

**Michigan Department of Transportation  
Office of Aeronautics  
State Block Grant  
Goal Update  
FY 2023,2024,2025**

**Overall Goals (26.45)**

**Amount Of Goal**

The Office of Aeronautics overall goal for FY 2023, 2024, 2025 is the following: 5.80% of the Federal financial assistance we will expend in DOT-assisted contracts.

Given the number of DOT-assisted contracts the Michigan Department of Transportation expects to get during this fiscal year/project, which is \$30,062,311, this means that we have set a goal of expending \$1,743,614 with DBEs during this fiscal year/project.

**Method**

The following is a summary of the method we used to calculate this goal. This goal includes all NPIAS non-primary airports in the State of Michigan.

The method used to calculate the relative availability of DBEs ('base figure') for "Step 1" of the process (see 26.45© is as follows. The base figure is a percentage figure calculated by dividing a number representing available DBEs (142) by a number representing all available firms (133).

The data sources used to derive the numerator and denominator in the calculations: there were 49 DBEs in our Directory and 84 total firms in the following NAICS codes and following Counties found in the Census Bureau's County Business Pattern (CBP) database.

Counties:                      Statewide

Work will include Airport Runway Construction (237310) and professional engineering services (541330).

		Directory	NAICS
237310	Airport Runway	40	37
541330	Engineering	9	47
	All	49	84

Base. Figure = 58.33%

Weighting of the base figure is done with respect to both the NAICS category amounts and the geographic location of projects. Due to the lower number of DBEs in the northern part

of the state, yet the larger portion of funds spent there, the actual weighting is distributed by utilizing the base figure in each district where the project is located. See the attached State Block Grant Program Summary.

Engineering is affected heavily in Michigan due to the influence of the automobile industry. The automotive industry relies on mechanical, electrical, computer, and robotic engineering which were counted with the “Engineering Services” category in the NAICS. These types of businesses do not perform civil engineering for airports which is needed for the listed projects. The data has been weighted by as much as 85% in those influenced areas of the state.

The market area depends on the type of work and the size of the proposed contract or subcontract. For heavy construction and electrical work, the market area is reduced for smaller jobs due to the relative cost of transportation of equipment. For the program Airport – Runway Construction classification was evaluated for each MDOT district as the market area, which are roughly fifty-mile radius areas.

For professional services the district market areas were utilized for small jobs (\$50,000 to \$200,000 prime), and 200 miles for larger jobs (greater than \$200,000 prime contracts).

**Adjustment of Base Figure**

Due to the probability that the contractors listed in the census business patterns (CBP) are not all interested in airport work as reflected in the directory contractors, the base figure needs to be analyzed.

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure to arrive at the overall goal. We evaluated the history of achievements and applied the median percentage to adjust the Step 1 goal.

Year	2017	2018	2019	2020	2021
Accomplished Data	8.63%	17.45%	0%	8.70%	13.51%

Arranged from low to high, the median is 8.71%. We are adopting 8.71% as our adjustment figure.

Next, we added Step 1 and Step 2 together and then averaged it to arrive at the overall goal.

(Step 1) 58.33% + (Step 2) 8.71% = 67.04% / 2 = 33.52% which is the overall goal.

The DBE goal for Michigan’s State Block Grant Program (SBGP) is calculated to be 33.52%. We are requesting that the DBE goal be changed to 5.80% (4.80%-Race Conscious/1.00%-

Race Neutral). Airport construction has been affected by the COVID-19 pandemic. The SBGP is anticipated to have fewer projects over the next three years. Also, because of additional federal funding (BIL, CARES, AIG, CRSSA) DBE resources will be stretched. By keeping the SBGP DBE goal at 5.80% will assure that this requirement is met. In addition, there are fewer DBE firms available in northern Michigan and the Upper Peninsula and those that may be available are working on other federal projects.

The Office of Aeronautics submits its overall goal to DOT on or near August 1 every three years.

Before establishing the overall goal each year, the Office of Aeronautics will consult with its agent, MDOT, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the Office of Aeronautics efforts to establish a level playing field for the participation of DBEs.

The MDOT consults with its statewide DBE Advisory Committee that is comprised of minority and women business owners, as well as non-DBE business owners. This group meets quarterly, and the resulting comments will be documented and distributed.

Following this consultation, we will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for the inspection at the MDOT Aero internet website.

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses.

We will begin using our overall goal on October 1 of each year unless we have received other instruction from DOT.

### **Breakout of Estimated Race-Neutral and Race-Conscious Participation**

The Office of Aeronautics will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation.

We estimate that, in meeting our overall goal of 5.80%, we will obtain 1.0% from race-neutral participation and 4.80% through race-conscious measures. The breakout is based on accomplishments exceeding the goal by at least 1.0% in recent past years which is evidence of race-neutral participation.

Further monitoring will be done to evaluate the race neutral calculations for future years.

We will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.S1(f)) and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-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.

DBE participation on a subcontract to a prime contract that had no DBE requirement or 0% goal,

And DBE participation achievement over the DBE race conscious goal.

The state level information regarding disparity studies and other pertinent barriers is focused on the Michigan Department of Transportation (MDOT). MDOT conducted a statewide disparity study at the beginning of its DBE program in the early eighties. Since then, MDOT has been the only department at the state level to certify DBEs for federal qualification of grants. The above data has been accumulated by the MDOT.

There are no disparity studies available that would affect airports. Further, we are not aware of any evidence pertaining to barriers affecting opportunities for DBEs to form, grow, and compete.

Organizations in the Lansing area and statewide were contacted and had no usable input to offer regarding the program or the goal. These organizations included the Small Business Administration. Since the construction contracts and the professional services contracts are not bid locally, but on a statewide basis, the Michigan Department of Transportation will extend its search for input on a statewide basis, utilizing the resources of MDOT.

The MDOT, on behalf of the airport(s), consults with its statewide DBE Advisory Committee that is comprised of minority and women contractors, business owners and organizations, as well as non-DBE contractors and business owners. These discussions include the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the efforts to establish a level playing field.

Contacts requesting review and comments will be made regarding programs and goals with the DBE and non-DBE consultant and contractors, as well as contractor organizations and DBE organizations.

Consultations with the mentioned DBE organizations will be held within sixty days. Public notice of the plan and goal will be posted on MDOT Aero website.

Race-neutral measures that are part of this program include, through the utilization of the MDOT, Office of Equal Opportunity, Include:

1. Providing Technical assistance and other services through MDOTs DBE semi-annual workshops.
2. Ensuring the inclusion of DBEs and other small business, on recipient mailing lists for bidders; ensuring the dissemination the bidders on prime contracts of lists of potential subcontractors; and provision of information in languages other than English.

3. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability.
4. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency.
5. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low.
6. Ensuring distribution of the DBE directory, through print, to all interested contractors statewide and in other states.

**Contract Goals (26.511 )**

The Michigan Department of Transportation will use contract goals to meet any portion of the overall goal the Michigan Department of Transportation does not expect to meet using race-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 our overall goal that is not projected to be met using race-neutral means.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We 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 work).

We will express our contract goals as a percentage of the Federal share of a DOT-assisted contract.

The recipient does not intend to use any race-conscious means of obtaining DBE participation other than contract goals.

**Race Conscious Measures**

Goal Period: From 10/11/2022 to 9/30/2025

Contracts Goal: 5.80%\_\_\_\_\_

Adjusted  
Race Conscious Goal: 4.80%

Race Neutral Goal: 1.0%

Overall DBE Goal: 5.80%

**Methodology for Establishing Contract Goal:**

	Federal \$ Amount	Federal \$ DBE	DBE Portion
Project Items - DBE Participation Required			
Prof. Serv.	\$6,064,564	\$198,098	3.26%
	\$23,390,14	\$1,356,62	
Construction	9	9	5.80%
Equipment	\$607,598	\$0	0.00%
Non-AIP & PFC Items	N/A	N/A	
Land - less consultant	N/A	\$0	0.00%
Non-Contract	\$0	\$0	0.00%
<b>Subtotal</b>	<b>\$30,062,31</b>	<b>\$1,554,72</b>	<b>5.17%</b>
	1	7	
<b>Total Amount</b>	<b>\$30,062,31</b>	<b>\$1,554,72</b>	<b>5.17%</b>
	1	7	

**Professional Services:**

Item Description	Federal \$ Amount	Federal \$ DBE	DBE %
Plans and Design	\$0	\$0	0.00%
Supervision & Inspection Consultant	\$0	\$0	0.00%
Real Estate	\$0	\$0	0.00%
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	

**Construction:**

Description		Federal \$ Amount	Federal \$ DBE	Contract DBE %
		\$14,920,41		
Block Grant	2023	9	\$865,384	5.80%
Block Grant	2024	\$8,464,969	\$490,968	5.80%
		\$13,259,89		
Block Grant	2025	2	\$769,074	5.80%
<b>Total</b>		<b>\$36,645,28</b>	<b>\$2,125,42</b>	
		0	6	

Attachment E

DBE Contractors [www.michigan.gov/mucp](http://www.michigan.gov/mucp)

All Prequalified Consultants MDOT-PSVR ([state.mi.us](http://state.mi.us))

All Prequalified Construction Contractors MDOT-Doing Business with MDOT ([state.mi.us](http://state.mi.us))

## Federal/State DBE Contacts

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