



Policy Statement

Section 26.1, 26.23

Objectives/Policy Statement

The Tri-Cities Airport Authority (TCAA) dba Tri-Cities Regional Airport, has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The TCAA anticipates receiving Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the TCAA to ensure that DBEs, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the TCAA's policy to:

1. ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. help remove barriers to the participation of DBEs in DOT assisted contracts;
6. assist with the development of firms so that they can compete successfully in the market place outside the DBE Program.

Mr. Patrick W. Wilson, Executive Director, Tri-Cities Airport Authority, has been delegated as the DBE Liaison Officer. In that capacity, Mr. Wilson is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the TCAA in its financial assistance agreements with the Department of Transportation.

Mr. Wilson has disseminated this policy statement to the Tri-Cities Airport Authority as well as all other pertinent components of the Tri-Cities Regional Airport staff. This statement has been disseminated to DBE and non-DBE business communities that may perform work on DOT-assisted contracts offered. This was affected by posting a notice on our website www.triflight.com. Mr. Wilson shall also disseminate this policy, as well as the DBE program, its goal and methodology at any pre-bid/pre-proposal conferences the TCAA conducts.

Patrick W. Wilson, Executive Director
Tri-Cities Airport Authority

2/27/2015
Date

Section 26.45: Overall Goal Calculation – FY 2015, 2016, 2017

Amount of Goal

1. The Tri-Cities Airport Authority has established an overall goal for FY 2015, 2016, 2017 as follows:

6.0% of the Federal Financial assistance, the Authority will expend in FAA-assisted projects that are anticipated for the three-year goal period.

2. Given that the Federal share of FAA-assisted contracts the Tri-Cities Regional Airport expects to let during the fiscal years 2015, 2016, 2017 is approximately \$13,207,500 for funding over the three-year goal period, a goal of expending \$792,450 with DBEs is proposed. However, the actual dollar amount spent may be +/- depending on the successful bid(s) submitted and the actual DBE goal achieved at project closeout.

Methodology Used to Calculate Overall Goal

Step 1: 26.45(c)

The Tri-Cities Regional Airport is located in Blountville, (Sullivan County) Tennessee which shall be deemed the project location.

In order to set the FY 2015, 2016, 2017 overall goal, the Authority first considered contract opportunities anticipated for projects under consideration for FY 2015, 2016, 2017 which may include:

Project	Estimated Federal Funding
GA Ramp Expansion Phase 2 (Construction)	\$1,620,000
Terminal Security Checkpoint Expansion Study	\$67,500
Airfield Solar Panel Farm – Phase 1	\$1,800,000
Total FY 2015	\$3,487,500
Terminal Security Checkpoint Expansion	\$1,800,000
Taxiway A Rehab & Realignment	\$6,300,000
Total FY 2016	\$8,100,000
Snow Removal Equipment Storage Building	\$1,620,000
Total FY 2017	\$1,620,000
Total FY 2015, 2016, 2017	\$13,207,500

The scope of work for these projects includes architectural, engineering, geotechnical, testing, surveying, fencing, excavation, paving, hauling, utilities, landscaping, and general building trades. In order to establish a market area that is narrowly tailored as required by Part 26, the Airport, with the assistance of an outside consultant, reviewed historical bid records to determine where the majority of bidders/proposers have come from, as well as where the majority of all contracting dollars were being spent.

The goal for FY 2013 and FY 2014 was established as 4.40%. Projects included Access Control Security Center, Emergency Operations Center & Airfield Perimeter Security Systems Additions, Terminal Access Road Improvement & Short Term Parking Entrance, and Terminal Access Road Improvements – Phase 2.

The breakdown of the most recent bidding data regarding contractors and subcontractors is:

FY 2013/2014 (History, bidders)

Total Design & Construction Bidding/Quoting (Prime & Sub)	Bidders' Location	% of Bidders Within County
30		
3	Carter County, TN	9.68%
5	Davidson County, TN	16.13%
5	Hawkins County, TN	16.13%
14	Sullivan County, TN	45.16%
2	Washington County, TN	6.45%
2	Wilson County, TN	6.45%
	Total	100.0%

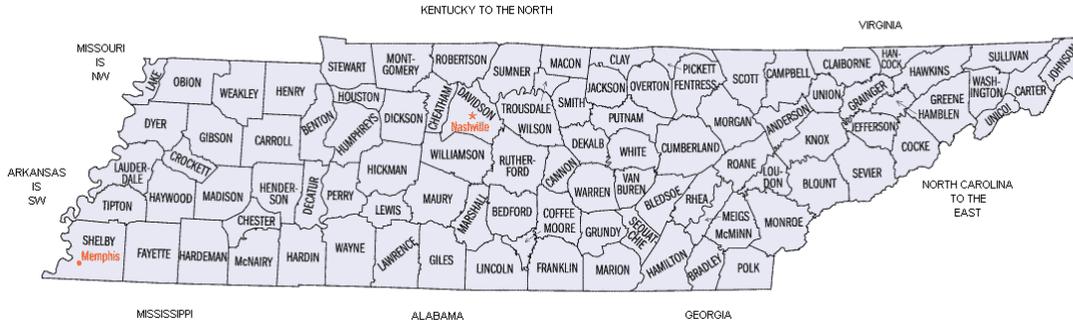
FY 2013/2014 (History, winning bidders)

Total Contracting \$ (Prime & Sub)	Contractor's Location	Contracting \$ Spent Within County	% Spent Within County
29			
3	Carter County, TN	\$1,681,881	22.71%
5	Davidson County, TN	\$338,616	4.57%
5	Hawkins County, TN	\$4,763,677	64.33%
12	Sullivan County, TN	\$503,300	6.80%
2	Washington County, TN	\$110,927	1.50%
2	Wilson County, TN	\$6,500	0.09%
	Total	\$7,404,901	100%

The information presented in the above tables was used to determine a market area as it takes into consideration the primes and subcontractors. Qualified contractors will be drawn from within a close proximity to the project location due to the transport of temperature and time-sensitive materials as well as location and size of the anticipated projects. The Airport felt that the professional services required would most likely continue to come from within Tennessee. Historically, the substantial majority of all bidders (75% or greater) come from and the substantial majority of all contracting dollars (75% or greater) are expended in surrounding counties.

While the above counties represented the substantial majority of all bidders and contracting dollars in FY 2013 and 2014, as they have been significant to projects in the past, including those projects that were not federally funded. The market area has been defined as Carter, Davidson, Hawkins, Knox, Putnam, Sullivan, Washington, and Wilson counties in Tennessee.

The following Tennessee counties map is for reference only.



It should be noted that, while the above counties have been deemed the market area in the goal setting process, DBEs from outside the area will be given the same bid opportunities and will be counted toward the Airport’s overall goal achievement provided they are appropriately certified by the Tennessee Uniform Certification Program.

Subsequent to confirming its market area, the Airport researched the Tennessee Department of Transportation (TDOT) Disadvantaged Business Enterprise Directory and chose to use it as the data source for the goal calculation numerator, which represents the number of ready, willing and able DBE firms within the market area as well as specific and applicable NAICS codes that represent all possible contracting opportunities anticipated in FY 2015, 2016, 2017.

The Census Bureau’s 2012 County Business Pattern Database (CBP) was selected to determine the total number of firms within the same NAICS codes and market area as those taken from the directory, thus creating a denominator.

The contracting needs for work under FY 2015, 2016, 2017 funding include architectural/engineering, geotechnical, testing, surveying, fencing, excavation, paving, hauling, utilities, landscaping, and general building trades. The analysis was confined to appropriate categories within the same NAICS codes and market area which were filtered from both data sources (TDOT DBE directory and the CBP database):

<i>NAICS Code</i>	<i>Census Bureau Classification</i>	<i>Related Work Category</i>
236220	Commercial and Institutional Construction	Building
237110	Water and Sewer Line and Related Structures Construction	Utilities
237310	Highway, Street and Bridge Construction	Asphalt Paving
238110	Poured Concrete Foundation and Structure Contractors	Concrete
238140	Masonry Contractors	Masonry
238150	Glass & Glazing Contractors	Glass & Glazing
238160	Roofing Contractors	Roofing
238210	Electrical Contractors	Electrical
238220	Plumbing, Heating and Air Conditioning Contractors	Plumbing, HVAC, FP
238290	Other Building Equipment Contractors	Equipment
238310	Drywall and Insulation Contractors	Drywall, Insulation

238320	<i>Painting and Wall Covering Contractors</i>	<i>Painting</i>
238330	<i>Flooring Contractors</i>	<i>Flooring</i>
238340	<i>Tile & Terrazzo Contractors</i>	<i>Ceramic Tile</i>
238350	<i>Finish Carpentry Contractors</i>	<i>Cabinetry</i>
238390	<i>Other Building Finish Contractors</i>	<i>Finishes</i>
238910	<i>Site Preparation Contractors</i>	<i>Excavation</i>
238990	<i>All Other Specialty Trade Contractors</i>	<i>Specialties</i>
326199	<i>All Other Plastics Product Manufacturing</i>	<i>Specialties</i>
332311	<i>Prefabricated Metal Building and Component Manufacturing</i>	<i>Pre-Engineered Metal Building</i>
332321	<i>Metal Window and Door Manufacturing</i>	<i>Overhead Doors</i>
332323	<i>Ornamental and Architectural Metal Work Manufacturing</i>	<i>Metal Stairs</i>
423120	<i>Motor Vehicle Supplies and New Parts Merchant Wholesalers</i>	<i>Equipment</i>
423690	<i>Other Electronic Parts and Equipment Merchant Wholesalers</i>	<i>Solar Panels/Equipment</i>
484110	<i>General Freight Trucking, Local</i>	<i>Trucking</i>
484220	<i>Specialized Freight (except Used Goods) Trucking, Local</i>	<i>Hauling</i>
541310	<i>Architectural Services</i>	<i>Architectural</i>
541330	<i>Engineering Services</i>	<i>Engineering</i>
541370	<i>Surveying and Mapping</i>	<i>Surveying</i>
541380	<i>Testing Laboratories</i>	<i>Testing</i>
541990	<i>All Other Professional, Scientific, and Technical Services</i>	<i>DBE Plan</i>
561730	<i>Landscaping Services</i>	<i>Topsoil, Seed & Mulch</i>

Based on the Airport's review of the 2012 County Business Patterns (NAICS) and TDOT UCP DBE directory data pertaining to its market area, the total number of firms represented within the filtered categories are included in the table below.

In order to further ensure the goal's accuracy, the anticipated dollar appropriations within each NAICS category were weighted to demonstrate the amount of money relative to the total allotment being spent for the categories being represented.

Therefore, the calculation is as follows:

NAICS Code	Commodity	No. of DBE Firms in Market Area	/	Total No. of Firms in Market Area	=	Relative Availability of DBEs in Market Area	X	Percentage of Estimated Fees per Opportunity	=	Weighted Availability
236220	Building	15	/	202	=	.07	x	3.72%	=	0.276%
237110	Utilities	4	/	39	=	.10	x	1.60%	=	0.164%
237310	Asphalt Paving	10	/	46	=	.22	x	44.97%	=	9.777%
238110	Concrete	16	/	67	=	.24	x	1.24%	=	0.297%
238120	Precast	6	/	16	=	.38	X	0.42%	=	0.158%
238140	Masonry	4	/	70	=	.06	x	0.29%	=	0.017%
238150	Glass	1	/	28	=	.04	x	1.01%	=	0.032%
238160	Roofing	3	/	95	=	.03	x	1.03%	=	0.038%
238210	Electrical	6	/	313	=	.02	x	11.37%	=	0.218%
238220	Plumbing, HVAC, FP	5	/	403	=	.01	x	5.47%	=	0.068%
238290	Equipment	0	/	48	=	.00	x	0.02%	=	0.000%
238310	Drywall, Insulation	2	/	85	=	.02	x	0.38%	=	0.009%
238320	Painting	7	/	89	=	.08	x	0.38%	=	0.030%
238330	Flooring	2	/	51	=	.04	x	1.10%	=	0.050%
238340	Tile	1	/	41	=	.02	X	.011%	=	0.003%
238350	Carpentry	2	/	60	=	.03	X	0.11%	=	0.004%
238910	Excavation	10	/	129	=	.08	x	3.04%	=	0.236%
238990	Specialties	15	/	124	=	.12	x	0.11%	=	0.013%
326199	Plastics	0	/	0	=	.00	X	0.07%	=	0.000%
332311	Prefab Metal Bldg.	0	/	0	=	.00	X	1.45%	=	0.000%
332321	Metal Window & Door Mfg.	0	/	0	=	.00	X	0.14%	=	0.000%
332323	Ornamental & Arch Metal Work Mfg.	0	/	0	=	.00	X	0.02%	=	0.000%
423120	Motor Vehicle Suppliers	0	/	95	=	.00	X	0.99%	=	0.000%
423690	Solar Panels	2	/	49	=	.04	X	10.09%	=	0.412%
484110	Trucking	6	/	92	=	.07	x	0.33%	=	0.022%
484220	Hauling	2	/	92	=	.02	x	1.81%	=	0.039%
541310	Architectural	5	/	319	=	.02	x	0.76%	=	0.012%
541330	Engineering	15	/	57	=	.26	x	6.36%	=	1.673%
541370	Surveying	3	/	57	=	.05	x	0.32%	=	0.017%
541380	Testing	0	/	29	=	.00	x	0.04%	=	0.000%
541990	Other Professional	8	/	43	=	.19	X	0.10%	=	0.018%
561730	Landscaping	11	/	426	=	.03	x	1.14%	=	0.030%
Total	13,207,500	161	/	3165	=	.05		100.0%	=	5.087%

5.09% became the base figure of Step 1.

Step 2: 26.45(d)

After calculating the base figures representing the relative availability of DBEs, evidence was examined to determine what adjustment to the base figure should be made to reflect, as accurately as possible, the DBE participation one would expect in the absence of discrimination.

Disparity Studies

There has not been a disparity study conducted within the airport's operating jurisdiction. Consequently, such evidence was not located with which to further study the availability of DBE firms in the market area. The Airport has confirmed that there has been no litigation concerning the disadvantaged business enterprises in its market area.

Past DBE Participation

The following illustrates the reporting periods in which projects containing similar major work items as those anticipated for FY 2015, 2016 and 2017 were completed at the airport. In order to further determine the need for an adjustment to the Step 1 Base Figure, the Authority calculated the potential base figure adjustment by finding the median past DBE participation percentage:

Project Description	Total Contracting Dollars (Federal)	Actual DBE Contracting Dollars	Actual DBE Participation %
2012			
Runway 5/23 Rehabilitation Construction	\$15,949,663	\$907,023	
Runway 27 RSA Improvements	\$448,095	\$7,955	
Terminal Ramp Access Control Improvements	\$213,653	\$10,000	
RW 9-27 and 5-23 Aeronautical Survey	\$110,123	\$0	
Total 2012	\$16,721,535	\$924,977	5.53%
2013			
Access Control Security Center, Emergency Operations Center & Airfield Perimeter Security Systems Additions	\$807,287	\$56,875	
Terminal Access Road Improvements & Short Term Parking Entrance	\$1,510,103	\$186,095	
Total 2013	\$2,317,391	\$242,970	10.48%
2014			
Terminal Roadway Improvements, Ph. 2	\$1,678,811	\$77,163	
Total 2014	\$1,678,811	\$77,163	4.54%

The Authority then found the average of the Step 1 Base Figure and the median past participation percentage:

$$5.53\% + 10.48\% + 4.54\% = 20.55\% \div 3 = 6.85\%$$

$$5.09\% (\text{step 1}) + 6.85\% (\text{past}) / 2 = 5.97\% (6.0\% \text{ rounded})$$

The Authority took into consideration the need for adjustment to the Step 1 Figure based on this calculation and has elected to make a Step 2 adjustment.

Other Statistical Evidence

On December 9, 2014, the following was sent via email to the organizations found below to determine whether any persuasive evidence of the effects of past discrimination would warrant an adjustment to the Airport's overall goal:

The Tri-Cities Regional Airport is in the process of establishing an Disadvantaged Business Enterprise (DBE) Overall DBE Goal and Methodology Update for the Tri-Cities Regional Airport per the provisions set forth in the U.S. Department of Transportation's DBE regulations, 49 CFR Part 26. The Airport is going to offer contracts that will provide DBEs and non-DBEs opportunities to bid/propose on work items consisting of architectural/engineering, geotechnical, testing, surveying, fencing, excavation, paving, hauling, utilities, landscaping, and general building trades. In researching the Tennessee Uniform Disadvantaged Business Enterprise Directory, ready, willing, and able DBEs in the airport's contracting area that are qualified to bid on the tasks as either prime contractor or subcontractor have been located. The Airport has found that there are qualified businesses available to offer services for transportation-related projects that are owned by either minorities or women. Has the (name of organization) found evidence to support this with respect to the airport's local market area? Has it found evidence to the contrary? Do you/the organization have documentation of any past or existing social/economic barriers such as bonding, financing, insurance, related education, lack of notification or access to information, etc., that are currently preventing minorities and/or women from offering construction services to the airport?

We would appreciate your replying with any information you can offer, i.e. recent disparity studies, archived information, etc. should it be available. Please forward data, comments, and/or questions to Connie S. Gowder, Connico Incorporated, 2594 N. Mount Juliet Road, Mount Juliet, TN 37122-3007 or cgowder@connico.com within two weeks of receipt of this correspondence. Should any viable information be made available, it must be included in the Authority's DBE Program submittal to the Federal Aviation Administration as mandated by the Federal Regulations.

Recipients:

Washington County Economic Development Council
300 East Main Street, Suite 406
Johnson City, TN 37601
Mitch Miller
 [\(423\) 202-3510 ext. 105](tel:(423)202-3510)
Miller@TheWCEDC.com

Sullivan Partnership Networks
10368 Wallace Alley Street, Suite 1
Kingsport, TN 37663
423-279-7681
D. Jack Lawson
Jlawson@networkstn.com

Hispanic Chamber of Commerce of East Tennessee
P.O. Box 31552
Knoxville, TN 37930
(865) 659-4652
mail@hccet.org

Public Participation

In an effort to determine the availability of disadvantaged and non-disadvantaged businesses, to consider the effects of discrimination in opportunities for DBEs and to further its efforts to establish a level playing field for participation of the same, the Airport posted the following Public Notice on the website at <http://www.triflight.com/doing-business-with-tri/> to garner public participation in its goal setting process:

The Tri-Cities Regional Airport, in compliance with the U. S. Department of Transportation (DOT) regulation 49 CFR, Part 26, has updated its Disadvantaged Business Enterprise (DBE) Program Overall Goal and Methodology for FY 2015, 2016, 2017. The Authority has done so in anticipation of receiving Federal Aviation Administration financial assistance. In compliance with all provisions set forth in 49 CFR, Part 26, the Authority has established an overall DBE goal of 6.0% for its federally funded projects throughout FY 2015, 2016, 2017. The DBE Program and its components are available for public review for 30 days from the date of this notice between the hours of 9-3, Monday through Friday at the Tri-Cities Regional Airport, 2525 Highway 75, Blountville, TN 37617. The Airport and U. S. DOT will accept public comment for thirty (30) days concerning the plan commencing with the date of this notice. Comments should be sent in writing to the attention of Mr. Patrick W. Wilson, Executive Director/DBELO, at the address above.

Result: To date, no additional information as to the Airport's goal, its methodology, or the goal setting process in general has been offered.

Additional consultation shall also be made at any pre-bid/pre-proposal meetings the Airport conducts throughout the fiscal year, which shall be open to all interested parties, both DBE and non-DBE.

To date, the Airport has not received responses from these organizations, nor from the public in general. As a matter of practice, should public commentary be made resulting in a revision to the goal's calculation or rationale, the Airport shall notify the FAA immediately. Additionally, if the FAA determines that the methodology in setting the goal is inadequate or the goal has not been calculated correctly, a revised goal may be established by the Airport after consulting with the FAA.

Section 26.51: Breakout of Estimated Race/gender-Neutral & Race/gender-Conscious Participation – FY 2015, 2016, 2017

The Tri-Cities Regional Airport will meet the maximum feasible portion of its overall goal by using race/gender-neutral means of facilitating DBE participation. The Commission will use the following race/gender-neutral means to increase DBE and other small business participation:

- Arrange solicitations or requests for proposals, time for presenting bids or proposals, quantities, specifications, and delivery schedules in an effort to facilitate DBE and small business participation
- Make available information and communications on contracting procedures and specific contracting opportunities by means of providing lists to bidders and dissemination of potential subcontractor information to bidders on prime contracts.
- Maintain a file of successful bid documents from past procurements and permit DBEs and other small businesses to review and evaluate these documents
- Hold pre-bid/pre-proposal conferences to provide firms with an opportunity to inquire about the DBE requirements

These procedures shall be applied to FAA-assisted contracts, such as those including professional, technical, consultant, or managerial services; construction, and the procurement of materials, supplies, personnel, facilities, and equipment, depending on the airport Capital Improvement Plan. In all instances, efforts will be made to facilitate DBE and small business participation in prime and subcontract opportunities.

The Airport may, in the future use additional race/gender-neutral means to facilitate DBE and small business participation.

The Tri-Cities Airport estimates that, in meeting its overall goal of 6.0% in FY 2015, 2016, 2017, it will achieve 0.5% by utilizing race/gender-neutral measures and 5.5% by implementing race/gender-conscious means.

In order to ensure that its DBE program will be narrowly tailored to overcome the effects of discrimination, should the Airport use contract goals, it will adjust the estimated breakout of race/gender-neutral and race/gender-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and will track and report race/gender-neutral and race conscious participation separately. For reporting purposes, race/gender-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; participation through a subcontract on a prime contract that does not carry DBE goal; DBE participation on a prime contract exceeding a contract goal; and participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

The Airport will maintain data separately on DBE achievements in those contracts with and without contract goals, respectively.

Section 26.51(d-g) Contract Goals

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

The Airport will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. The Airport 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 will express its contract goals as a percentage of the Federal share of a DOT-assisted contract.