

OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Governmental Center Annex

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MEMORANDUM

DATE: May 3, 2018

TO: William Castillo, Aviation Planning Manager
Aviation Department

THRU: Sandy-Michael McDonald, Director *SM*
Office of Economic and Small Business Development (OESBD)

FROM: Freddy Castillo, Small Business Development Manager *FC*
Office of Economic and Small Business Development (OESBD)

SUBJECT: RFP No. R1277707P1, Airport Master Plan Update Consultant Services
DBE Compliance Review – First Amendment

The Office of Economic and Small Business Development conducted a review of Ricondo and Associates, Inc.'s (Ricondo's) Disadvantaged Business Enterprise (DBE) participation. An overview is provided as follows:

The DBE Goal for this project is 10%.

Ricondo has committed to 14% DBE participation for this project.

Participation Performance

| <u>Subcontractor Name</u> | <u>Original Percentage</u> | <u>Revised Percentage</u> | <u>Reported Amount</u> | <u>Verified Paid Amount</u> |
|---|-----------------------------------|----------------------------------|-------------------------------|------------------------------------|
| ACAI Associates, Inc. | 2.80% | 2.80% | \$43,414.44 | \$43,414.44 |
| Arora Engineers, Inc. | 2.00% | 2.00% | \$48,981.30 | \$48,981.30 |
| Basulto Management Consulting, Inc. | 5.20% | 1.63% | \$64,708.64 | \$64,708.64 |
| Dickey Consulting Services, Inc. | 1.80% | 1.80% | \$39,082.12 | \$39,082.12 |
| R.J. Behar & Company, Inc. | 2.20% | 2.20% | \$61,431.22 | \$61,431.22 |
| American Infrastructure Development, Inc. | 0.00% | 2.66% | \$16,976.66 | \$16,976.66 |
| Garth Solutions, Inc. | 0.00% | 0.50% | \$0.00 | \$0.00 |
| TBD | <u>0.00%</u> | <u>0.41%</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| Total Participation | 14.00% | 14.00% | \$274,594.38 | \$274,594.38 |

- Original Contract Amount: \$4,290,603.00
- Total Payments to Prime: \$2,383,558.08
- Total Prime Payments to DBE Subcontractors: \$274,594.38
- Total DBE Participation to Date: 11.52% (\$274,594.38/ \$2,383,558.08)

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Proposed First Amendment: The DBE commitment remains 14%.

- Amount of Proposed First Amendment: \$542,394.88
- Revised Contract Amount through Proposed First Amendment: \$4,832,997.88

DBE Compliance Comments:

Ricondo committed to utilizing DBE firms to perform 14% of the overall project. The current level of DBE participation on the agreement is 11.52%. This represents a participation shortfall of 2.48% (14%-11.52%). Participation was verified through an independent payment verification process.

Ricondo submitted a corrective action plan that attributes the cause of the participation shortfall to the withdrawal of one of its DBE subcontractors, Basulto Management and Consulting, from the project. Ricondo intends to meet its commitment on the project by adding two new DBE subcontractors. The OESBD recently approved the addition of one of the two new firms, Garth Solutions, Inc., which will perform public outreach services. Ricondo is in the process of finalizing an agreement with the other DBE subcontractor, which will produce renderings and video development for the project.

The OESBD will continue to monitor the level of DBE participation on this agreement.

cc: Donna-Ann Knapp, Small Business Development Specialist, BCAD/OESBD