

**CLARK COUNTY DEPARTMENT OF AVIATION  
PROPOSED DBE GOALS  
FY 2011- FY 2013**

***Airport Sponsor:*** Clark County Department of Aviation

McCarran International Airport  
Henderson Executive Airport  
North Las Vegas Airport  
Overton Municipal Airport

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***Goal Period:*** October 1, 2010 - September 30, 2013

**Overall DBE Goal for FAA-Assisted Projects: 5.8%**

***Race-Neutral Goal:*** 2.0%

***Race-Conscious Goal:*** 3.8%

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## ***DBE GOAL METHODOLOGY***

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The overall goal period for the Clark County Department of Aviation Disadvantaged Business Enterprise (DBE) Program is Federal Fiscal Years 2011 through 2013, a three-year basis, covering October 1, 2010 through September 30, 2013. The Overall DBE Goal for the three-year period has been set at 5.8% in compliance with the methodologies described in CFR 49 Part 26 and subsequent guidance. FAA funding for AIP projects is anticipated to be approximately \$88.3 million over the three-year period. The Clark County Department of Aviation commissioned a disparity study (Disparity Study) which was completed in July 2010. It defined the relevant geographic market for non-concession contractors for the Clark County Department of Aviation as Clark County, Nevada.

### **STEP 1 - DETERMINE A BASE FIGURE REPRESENTING THE RELATIVE AVAILABILITY OF DBEs.**

A Base Figure of 6.4% was determined by utilizing the Disparity Study. The Base Figure from the Disparity Study includes an adjustment for past utilization.

### **STEP 2 - EXAMINE DATA TO DETERMINE WHAT ADJUSTMENT, IF ANY, IS NEEDED TO THE BASE FIGURE.**

We have determined that it is necessary to adjust the goal due to the fact that not all trades utilized in the Disparity Study will be utilized in the planned projects for the goal period.

#### **Weighting by Anticipated Trade Classification**

For fiscal years 2011 through 2013, we anticipate the following projects to be awarded:

McCarran International Airport:

- Taxiway C Reconstruction & D Gates Apron Reconstruction - 2011
- Runway 7L/25R Rehabilitation – 2013

Henderson Executive Airport:

- North Apron Expansion and Access Road Stop – 2012
- East Terminal Apron Pavement Rehabilitation - 2013

North Las Vegas Airport:

- South Terminal Apron Pavement Rehabilitation - 2011
- Terminal Apron Lighting - 2012
- North Parallel Taxiway Construction – 2013

Overton Municipal Airport

- No projects planned for fiscal years 2011 – 2013

The disparity study provides availability by business category as follows:

| <b>Business Category</b>                      | <b>Availability</b> |
|---|---------------------|
| Construction – Prime Contractors              | 5.58%               |
| Construction - Subcontractors                 | 23.08%              |
| Architecture and Engineering – Prime          | 11.22%              |
| Architecture and Engineering – Subconsultants | 14.89%              |
| Professional Services                         | 4.29%               |
| Other Services                                | 4.55%               |
| Goods and Services                            | 5.23%               |

The trade breakdown for each of the planned projects is as follows:

| <b>Table 1A: Trade Breakdown for 2011 - 2013 AIP Projects<br/>McCarran International Airport</b> |   |              |                     |
|--|---|--------------|---------------------|
| <b>Project</b>   | <b>Trade</b>                              | <b>NAICS</b> | <b>Trade \$</b>     |
| Taxiway C<br>Reconstruction & D<br>Gates Apron<br>Reconstruction                                 | Asphalt, Concrete, Dust Control, Painting | 237310       | 15,039,622          |
|  | Demolition, Excavation, Earthwork         | 238910       | 10,956,603          |
|  | Electrical                                | 238210       | 3,445,283           |
|  | Underground Piping                        | 237110       | 558,491             |
| <b>Total Project -2011</b>   |   |              | <b>\$30,000,000</b> |
| Runway 7R/25L<br>Rehabilitation  | Asphalt, Concrete, Dust Control, Painting | 237310       | \$24,000,000        |
|  | Demolition, Excavation, Earthwork         | 238910       | \$10,000,000        |
|  | Electrical                                | 238210       | \$5,718,000         |
|  | Underground Piping                        | 237110       | \$282,000           |
| <b>Total Project – 2013</b>  |   |              | <b>\$40,000,000</b> |
| <b>TOTAL PROJECTS</b>  |   |              | <b>\$70,000,000</b> |

| <b>Table 1B: Trade Breakdown for 2011 - 2013 AIP Projects<br/>Henderson Executive Airport</b> |   |              |                    |
|---|---|--------------|--------------------|
| <b>Project</b>  | <b>Trade</b>                              | <b>NAICS</b> | <b>Trade \$</b>    |
| North Apron<br>Expansion & Access<br>Road   | Asphalt, Concrete, Dust Control, Painting | 237310       | \$1,785,000        |
|   | Demolition, Excavation, Earthwork         | 238910       | \$1,225,000        |
|   | Electrical                                | 238210       | \$550,000          |
|   | Underground Piping                        | 237110       | \$240,000          |
| <b>Total Project -2012</b>  |   |              | <b>\$3,800,000</b> |
| East Terminal Apron<br>Pavement<br>Rehabilitation   | Asphalt, Concrete, Dust Control, Painting | 237310       | \$1,785,000        |
|   | Demolition, Excavation, Earthwork         | 238910       | \$1,225,000        |
|   | Electrical                                | 238210       | \$550,000          |
|   | Underground Piping                        | 237110       | \$240,000          |
| <b>Total Project - 2013</b>   |   |              | <b>\$3,800,000</b> |
| <b>TOTAL PROJECTS</b>   |   |              | <b>\$7,600,000</b> |

| <b>Table 1C: Trade Breakdown for 2011 - 2013 AIP Projects<br/>North Las Vegas Airport</b> |   |              |                     |
|---|---|--------------|---------------------|
| <b>Project</b>  | <b>Trade</b>                              | <b>NAICS</b> | <b>Trade \$</b>     |
| South Terminal Apron<br>Rehabilitation  | Asphalt, Dust Control, Remove Striping    | 237310       | \$1,450,239         |
|   | Demolition, Excavation, Earthwork         | 238910       | \$993,570           |
|   | Electrical                                | 238210       | \$447,415           |
|   | Underground Piping                        | 237110       | \$194,395           |
| <b>Total Projects - 2011</b>  |   |              | <b>\$3,085,619</b>  |
| Terminal Apron<br>Lighting  | Demolition, Excavation, Earthwork         | 238910       | \$950,000           |
|   | Electrical                                | 238210       | \$2,660,000         |
|   | Underground Piping                        | 237110       | \$190,000           |
| <b>Total Projects - 2012</b>  |   |              | <b>3,800,000</b>    |
| North Parallel<br>Taxiway Construction  | Asphalt, Concrete, Painting, Dust Control | 237310       | \$2,153,572         |
|   | Demolition, Excavation, Earthwork         | 238910       | \$1,139,283         |
|   | Electrical                                | 238210       | \$436,403           |
|   | Underground Piping                        | 237110       | \$70,742            |
| <b>Total Project - 2013</b>   |   |              | <b>\$3,800,000</b>  |
| <b>TOTAL PROJECTS</b>   |   |              | <b>\$10,685,619</b> |

Since all of the above projects for all of the airports involve only construction trades, only the availability data for the construction trades were utilized in the development of the goals for the three-year period.

### Prime/Subcontractor Payments

Since the Disparity Study developed two different percentages for construction, one for subcontractors and one for prime contractors, we looked at the utilization information from the Disparity Study to determine the allocation of dollars between prime contractors and subcontractors. For the five year period between January 2003 and December 2007, 98.5% of the total construction dollars were paid directly to prime contractors and 1.5% of the construction dollars were paid directly to subcontractors.

| <b>Table 2</b>                               |               |              |               |            |
|--|---------------|--------------|---------------|------------|
| <b>Split of Prime/Subcontractor Payments</b> |               |              |               |            |
| <b>2003-2007</b>                             |               |              |               |            |
|  | Non-DBE       | M/W/DBE      | Total         | % of Total |
| Construction Prime                           | \$881,230,579 | \$19,995,000 | \$901,225,579 | 98.5%      |
| Construction Sub                             | \$12,261,968  | \$1,598,230  | \$13,860,198  | 1.5%       |
| Total Construction                           | \$893,492,547 | \$21,593,230 | \$915,085,777 | 100.0%     |

### Prime/Subcontractor Availability

For the five year period between January 2003 and December 2007, 5.6% of Prime contractors were identified to be M/W/DBEs while 23.1% of the subcontractors were M/W/DBEs. The availability calculations for the construction trade from the Disparity Study are as follows:

| <b>Table 3</b>                                   |         |         |       |            |
|--|---------|---------|-------|------------|
| <b>Split of Prime/Subcontractor Availability</b> |         |         |       |            |
| <b>2003-2007</b>                                 |         |         |       |            |
|  | Non-DBE | M/W/DBE | Total | % of Total |
| Construction Prime                               | 423     | 25      | 448   | 5.6%       |
| Construction Sub                                 | 70      | 21      | 91    | 23.1%      |
| Total Construction                               | 493     | 46      | 539   |            |

### Overall Goal Calculation

Based on the above, the weighted availability is as follows:

$$\begin{aligned} \text{Prime Contractors} &= 5.6\% \text{ (availability)} \times 98.5\% \text{ (percentage of \$)} = 5.5\% \\ \text{Subcontractors} &= 23.1\% \text{ (availability)} \times 1.5\% \text{ (percentage of \$)} = 0.3\% \\ \text{Weighted percentage availability} &= 5.5\% + 0.3\% = 5.8\% \end{aligned}$$

The base goal, adjusted for the weighted trades to be utilized for the anticipated Fiscal Year 2011 through Fiscal Year 2013 projects is **5.8%**.

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## SUMMARY

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There are eight (8) federally-funded projects currently planned for McCarran International Airport, Henderson Executive Airport and North Las Vegas Airport for fiscal years 2011 through 2013. The recently completed disparity study recommended a goal of 6.4% based on an analysis of availability in five (5) business categories, including construction, architectural and engineering, professional services, other services, and goods and services. It is anticipated that only construction trades will be utilized in AIP projects planned for fiscal years 2011 through 2013. We have adjusted the recommended goal based on availability for only those trades which will be utilized. We therefore propose to set an overall goal of **5.8%** for *Federal Fiscal Years 2011 through 2013*.

### **Race-Neutral versus Race-Conscious Goal**

The recently completed disparity study recommends an overall goal of 6.4% based on calculated availability adjusted for past utilization. The calculated utilization between January 2003 and December 2007 was 2.2% and has been declining since race-conscious goals were eliminated. The Disparity Study DBE Goal Setting recommendation states:

*There is evidence supporting the reestablishment of race- and gender conscious DBE goals in construction. There was still disparity for M/W/DBE subcontractors during the study period. Moreover, there was a sharp drop in M/W/DBE utilization when DBE goals were suspended. Finally, there is presented in the report considerable statistical and anecdotal evidence of barriers in the private sector markets associated with race and gender after controlling for capacity variables.*

*DBE goals should be linked to DBE availability. This study found a wide range of estimates for DBE availability depending on whether qualified willing and able availability measures or census availability estimates were used. In general, qualified willing and able measures of availability were significantly higher than census measures. An adjustment based on past utilization provides for more reasonable DBE goals. Adjusting this DBE goal for past utilization, results in a DBE goal of 6.4 percent. The DOA should continue to let out some subcontract opportunities without specific DBE goals and closely monitor DBE utilization on these projects. The objective is to steadily increase the number of DBE dollars achieved without using race- and gender-conscious DBE goals.*

In light of the above recommendation and the recommended 6.4% goal vs. the 2.2% utilization, we have elected to set a race-neutral goal of 2.0% (calculated by dividing 2.2% by 6.4% then multiplying the number by 5.8%). The remaining portion of the goal, 3.8% will be set as a race-conscious goal. We will continue to periodically monitor the participation, if it is determined that the race-neutral measures are not effective, an adjustment to the race-neutral/race-conscious split will be made for the next contracting opportunity.

The following race-neutral methods will be employed:

- a) Provide information on the Clark County Department of Aviation 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 contract 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.

A published notice announcing our proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at our principal office for thirty (30) days following the date of the notice, and informing the public that we will accept comments on the goals for forty-five (45) days from the date of the notice will be published in the following publications:

- El Mundo
- Las Vegas Review Journal
- Las Vegas Sentinel Voice

Notices will also be sent to the following organizations:

- American Council of Engineering Companies Nevada (ACEC Nevada)
- Asian Chamber of Commerce
- Associated Builders and Contractors
- Association of General Contractors
- Center for Business and Economic Research at the University of Nevada LV
- Latin Chamber of Commerce
- National Association of Women Business Owners
- National Association of Minority Contractors.
- Nevada Department of Business and Industry, Financial Institutions Division
- Nevada Minority Supplier Development Council
- Nevada Small Business Development Center
- Urban Chamber of Commerce