

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Date of Meeting

May 7, 2015
Audit Committee

DATE: April 30, 2015

TO: Port of Seattle Commission Audit Committee

FROM: Mian Rice, Small Business Program Manager
Deanna Zachrisson, Business Leader, Airport Dining and Retail

SUBJECT: Results of Federal Aviation Administration (FAA) Compliance Audits of the Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise programs (ACDBE)

SYNOPSIS

The FAA conducted compliance audits of both the DBE and ACDBE programs in March 2015. The FAA expressed appreciation for the transparency of the Port programs and the assistance provided to the three auditors tasked with reviewing these programs for compliance with Federal regulations.

BACKGROUND

In February 2015, representatives from the FAA Regional Civil Rights Office notified the Port that it intended to conduct compliance audits of the Port's DBE and ACDBE programs. Staff in the Office of Social Responsibility and the Airport Dining and Retail program act as Liaison Officers with the FAA and were asked to provide documentation to the FAA in advance of their onsite audit visit. The types of documents reviewed included lease agreements, correspondence, sales reporting and compliance documentation.

An audit team devoted one week to onsite interviews, site visits and documentation reviews. The auditors also interviewed groups of both non-ACDBE and ACDBE airport tenants. Port staff also accompanied the auditors on their visit to the Washington State Office of Women and Minority Owned Businesses, the certifying entity for DBEs and ACDBEs, for a review of their practices and training of certification staff in Olympia.

For both the DBE and ACDBE programs, the FAA requested that the Port's new CEO, Ted Fick, sign the program documents as a result of the transition in leadership. Former CEO Tay Yoshitani was signatory to the program documents which act as the Port's commitments to the FAA in the implementation of both programs.

ACDBE PROGRAM

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Ted Fick, Chief Executive Officer

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The only other noted items for the ACDBE program were as follows:

- Waiver Documentation: The Airport has two contracts which the FAA considers to be exclusive agreements without ACDBE participation, the Airport advertising agreement and luggage cart agreement. Both agreements are nearly universally exclusives at U.S. airports, however, a formal waiver should be documented.
- Lack of Car Rental Participation: The Airport has no ACDBE participation among car rental companies. However, there are no certified ACDBEs in the state of Washington that could provide products or services to the rental car companies. This is also commonplace at other U.S. airports.

DBE PROGRAM

ATTACHMENTS TO THIS BRIEFING

- Final DBE/ACDBE Compliance Audit Report

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS