

**Jackson Municipal Airport Authority
Disadvantaged Business Enterprise Goal
FY 2018-2020**

The Jackson Municipal Airport Authority's (JMAA) overall Disadvantaged Business Enterprises (DBE) goal for FY 2018-2020 is 27.3% of the Federal Financial assistance JMAA will expend in United States Department Of Transportation (USDOT)-assisted contracts for the period of October 1, 2017-September 30, 2020.

JMAA expects to award approximately \$52,335,000 in USDOT-assisted contracts during the period of October 1, 2017-September 30, 2020. JMAA has established an overall DBE goal of expending approximately \$14,287,455 with DBEs during this period.

I. Anticipated Projects

During the period of October 1, 2017-September 30, 2020, subject to funding availability, JMAA plans to implement the projects listed below.

FY	Project Name	Description	Amount
2018	Rehabilitation of Taxiway Alpha (Phase 2)	Design	960,000
2018	Rehabilitation of Taxiway Alpha (Phase 2)	Construction	5,360,000
2018	Upper Ramp Roadway Repair	Design	170,000
2018	Upper Ramp Roadway Repair	Construction	900,000
2018	JAN Service Road	Design	182,000
2018	JAN Service Road	Construction	2,470,000
2018	Land Use Development and Acquisition @ HKS (Historic Terminal)	Planning	74,000
2018	Land Use Development and Acquisition @ HKS (Historic Terminal)	Construction	1,485,000
2019	Rehabilitation of Taxiway Bravo	Design	890,000
2019	Rehabilitation of Taxiway Bravo	Construction	4,500,000
2019	Terminal Apron Rehab (Taxiway B3, B\$, Vicinity & East Ramp/Apron Area)	Design	175,000
2019	Terminal Apron Rehab (Taxiway B3, B\$, Vicinity & East Ramp/Apron Area)	Construction	2,375,000
2019	International Drive Reconstruction	Design	415,000
2019	International Drive Reconstruction	Construction	2,195,000
2019	Rehabilitation of Primary Utilities	Design	275,000
2019	Rehabilitation of Primary Utilities	Construction	4,700,000
2019	HKS Taxiway ECHO Repairs	Design	34,000
2019	HKS Taxiway ECHO Repairs	Construction	285,000
2019	Taxiway Alpha/Bravo/Charlie LED Lighting @ HKS	Design	70,000
2019	Taxiway Alpha/Bravo/Charlie LED Lighting @ HKS	Construction	600,000
2019	HKS Pavement Assessment Construction and Lighting Runway 16/34	Design	1,700,000

2019	HKS Pavement Assessment Construction and Lighting Runway 16/34	Construction	9,000,000
2020	Pavement Rehabilitation Taxiway Charlie @ JAN	Design	1,000,000
2020	Pavement Rehabilitation Taxiway Charlie @ JAN	Construction	8,000,000
2020	Cooper Road Reconstruction	Design	345,000
2020	Cooper Road Reconstruction	Construction	2,900,000
2020	HKS Taxiway CHARLIE Repairs	Design	200,000
2020	HKS Taxiway CHARLIE Repairs	Construction	1,075,000
		Totals	\$52,335,000

II. Methodology Used to Calculate Overall Goal: Determining the Relative Availability of DBEs

The DBE Program regulations (49 CFR Part 26) instruct USDOT recipients to determine the relative availability of DBEs in their marketplace as the first step in calculating their DBE goal. This “Step 1” is specifically set out in § 26.45(c). USDOT recipients are allowed to “use a percentage figure derived from data in a valid, applicable disparity study.”¹

In 2012, NERA Economic Consulting completed a Disparity Study for JMAA attached hereto as Attachment A.²

A. Step 1: §26.45(c)

The study team defined JMAA’s relevant geographic and product market areas by examining our historical contracting and subcontracting records. The geographic market was identified by calculating the location of the majority of JMAA’s contractors and subcontractors by zip code, aggregated into counties. The Study found our market area to be the state of Mississippi. The product market dimension was defined by estimating which North American Industrial Classification System (NAICS) codes make up at least 75 percent of JMAA’s spending with contractors, subcontractors, sub-consultants, and suppliers.

The study team identified the number of business establishments in the relevant markets. DBE availability is defined as the number of DBEs divided by the total number of business establishments in JMAA’s contracting market area. The study team determined that overall DBE availability for JMAA’s geographic and product market areas is 27.3%.³

B. Step 2: §26.45(d)

After calculating a base figure of the relative availability of DBEs, Part 26 requires that JMAA examine all relevant evidence reasonably available to determine what adjustment, if any, was needed to the base figure in order to arrive at the overall goal. The pertinent types of evidence that JMAA must consider when adjusting the base figure include:

- The current capacity of DBEs to perform work in JMAA’s market, as measured by the volume of

¹ 49 CFR Part 26.45(c)(3)

² *The State of Minority- and Women-Owned Business Enterprise: Evidence from Mississippi*, NERA Economic Consulting, 2012 (“Study”).

³ Study, Table A, page 4.

work DBEs have performed in recent years; and

- Evidence from disparity studies conducted anywhere within JMAA’s jurisdiction, to the extent it is not already accounted for in the base figure.

The regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on “demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought.” § 23.51(d)(4).

JMAA considered current DBE capacity as measured by the median of historical DBE accomplishments over the last seven years. DBE accomplishments, as annually reported to the Federal Aviation Administration on the Uniform Report of DBE Commitments/Awards and Payments were as follows:

Table 1
Median DBE Participation for FYs 2018-2010

FY	PERCENT DBE PARTICIPATION					
2010	38.1%					
2011	21.2%					
2012	0.0%					
2013	13.8%					
2014	12.7%					
2015	60.5%					
2016	15.3%					

As illustrated above, the median historical DBE participation is 15.3%. If we add the base figure of 27.3% to the median DBE participation level of 15.3% and divide by 2, we would obtain an adjusted DBE goal of 21.3%.

JMAA further considered data from the Study on economy-wide disparities likely to affect the availability of DBEs. The study team concluded “that there is strong evidence of large, adverse, and frequently statistically significant disparities between minority and female participation in business enterprise activity in JMAA’s market area and the actual current availability of those businesses.”⁴ The study team further concluded, “that these disparities cannot be explained solely, or even primarily, by differences between DBE and non-DBE business populations in factors untainted by discrimination, and that these differences therefore give rise to a strong inference of the continued presence of discrimination in JMAA’s market area”.⁵

In our estimation, while these data could be used to make an adjustment to the base figure, there is not a sufficient nexus between this evidence and the requirement that it be “logically and directly related to the effect for which the adjustment is sought”. JMAA therefore did not make an adjustment to the base figure.

⁴ Study, page 19

⁵ *Id.*

C. Projection of DBE Participation Through Race-Neutral and Race-Conscious Measures

The regulations require that JMAA meet the maximum feasible portion of its goal by using race-neutral means to accomplish DBE participation. JMAA uses the following race-neutral means to increase DBE participation:

- Provides on-line access to the Mississippi Unified Certification Program (MUCP) Directory of Certified DBEs.
- Offers instructions and clarification on bid specifications, general bidding requirements and our procurement policy and procedures to all small businesses.
- Maintains a file of successful bid documents from past procurements and permit DBEs and other small business firms to review and evaluate these documents.
- When requested, conducts debriefing sessions to explain why certain bids were unsuccessful.
- Provides DBEs and other small business firms with information on future procurements and contracting schedules.
- Provides information on certification procedures, subcontracting, and bonding requirements to all small businesses.
- Place bid notices in the DBE trade association newsletters, major local newspapers, as well as periodicals of interest to the disadvantaged business community.
- Make bid specifications available to DBE contractor associations and technical assistance agencies.
- Provides DBE and non-DBE organizations with lists of majority firms bidding as prime contractors.

Table 2 summarizes JMAA’s utilization of DBEs in its federally-funded contracts through race-conscious and race-neutral measures.

Table 2

DBE Utilization Obtained Through Race-Conscious and Race-Neutral Measures

FFYs	DBE Race-Conscious Utilization	DBE Race-Neutral Utilization
2010	84.8%	15.2%
2011	6.7%	93.3%
2012	99.4%	0.6%
2013	95.5%	4.5%
2014	40.2%	59.8%
2015	0.0%	0.0%
2016	100%	0.0%
Median	84.8%	4.5%

In view of these results, JMAA projects that to obtain 85% of the DBE participation from race-conscious measures and 15% through race-neutral measures. In other words of it 27.3% overall DBE goal, JMAA anticipates 23.2% will be achieved by race conscious means and 4.1% will be achieved by race neutral means.

D. Public Participation Process

Before establishing the overall goal this year, JMAA hosted an informational meeting on July 21, 2017 with a number of industry associations and community-based organizations active in the local design and construction community. The primary purposes of the meeting were to discuss the upcoming federally-assisted business opportunities at JMAA and consult with JMAA's business partners regarding the projected DBE goal. The invitation letters regarding the meeting, sign-in sheets and a copy of the presentation are attached as Attachment B.

Following the consultation meeting, we posted a notice of our three year DBE goal on our website. The notice advised the reader of our proposed goal and the opportunity to review and comment on our goal methodology for 30 days.

We will begin using our overall goal on October 1, 2017.