

**South Dakota Department of Transportation**  
**Office of Aeronautics**  
**Methodology for Determining Overall DBE Goal**  
**FY 2023-2025 FAA Goal**  
**Goal – 1.0%**  
**Race Conscious – 1.0%**

**Step 1. Determining the Base Figure: 49 CFR 26.45(c)(2)**

The FAA Airport Improvement Program Grant Assurances requires airport sponsors to implement and maintain a Pavement Maintenance Program. The State of South Dakota is a Channeling Act State and assumes the responsibility for the planning and execution of this work on behalf of the individual airport sponsors. Pavement Maintenance work is performed yearly on 10-15 airports. We identified the one type of contracting opportunity that exists for a recipient or sub recipient of FAA funds. We compared the number of South Dakota, Montana, Minnesota, North Dakota and Wisconsin firms to the number of similar certified DBE firms. According to the 2020 US Census Bureau County Business Patterns (NAICS), these states have 670 firms in the applicable NAICS code (237310). We used the Census Bureau data because the DOT does not maintain data relative to NAICS codes on its bidders list. We then examined the SDDOT Roster of Certified DBE Firms and determined that there are 35 businesses with this NAICS code. To determine the availability of DBEs for FAA projects we divided the number of firms in those trades (670) into the number of SDDOT certified DBEs (35). The number is 5.2% ( $35/670 = .052$  or 5.2%).

**Step 2. Adjustments to the Base Figure: 49 CFR 26.45(d)**

49 CFR 26.45 (d) says once we have calculated a base figure, we must examine evidence available in our jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at our overall goal. We examined DBE participation for the past five (5) years, which would be a fair indicator of future participation. For FY 2017-2021, we had 0% DBE participation. The SDDOT Roster of Certified DBE Firms contains only one possible bidder to participate in our annual pavement maintenance contract. Taking these circumstances into consideration the SDDOT Office of Aeronautics is

requesting that the base figure be adjusted accordingly to .8 % ( $6/670 = .008$  or .8% rounded).

**Race neutral and race-conscious means to meet the overall goal:**

49 CFR 26.51 (c) requires us to submit with our overall goal a projection of what we expect to meet through race-neutral means. The DOT sets contract goals as a race-conscious means of achieving the overall goal. We also implement the following race-neutral means of achieving the overall goal:

1. Provide a monthly DBE newsletter with business articles and advice.
2. Provide a copy of the DBE Snapshot which is a supplement to the DBE newsletter sent electronically during months that include two or more DOT lettings.
3. Provide one-on-one and group training and technical assistance to enhance DBE's business skills.
4. Provide an online DBE directory with the owners' photographs and business profile to contractors and on the internet. This served as an excellent advertising tool because it added the owner's face to the company name.
5. Conduct business reviews, analyses, and recommendations to DBE firms.

For reporting purposes, race-conscious participation includes:

1. DBE prime contract awards.
2. DBE participation on contracts without individual contract goals.

To the extent possible, we will meet the overall goal through race-conscious means (with outreach and technical assistance).

**Consultation: 49 CFR 26.45(g)(1)**

All highway contractors, DBEs, tribal employment officers and the South Dakota Center of Opportunity Women's Business Center were invited to a face-to-face meeting to discuss the availability of disadvantaged and nondisadvantaged businesses, the effects of discrimination on opportunities for DBEs and efforts to establish a level playing field for the participation of DBEs.