

Attachment 1

Section 26.45: Overall Goal Calculation

KENTON COUNTY AIRPORT BOARD OVERALL DISADVANTAGED BUSINESS ENTERPRISE GOAL FISCAL YEARS 2026-2028

INTRODUCTION

The Kenton County Airport Board (KCAB), operator of the Cincinnati/Northern Kentucky International Airport (CVG), located in Hebron, Boone County, Kentucky derived the overall Disadvantaged Business Enterprise (DBE) Program Goal in a method consistent with the requirements of 49 CFR Section 26.45.

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PROCEDURES FOR SETTING ANNUAL OVERALL GOAL

KCAB staff reviewed the type, nature, and number of Federal Aviation Administration (FAA) funded projects which are planned for federal fiscal years (FY) 2026-2028. KCAB then evaluated the number of purchase contracts, the number of DBE contractors known to KCAB by reason of past bids, and the individual contracting opportunities contained within each project.

Per Section 49 CFR Part 26.45(f)(1), KCAB submits its overall goal for three-year intervals to the Federal Aviation Administration Office of Civil Rights. In establishing the goal for fiscal years 2026-2028, KCAB staff reviewed prior KCAB projects and prior DBE participation in KCAB projects. KCAB staff reviewed county census patterns for the NAICS codes which are expected to compete for projects planned for FY 2026-2028. KCAB staff also reviewed DBE goals of other recipients within the region and hosted a stakeholder consultation meeting with DBE firms and organizations which may have information relevant to DBEs. KCAB staff performed these evaluations in order to obtain information concerning the availability of disadvantaged businesses to participate in KCAB projects, the effects of past discrimination on opportunities for DBEs to participate in KCAB projects, and to evaluate KCAB's efforts to establish a level playing field for DBE participation in KCAB projects.

As in previous years, KCAB will publish the overall goal, and any updates, for FY 2026-2028 on KCAB's website at <https://www.cvgairport.com/business/business-opportunities/business-diversity/>.

CONTRACT GOAL

The following federally funded contracts are expected to be let during the federal fiscal years 2026, 2027, and 2028.

Federal Fiscal Year	Project Description	Estimated Federal Participation (\$)
FY-2026	Concourse A Apron Reconstruction (Construction) Phase 2	\$18,750,000
FY-2026	Taxiway S Reconstruction	\$4,500,000
FY-2027	Concourse A Apron Reconstruction (Construction) Phase 3	\$15,000,000
FY-2028	Concourse A Apron Reconstruction (Construction) Phase 4	\$18,750,000
	Total:	\$57,000,000

MARKET AREA

Pursuant to 49 Part 26.45, the overall goals are based upon the availability of ready, willing, and able DBE firms in the Normal Market Area (NMA). KCAB identified its NMA by examining its federally funded projects for fiscal years 2023-2024 (all bid responses for 2025 were not available at the time of this draft). The NMA consists of Boone, Kenton, and Campbell Counties in Northern Kentucky; Hamilton, Butler, Warren, Clermont, Montgomery, and Franklin Counties in Ohio; and Dearborn County, Indiana. The percentage of total contract dollars and number of bidders for the previous two program periods are shown below. When the 5-year period is totaled, 86% of dollars were spent inside the normal market area, with 14% of total dollars spent outside, and 49% of all bidders were within the market area, with 51% outside, thus confirming the appropriateness of NMA's geographic location, given those conditions.

FY2023-2024	Total Contracts Amount	Percentage of Total Contract Dollars	Total Number of Bidders (incl. subs)	Percentage of Total Bidders
Normal Market Area	\$46,929,133	77%	33	45%
Outside Market Area	\$14,365,568	12%	41	55%
Totals	\$61,294,702	100%	74	100%
FY2020-2022	Total Contracts Amount	Percentage of Total Contract Dollars	Total Number of Bidders (incl. subs)	Percentage of Total Bidders
Normal Market Area	\$104,502,398	91%	29	55%
Outside Market Area	\$9,983,697	9%	24	45%
Totals	\$114,486,095	100%	53	100%

Step 1: 49 CFR 26.45(c)

To determine the percentage of DBEs, both prime and subcontractors, that are ready, willing, and able to compete for contract work at CVG, the following steps were taken to calculate the Step 1 base goal:

1. KCAB's Planning and Development Department identified the proposed projects for fiscal years 2026-2028 likely to receive FAA funding assistance.
2. KCAB's DBELO worked with the departments assigned to the projects to identify the types of work to be completed on each project and estimated the percentage of dollars expected to be performed under each NAICS Code as compared to the total contract price.
3. The types of work identified were classified under the appropriate NAICS Code.
4. The total number of contracting firms in the identified NMA classified under each identified NAICS code was calculated using the information available on the U.S. Census Bureau's 2023 County Business Patterns report.
5. The number of DBE firms in the NMA classified under each identified NAICS code was calculated relying on the information contained in the certification lists published and maintained by the Kentucky Transportation Cabinet, the Ohio Unified Certification Program, and the Indiana Department of Transportation.
6. The list of certified DBE firms was reviewed to ensure that each firm was ready, willing and able to perform the type of work included in the FY2026-2028 identified projects. If a DBE firm was excluded, then both the number of DBE firms and the total number of firms included under that NAICS code were reduced accordingly.
7. The number of DBE firms in each NAICS code was divided by the total of all firms in that NAICS code. This quotient was then weighted by multiplying by the percentage of contract dollars estimated to be expended on the work in that NAICS code.

8. The weighted totals were then added to arrive at the base goal for each fiscal year. Fiscal year goals for FY 2026-2028 were then added and divided by three to arrive at the overall Step 1 base goal of 13.4%.

AIP Eligible Projects				DBE Firms	All Firms	Weighting: ((DBE/All firms) x %) x 100
Primary Project Description	NAICS Code	Trade/Discipline	% of Annual Total			
2026						
Concourse A Apron Reconstruction (Construction)	541330	Engineering Design & CACI	4.3%	33	665	0.21
	541990	All Other Professional, Scientific, and Technical Services	0.9%	17	1185	0.01
	237310	Highway, Street, and Bridge Construction	48.4%	12	76	7.64
	238990	All Other Specialty Trade Contractors	5.2%	22	381	0.30
	238210	Electrical Contractors and Other Wiring Installation Contractors	2.1%	14	654	0.05
	423390	Other Construction Material Merchant Wholesalers	0.3%	2	42	0.01
	484220	Specialized Freight (except Used Goods) Trucking, Local	0.3%	77	241	0.08
	488490	Other Support Activities for Road Transportation	3.2%	6	12	1.60
	237310	Highway, Street, and Bridge Construction-striping	1.3%	4	54	0.10
	561730	Landscaping Services	1.5%	14	1185	0.02
	238910	Site Preparation Contractors	12.7%	19	289	0.84
	238390	Concrete Sealing	0.6%	4	654	0.00
Taxiway S Panel Reconstruction (Construction)	541330	Engineering Design & CACI	1.2%	33	665	0.06
	561612	Security Guards & Patrol Services	1.9%	1	102	0.02
	237310	Highway, Street, and Bridge Construction	8.6%	12	76	1.36
	238210	Electrical Contractors and Other Wiring Installation Contractors	1.0%	14	654	0.02
	484220	Specialized Freight (except Used Goods) Trucking, Local	1.0%	77	241	0.32
	488490	Other Support Activities for Road Transportation	0.5%	6	12	0.23
	237110	Water & Sewer Line Construction	0.5%	3	70	0.02
	238910	Site Preparation Contractors	4.3%	19	289	0.28
	238390	Concrete Sealing	0.1%	4	93	0.01
				FY 26 Base Goal:		13.2
2027						
Concourse A Apron Reconstruction (Construction)	541330	Engineering Design & CACI	5.3%	33	665	0.26
	541990	All Other Professional, Scientific, and Technical Services	1.1%	17	1185	0.02
	237310	Highway, Street, and Bridge Construction	60.0%	12	76	9.47

Concourse A Apron Reconstruction (Construction)	238990	All Other Specialty Trade Contractors	6.5%	22	381	0.37
	238210	Electrical Contractors and Other Wiring Installation Contractors	2.6%	14	654	0.06
	423390	Other Construction Material Merchant Wholesalers	0.3%	2	42	0.02
	484220	Specialized Freight (except Used Goods) Trucking, Local	0.3%	77	241	0.10
	488490	Other Support Activities for Road Transportation	4.0%	6	12	1.99
	237310	Highway, Street, and Bridge Construction-stripping	1.6%	4	54	0.12
	561730	Landscaping Services	1.8%	14	1185	0.02
	238910	Site Preparation Contractors	15.8%	19	289	1.04
	238390	Concrete Sealing	0.8%	4	654	0.00
				FY 27 Base Goal:		13.5
202						
Concourse A Apron Reconstruction (Construction)	541330	Engineering Design & CACI	5.3%	33	665	0.26
	541990	All Other Professional, Scientific, and Technical Services	1.1%	17	1185	0.02
	237310	Highway, Street, and Bridge Construction	59.9%	12	76	9.46
	238990	All Other Specialty Trade Contractors	6.5%	22	381	0.37
	238210	Electrical Contractors and Other Wiring Installation Contractors	2.6%	14	654	0.06
	423390	Other Construction Material Merchant Wholesalers	0.3%	2	42	0.02
	484220	Specialized Freight (except Used Goods) Trucking, Local	0.3%	77	241	0.10
	488490	Other Support Activities for Road Transportation	4.0%	6	12	1.99
	237310	Highway, Street, and Bridge Construction-stripping	1.6%	4	54	0.12
	561730	Landscaping Services	1.8%	14	1185	0.02
	238910	Site Preparation Contractors	15.8%	19	289	1.04
	238390	Concrete Sealing	0.8%	4	654	0.00
				FY 28 Base Goal:		13.5

3-year (FY2026-28) Base Goal: 13.4%

$$13.17\% \text{ (FY2026)} + 13.47\% \text{ (FY2027)} + 13.45\% \text{ (FY2028)} = 40.09 / 3 \text{ years} = \mathbf{13.4\%}$$

Step 2: 49 CFR 26.45(d)

After calculating the base figure of the relative availability of DBEs, evidence was examined to determine what adjustment was needed in order to arrive at the overall goal. KCAB considered the past DBE participation level in federally assisted contracts at CVG. Accordingly, KCAB decided that a Step 2 adjustment was justified. KCAB considered the capacity of DBEs to perform work as measured by the median past participation of DBEs on AIP projects during Fiscal Years 2018-2022 because this was likely to present an accurate picture of the availability of DBE firms ready, willing, and able to participate in Board contracts during Fiscal Years 2026-2028. The following steps were taken to calculate this Step 2 adjustment:

1. The DBE participation percentages for awarded contracts in Fiscal Years 2020-2024 were arranged from low to high to arrive at the median of 10.5%.
2. Finally, the median of past participation was added to the Step 1 base goal and divided by 2 to arrive at the average. This average is the overall goal for each of the Fiscal Years 2026-2028.

Fiscal Year	Percentage of DBE participation
2020	10.35%
2021	8.21%
2022	10.5%
2023	9.1%
2024	16.7%

Fiscal Year Goal = (Step 1 Base Goal + Step 2 median) ÷ 2

FY2026: $(13.2 + 10.5) \div 2 = 11.8\%$

FY2027: $(13.5 + 10.5) \div 2 = 12.0\%$

FY2028: $(13.5 + 10.5) \div 2 = 12.0\%$

Overall Goal = $(\text{FY2026} + \text{FY2027} + \text{FY2028}) \div 3$

FY 2026-2028 Overall Goal = 11.9%

Total Dollar Amount expected to be expended with DBEs:

$\$2,751,963$ (FY2026) + $\$1,797,584$ (FY2027) + $\$2,245,613,000$ (FY2028) = **\$6,795,161**

PUBLIC NOTICE

KCAB will publish the overall goal on its website at <https://www.cvgairport.com/business/business-opportunities/business-diversity/>.

**BREAKOUT OF ESTIMATED RACE/GENDER NEUTRAL
and RACE/GENDER CONSCIOUS PARTICIPATION**

KCAB will meet the maximum feasible portion of its overall goal by using race/gender neutral means of facilitating DBE participation. KCAB uses the following race/gender neutral means to increase DBE participation:

1. Advertise bids in minority publications and websites;
2. Advertise and post bids on CVG's website;
3. Directly notify women and minority groups, contractors, and suppliers of bid opportunities;
4. Conduct outreach programs;
5. Network with local minority groups and chambers of commerce; and,
6. Direct contractors to the certified DBE lists in Kentucky, Ohio, & Indiana.

KCAB reviewed the DBE goal accomplishments for fiscal years 2020-2024 to calculate the breakout of Race Neutral (RN) and Race Conscious (RC) participation. Over the past 3 years, the DBE goals have been met.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fiscal Year Goal	10.50%	10.50%	10.50%	7.50%	10.40%
RC Goal	4.30%	4.30%	4.30%	6.80%	9.80%
RN Goal	6.20%	6.20%	6.20%	7.00%	0.60%
Accomplishment	10.35%	8.21%	12.00%	9.10%	16.70%
RC Accomplish.	7.34%	8.21%	11.40%	6.80%	16.70%
RN Accomplish.	3.01%	0.00%	0.60%	2.30%	-0.60%
Exceeded Goal	-0.15%	-2.29%	1.50%	1.60%	6.30%

Considering the median race/gender neutral accomplishments for fiscal years 2018-2022 KCAB estimates that, in meeting its overall goal of **11.9%**, KCAB will obtain **0.60%** from race/gender neutral participation and **11.3%** from race/gender conscious participation.

In order to ensure that KCAB's DBE program will be narrowly tailored to overcome the effects of past discrimination, KCAB will adjust the estimated breakout of race/gender neutral and race/gender conscious participation as needed to reflect actual DBE participation and KCAB will track and report race/gender neutral and race/gender conscious participation separately. For reporting purposes, race/gender 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 through a subcontract on a prime contract that does not carry a DBE goal;
- DBE participation on a prime contract exceeding a contract goal; and
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.