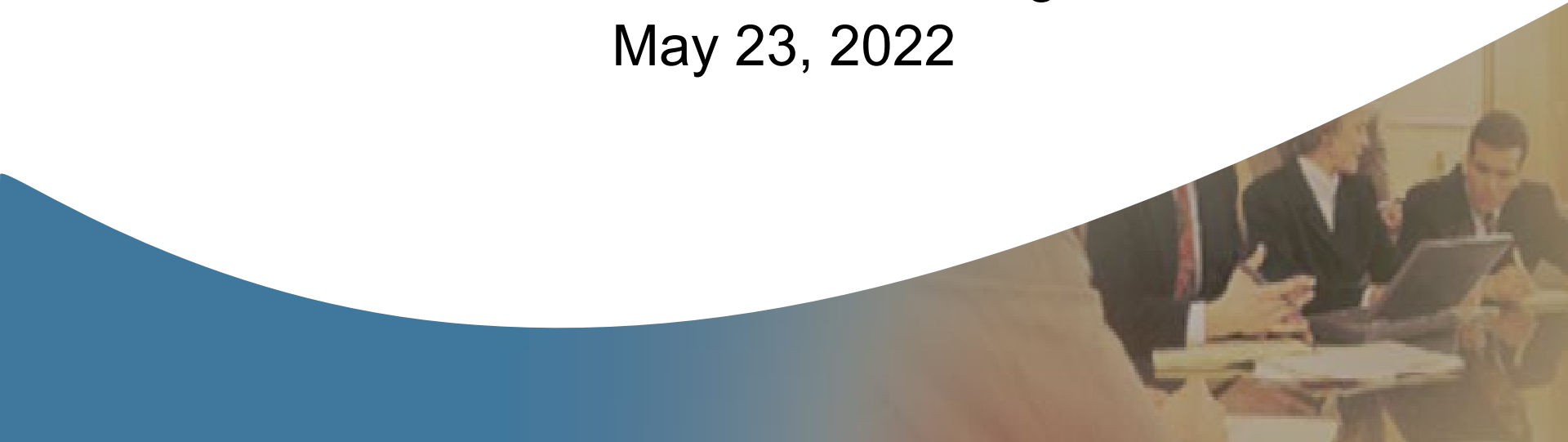




Disadvantaged Business Enterprise (DBE)
Federal Fiscal Year 2023-2025
Goal Setting
Stakeholders Meeting
May 23, 2022



Overview

- Introductions
- Overview of PHL
- DBE Program Basics
- PHL Goal Setting Methodology
- How to Provide Comments
- Partnering Opportunities
- Questions

Introductions

- Kathleen Padilla
 - PHL Deputy Director of Aviation
 - Office of Business Diversity
- Denise Bailey
 - Milligan Consulting, LLC
 - Philadelphia MBE
 - Specializing in transportation oversight, economic development, diversity consulting
 - PHL's on-call DBE consultant

Overview of PHL

- Serves over 32 million passengers annually
- Generates \$16.8 billion in spending for the regional economy and accounts for more than 106,000 full-time jobs annually
- Provides business opportunities for professional services, construction, commodities, and concessions
- Capital Development Program (CDP) encompasses design, construction, and management of innovations and improvements to PHL and Philadelphia Northeast (PNE) airports



DBE Program Basics

- Governing US DOT Regulation
 - 49 CFR Part 26 and Participation by DBEs in Department of Transportation (DOT) Financial Assistance Programs
- PHL Responsibilities
 - Establish Overall Goals (every three years)
 - Determine Contract Goals
 - Certification
 - Performed as part of the Pennsylvania UCP (www.paucp.com)
 - Monitoring and Enforcement
 - Reporting

PHL Goals

Goal Type	Current Goal	Current Achievement
FAA DBE	17.93%	16.51%
FAA Airport Concession DBE (non car rental)	21.3%	34.95%
FAA Airport Concession DBE (car rental)	2.05%	1.56%
City of Philadelphia M/W/DSBE	30%	36%

Establishing Overall Goals

- 49 CFR 26.45 of CFR requires the Airport to set an overall DBE goals for FAA-funded projects at PHL and PNE.
- Overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate in the airport's FAA-funded contract opportunities.
- Goal must reflect determination of the level of DBE participation PHL would expect absent the effects of discrimination.

DBE Goal Setting

- PHL's Current DBE Goal is 17.93%
- Past Participation

Fiscal Year	DBE Goal	DBE Achievement	Over/under
FY 2019	16.30%	8.99%	-7.31%
FY 2020	17.93%	15.38%	-2.55%
FY 2021	17.93%	16.51%	-1.42%

DBE Goal Setting

- PHL is currently developing its Federal Fiscal Years 2023-2025 DBE goals
- Goal-setting is a two-step process
 - Establish a base figure based on the relative availability of DBEs to participate in PHL's FAA-funded capital projects.
 - Make any necessary adjustments to the base figure based on local market conditions.

Calculating the Base Figure

- This goal focuses on the participation of DBEs in FAA-funded contracts that will be *awarded* over the next three years.
- Potential projects are forecast three years into the future.
- This provides a “best estimate” of potential contracting activity and opportunities.

PHL's Base Figure

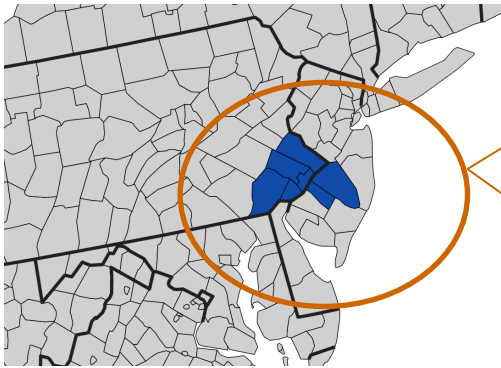
Federal Fiscal Year
2023 – 2025
Anticipated
FAA-Funded Projects

PHL - Project Name / Description	
Fiscal Year	
FY23	Reconstruct Taxiway S (Phase 1) - <i>Design and Construction</i> Reconstruct Taxiway Y (K to S) - <i>Design and Construction</i> Rehabilitate RW 9R-27L - <i>Design</i> VALE Equipment/ Infrastructure - <i>Design and Construction</i> Restroom Phases 5-9 - <i>Construction</i>
FY24	Rehabilitate RW 9R-27L - <i>Construction</i> Rehabilitate Taxiway E - <i>Design and Construction</i> Rehabilitate TW S (Southern Feeder to 27R) - <i>Design and Construction</i> (NEC) T/W S9 High Speed - <i>Design and Construction</i>
FY25	Reconstruct Taxiway S (Phase 2) - <i>Construction</i> Rehabilitate Taxiway Z - <i>Design and Construction</i>

PNE - Project Name / Description	
Fiscal Year	
FY23	Rehabilitate Taxiway L (Phase 2) - <i>Construction</i> Rehabilitate Runway 15-33 - <i>Design</i> Rehabilitate Taxiway C (Phase 1) - <i>Design and Construction</i> VALE/ZEV Infrastructure - <i>Design and Construction</i>
FY24	Rehabilitate Runway 15-33 (Phase 1) - <i>Construction</i> Rehabilitate Taxiway C (Phase 2) - <i>Design and Construction</i>
FY25	Rehabilitate Runway 15-33 (Phase 2) - <i>Construction</i>

PHL's Base Figure

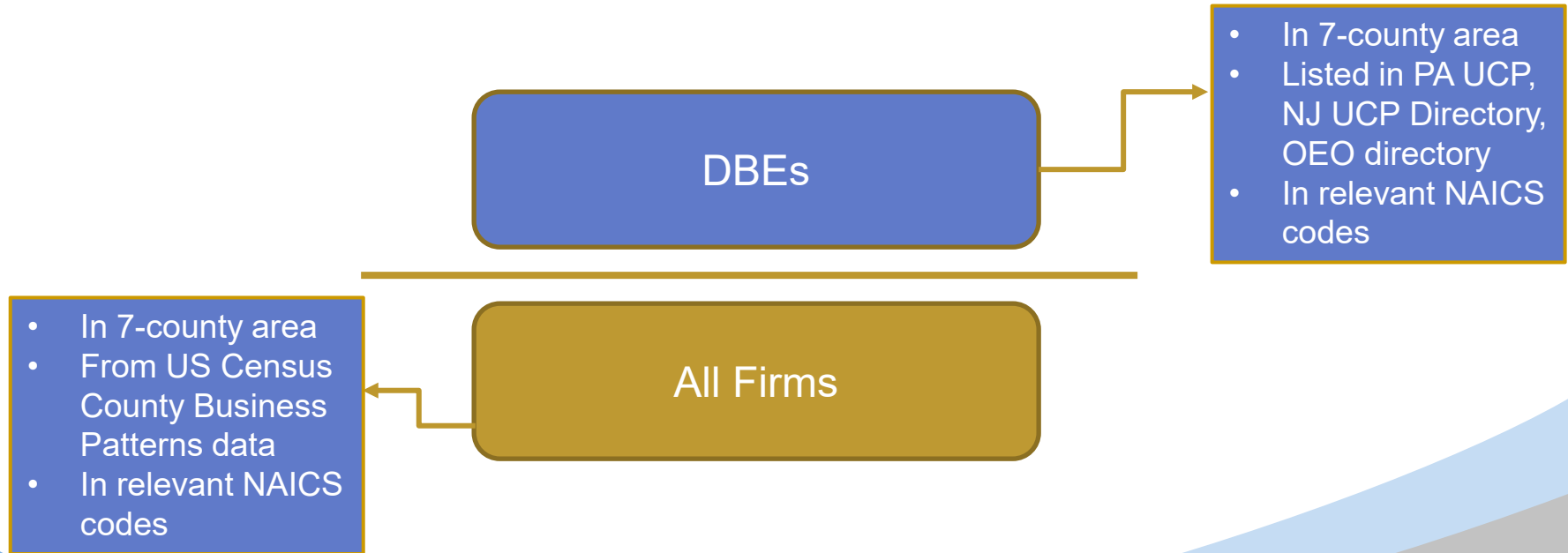
- 69% of DBEs awarded work on PHL projects in the past three years are located in a 7-county area



Philadelphia County, PA
Delaware County, PA
Montgomery County, PA
Bucks County, PA
Chester County, PA
Camden County, PA
Burlington County, PA

PHL's Base Figure

- Based on projected opportunities and past/current DBE participation, PHL estimates the % of DBEs compared to all firms that can participate in PHL's FAA-funded contracts.



Construction-Related NAICS Codes

NAICS Code / Description	
236220	Commercial and Institutional Building Construction
237110	Water and Sewer Line and Related Structures Construction
237130	Power and Communication Line and Related Structures Construction
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238130	Framing Contractors
238190	Other Foundation, Structure, and Building Exterior Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238220	Plumbing, Heating, and Air-Conditioning Contractors
238310	Drywall and Insulation Contractors
238320	Painting and Wall Covering Contractors
238340	Tile and Terrazzo Contractors
238350	Finish Carpentry Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
324121	Asphalt Paving Mixture and Block Manufacturing
327390	Other Concrete Product Manufacturing
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)
444190	Other Building Material Dealers
484220	Specialized Freight (except Used Goods) Trucking, Local
493110	General warehousing and storage
541380	Testing Laboratories
541922	Commercial photography services
561612	Security Guards and Patrol Services
561621	Security Systems Services (except Locksmiths)
561730	Landscaping Services
561990	All Other Support Services
562111	Solid Waste Collection
562112	Hazardous Waste Collection
562910	Remediation Services

Design-Related NAICS Codes

NAICS Code / Description	
541310	Architectural Services
541320	Landscape architectural services
541330	Engineering Services
541340	Drafting services
541360	Geophysical Surveying and Mapping Services
541370	Surveying and Mapping (except Geophysical) Services
541611	Administrative Management and General Management Consulting Services
541620	Environmental Consulting Services
541690	Other Scientific and Technical Consulting Services
561410	Document preparation services

561410	Document preparation services
541690	Other Scientific and Technical Consulting Services
541620	Environmental Consulting Services

PHL's Base Figure

Project	Number of Available DBEs	Number of All Firms	Relative Availability	
Construction / Construction Related Services	633	10,954	5.78%	
Engineering/Design/Construction Management Services	389	3,725	10.44%	
Combined Totals	1,022	14,679	6.96%	Overall availability of DBEs

Availability

Project Type	Estimated Project Costs	% of Total Estimated Project Costs (weight)
Construction/Construction Related Services	\$337,010,000	95%
Engineer/Design/Construction Management Services	\$18,940,000	5%
	\$355,950,000	100%

Weighting

Project	Weight*	x	Availability	Weighted Base Figure
Construction / Construction Related Services	95.0%	x	5.78%	5.49%
Engineering/Design/Construction Management Services	5.0%	x	10.44%	0.52%
			Total	6.01%

Weighted Goal

Adjusting PHL's Base Figure

Once a base figure has been calculated, relevant evidence in the market area is examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal. Considerations include:

- Past DBE participation
- Evidence from disparity studies
- Any available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, such as:
 - Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate
 - Data on employment, self-employment, education, training and union apprenticeship programs, to the extent that it is relevant

Adjusting For Past Participation

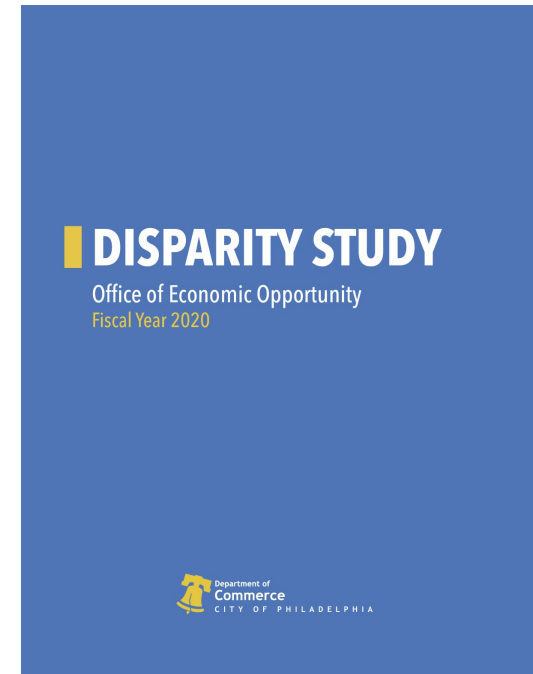
- Past participation of DBEs was determined to be the Relevant adjustment to consider.
- For past three years, that participation was:

Fiscal Year	DBE Achievement
FY 2019	8.99%
FY 2020	15.38%
FY 2021	16.51%

Regulations require using the median (or middle) past participation percentage

Adjusting For Disparity Study

- City of Philadelphia's 2022 Disparity Study was considered a relevant input into the goal-setting process.
- For relevant public works-type projects, that study recommended a goal of 35%



Adjusting PHL's Base Figure

Calculate the Overall Goal by *averaging* the results of Step 1 (6.01%) with Step 2 (15.38% + 35%)

$$\frac{6.01\% + 15.38\% + 35\%}{3} = 18.80\%$$

Projecting Race-Neutral/Race Conscious Split

- Once the overall goal is established, PHL must project what part of the goal it anticipates achieving race-neutrally (i.e. no DBE goals set on agreements/contracts) and what portion it anticipates achieving race-consciously (i.e. setting a goal).
- Since the airport has exceeded its goals, it needs to factor that into the future use of race-conscious goals.
- Based on past participation and current agreements, PHL anticipates attaining 3.60% race neutrally and 15.2% race-consciously for its FFY 2023-2025 goal

Public Participation

- PHL is required to communicate with the public in two ways
 - Consultative process with stakeholders
 - Today
 - Publishing of goal on its website
- Please meet with us after this session or send us your comments on the goal setting to dbailey@miconsult.net
- Send comments by May 31, 2022

Partnering Opportunities

- PHL hosts business-capacity building workshops throughout the year. Recent topics have included:
 - Workforce Diversity and OSHA Requirements for Airport Construction Projects
 - Preparing for Capital Project Opportunities at Philadelphia International Airport
 - Doing Business with Regional Transportation Agencies
 - Negotiating and Managing Joint Venture and Concessions Agreements Workshop
 - Responding to Professional Services Requests for Proposals
 - Construction Firm Roundtables
- PHL's Annual Business Opportunity Forum is scheduled for September 30, 2022



Additional Information on PHL Opportunities

- See PHL's Capital Development Program Website for opportunity updates

<https://www.phl.org/about/cdp/opportunities>



home → about phl → capital development → opportunities

Let's Work Together

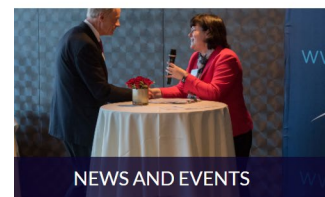
Capital Development offers an exciting opportunity to be part of an innovative effort to transform PHL into a premier global hub. By smartly sourcing and connecting large, small and diverse businesses to real opportunities, we will achieve our goals, engage the business community and deliver a first class experience for travelers.

Contracting opportunities will be updated regularly; tables below as of April 2022.

Professional Services Opportunities

Quarter 2 - 2022

OPPORTUNITY	DESCRIPTION	MORE INFORMATION
On-Call Sustainability	Assistance with the Sustainability program and planning efforts, ongoing implementation of goals, targets, and initiatives established in the Sustainability Action Plan; establishment of baseline metrics and projections, involvement with comprehensive management programs related to waste, energy, air emissions, climate change, noise, wetlands, and land management, water conservation, ground transportation, and possibly other sustainability initiatives with social (employee and stakeholder-based) and/or economic components at PHL and PNE.	
Airport Utility Infrastructure Master Plan	Provide Project Management services and develop and implement an Airport campus-wide Utility Infrastructure Master Plan.	
Architect and Engineer Services	City of Philadelphia, Division of Aviation seeks qualified applicants to provide comprehensive project management, engineering, survey, and location services for the implementation of a utility infrastructure master plan, 25-30% MBE and/or WBE	https://phillawx.phila.gov/contract/ Opportunity Number: 21220418152956



Questions/Discussion