Taxiways F and F1 Reconstruction (Design & Construction)
- Noise Insulation (AIP application is pending review; goals will be updated accordingly)

FFY 2021

- Airfield Lighting 5kV Cable Replacement (Design & Construction)
- Airfield Lighting System Upgrade Study - Phase I

FFY 2022

- Generator Bldg. Replacement for Field Lighting Bldg. No. 1

Each project was broken down by trade classification using the North American Industry Classification System (NAICS). The trade breakdown for the projects listed above is as follows:

Table 1 – AIP Projects/Trade Classifications			
Project	Trade	NAICS	Trade \$
Taxiways D and T Reconstruction (Design & Construction)	Heavy civil	238910	\$15,419,402
	Electrical	238210	\$11,136,235
	Striping	237310	\$599,643
	Pavement grooving	237310	\$214,158
	Trucking/Hauling	484220	\$428,317
	Pavement Materials Testing	541380	\$128,495
Total Project			\$27,926,250
Runway 1L-19R Rehabilitation (Design & Construction) and Taxiways F and F1 Reconstruction (Design & Construction)	Heavy civil	238910	\$18,161,593
	Electrical	238210	\$14,859,485
	Striping	237310	\$990,632
	Pavement grooving	237310	\$495,316
	Trucking/Hauling	484220	\$577,869
	Pavement Materials Testing	541380	\$165,105
Total Project			\$35,250,000
Total FFY 2020			\$63,176,250
Airfield Lighting 5kV Cable Replacement (Design & Construction)	Electrical Contractor	238210	\$3,750,000
Total Project			\$3,750,000
Airfield Lighting System Upgrade Study - Phase I	Electrical Engineering	541330	\$450,000
Total Project			\$450,000
Total FFY 2021			\$4,200,000
Generator Bldg. Replacement for Field Lighting Bldg. No. 1	Electrical Contractor	238210	\$8,035,714
	Mechanical	238220	\$1,785,714
	Architectural	541310	\$5,357,143
	Structural Engineer	541330	\$1,785,714
	Civil Engineer	541330	\$1,785,714
Total Project			\$18,750,000
Total FFY 2022			\$18,750,000
Total FFY 2020-2022			\$86,126,250

DBE Availability for the trades included above has been calculated using the 2016 Census Bureau County Business Patterns Data and the DBE Directory published by the California Unified Certification Program (“UCP”).

Table 2 - DBE Availability Percentages				
% OF DBE FIRMS VS. ALL FIRMS				
Trade	NAICS	2016 Census	Directory	%
Highway, Street & Bridge Construction (striping, grooving)	237310	166	53	31.9%
Electrical Contractors	238210	1,704	34	2.0%
Mechanical Contractors	238220	1,861	14	.8%
Heavy Civil (Site Preparation Contractors)	238910	412	29	7.0%
Specialized Freight (except Used Goods) Trucking, Local	484220	288	49	17.0%
Architectural Services	541310	986	510	51.7%
Engineering Services	541330	2,284	119	5.2%
Materials Testing	541380	200	18	9.0%

Weighting the anticipated expenditures by trade classification using the availability calculations shown in Table 2 results in the following:

Table 3 - DBE \$ based on Project Expenditures by Trade Classification X DBE Availability					
Project	Trade	NAICS	Trade \$	DBE %	DBE \$
Taxiways D and T Reconstruction (Design & Construction)	Heavy civil	238910	\$15,419,402	7.0%	\$1,079,358
	Electrical	238210	\$11,136,235	2.0%	\$222,725
	Striping	237310	\$599,643	31.9%	\$191,286
	Pavement grooving	237310	\$214,158	31.9%	\$68,317
	Trucking/Hauling	484220	\$428,317	17.0%	\$72,814
	Pavement Materials Testing	541380	\$128,495	9.0%	\$11,565
Total Project			\$27,926,250	5.9%	\$1,646,064
Runway 1L-19R Rehabilitation (Design & Construction) and Taxiways F and F1 Reconstruction (Design & Construction)	Heavy civil	238910	\$18,161,593	7.0%	\$1,271,311
	Electrical	238210	\$14,859,485	2.0%	\$297,190
	Striping	237310	\$990,632	31.9%	\$316,012
	Pavement grooving	237310	\$495,316	31.9%	\$158,006
	Trucking/Hauling	484220	\$577,869	17.0%	\$98,238
	Pavement Materials Testing	541380	\$165,105	9.0%	\$14,859
Total Project			\$35,250,000	6.1%	\$2,155,616
Total FFY 2020			\$63,176,250	6.0%	\$3,801,680
Airfield Lighting 5kV Cable Replacement (Design & Construction)	Electrical Contractor	238210	\$3,750,000	2.0%	\$75,000
Total Project			\$3,750,000	2.0%	\$75,000

Table 3 - DBE \$ based on Project Expenditures by Trade Classification X DBE Availability					
Project	Trade	NAICS	Trade \$	DBE %	DBE \$
Airfield Lighting System Upgrade Study - Phase I	Electrical Engineering	541330	\$450,000	5.2%	\$23,400
Total Project			\$450,000	5.2%	\$23,400
Total FFY 2021			\$4,200,000	2.3%	\$98,400
Generator Bldg. Replacement for Field Lighting Bldg. No. 1	Electrical Contractor	238210	\$8,035,714	2.0%	\$160,714
	Mechanical	238220	\$1,785,714	0.8%	\$14,286
	Architectural	541310	\$5,357,143	51.7%	\$2,769,643
	Structural Engineer	541330	\$1,785,714	5.2%	\$92,857
	Civil Engineer	541330	\$1,785,714	5.2%	\$92,857
Total Project			\$18,750,000	16.7%	\$3,130,357
Total FFY 2022			\$18,750,000	16.7%	\$3,130,357
Total FFY 2020-2022			\$86,126,250	8.2%	\$7,030,437

Based on the above, we recommend a base goal of 8.2% for SFO projects for the three-year period beginning October 1, 2019 and ending September 30, 2022 (FFYs 2020, 2021, and 2022).

1C. Step 2 - Examine data to determine what adjustment, if any, is needed to the base figure

As described in 49 CFR part 26 and the USDOT Tips for Goal-Setting, we have reviewed the current capacity of DBE firms as measured by the volume of work performed by DBE firms in recent years.

DBE participation in awarded contracts over the past 7 years at San Francisco International airport is as follows:

Year	Project \$	DBE \$	DBE %	Goal %
2018	\$0	\$0	0.0%	N/A
2017	\$7,903,166	\$140,217	1.80%	10.5%
2016	\$0	\$0	0.0%	N/A
2015	\$0	\$0	0.0%	N/A
2014	\$53,568,499	\$670,000	1.25%	18.0%
2013	\$2,600,000	\$516,230	19.86%	18.0%
2012	\$38,452,862	\$4,448,155	11.57%	35.0%

The median DBE participation accomplishment for SFO for the seven-year period (excluding years with no activity) is 6.69%. Adjusting the base goal by past history results in the following:

8.2% (base goal) + 6.7% (median goal accomplishment) = 14.9%.

14.9% ÷ 2 = 7.5%.

Therefore, we propose the Overall Goal for FY 2020 – 2022 for SFO at **7.5%**.

We will continue to monitor the project plans during this time period and update the goals as needed.

2. RACE-NEUTRAL VERSUS RACE-CONSCIOUS GOAL

In light of the fact that SFO does not have sufficient evidence of discrimination, the FFY 2020-2022 goal is proposed as a race-neutral goal. We will monitor the progress towards the goals on a monthly basis and determine if an adjustment is necessary.

The following race-neutral methods will be employed:

- a) Provide information on the SFO organization, functions and its full range of contractual needs.
- b) Offer instructions and clarification on bid specifications, procurement policy, procedures, and general bidding requirements.
- c) Maintain a file of successful bid documents from past procurements and permit potential participants to review and evaluate such documents.
- d) Conduct debriefing sessions on awarded contracts as requested.
- e) Routinely issue projected procurement information.
- f) Provide instructions and clarification on job performance requirements.
- g) Provide information and assistance on certification procedures.
- h) Provide information on sub-contracting practices and bonding requirements.
- i) When arranging solicitations, endeavor to allow time for preparation of bids, quantities, specifications and delivery schedules so as to facilitate the participation of DBEs.
- k) Revise and implement SFO's small business element to include unbundling of contracts and small business goals.