

Disadvantaged Business Enterprise Programs Compliance Review Update

Staff Briefing
June 23, 2015

Code of Federal Regulations

49 CFR Parts 23 and 26

- **Airport Concessions Disadvantaged Business Enterprise (ACDBE) (1987)**
 - Commercial activities such as food service, retail, rental cars in federally funded facilities
- **Disadvantaged Business Enterprise (DBE) (1983)**
 - Construction projects supported by federal funding

Similar programs in two very different business sectors

Presentation

Aviation/Airport Dining & Retail:

- ACDBE Program Objectives and Audit History
- ACDBE 2015 Compliance Audit
- Other ACDBE Program Audits

Office of Social Responsibility:

- DBE 2015 Compliance Audit
- FAA Recommendations

The ACDBE and DBE programs are managed close to respective business area

ACDBE Program Objectives

- To create a level playing field upon which ACDBEs can fairly compete for concession opportunities
 - Promulgated in 1987 to break up opportunity monopolies
 - Create opportunities for minority businesses to learn and grow
 - Graduate and create opportunities for new ACDBEs

Program sought to remedy a lack of competitive opportunities in concessions

2015 ACDBE Compliance Review

- Auditor document review: leases, sales reports, lease files, certification letters, etc.
- Questioned panel of Airport staff
- Interviews with managers and employees
- Group meeting with ACDBE tenants
- Visit with staff to OMWBE in Olympia
- Offered technical assistance in three areas

Conclusion: Port manages in accordance within “spirit and intent” of the program

Audit History

- 2006-08 Part 16 Complaint
- 2010 ACDBE Joint Venture Audit
- 2013 Title VI Non-Discrimination Audit
 - “Business relationships are strong”
- 2014 ACDBE Office of Inspector General
 - “Direct leasing can be the most successful means of increasing opportunity”
- 2015 ACDBE/DBE Compliance Review
 - “with innovation restructured its program...to be more attractive to small business, including ACDBEs”

“The Airport handles all bids in a fair and equitable manner” – Title VI Audit

Office of Minority and Women Enterprises Campaign



The Port supports OMWBE's certification campaign

DBE Program Objectives

- To engage, assist, counsel & advise DBE & SBE firms on process for doing business with the Port
- To ensure nondiscrimination in the award and administration of DOT/FAA-assisted contracts
- To create a level playing field on which DBEs can compete fairly for DOT/FAA-assisted contracts
- To ensure that the Port's DBE Program is narrowly tailored in accordance with applicable law

The Program seeks to increase DBE participation in projects

DBE Program Objectives

- To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs
- To help remove barriers to the participation of DBEs in DOT/FAA-assisted contracts
- To assist the development of firms that can compete successfully in the marketplace outside the DBE Program

The Program sought to remedy low DBE participation in projects

2015 DBE Compliance Review

- Documents reviewed to verify compliance:
 - Organization chart, showing DBELO's position
 - Records documenting monitoring contracts with DBE participation
 - Monthly DBE participation monitoring forms
 - Site visits record
 - Sea-Tac's approved DBE Triennial Goal

Conclusion: Port manages in accordance with "spirit and intent" of DBE program

2015 DBE Compliance Review

- Documents reviewed to verify compliance:
 - List of all active FAA funded projects.
 - List of active FAA funded projects that have DBE participation, identifying DBE goal and actual contract percentage achieved to date
 - Sample of an FAA funded contract
 - Sample contract with DBE goal requirement

Conclusion: Port manages in accordance with “spirit and intent” of DBE program

Port – FAA Liaison Officers



Liaison Officers must have “direct and independent access to the CEO”

DBE Compliance Review Recommendations

- **Recommendation 1: Done**
 - It is recommended that the PORT's newly appointed Chief Executive Officer, Ted Fick review, sign, and re-distribute the PORT's current DBE Program
- **Recommendation 2: Under Consideration**
 - It is recommended that the PORT works closely with the FAA's Regional DBE Compliance Specialist in establishing a race-conscious DBE Program

FAA recommendations have been completed or under consideration