



Federal Aviation Administration

FY-2012 MONITORING & ENFORCEMENT COMPLIANCE REVIEW REPORT

Airport Name: SALT LAKE CITY INTERNATIONAL AIRPORT	Review Date(s): APRIL 19 & 20, 2012
Review Conducted By FAA Staff: RICKY WATSON AND DOLORES LEYVA	
Areas Reviewed: MONITORING & COMPLIANCE	<input checked="" type="checkbox"/> CONCESSIONS <input checked="" type="checkbox"/> CONSTRUCTION
Airport Staff: MAUREEN RILEY, EXECUTIVE DIRECTOR; ALLEN MCCANDLESS, DIRECTOR PLANNING & CAPITAL PROGRAMMING; PAUL MARSHALL III, DBELO	

Purpose: Review of monitoring and enforcement aspect of your DBE and ACDBE programs. 49 CFR 26 and 49 CFR 23 requires that you implement appropriate mechanisms to ensure compliance with the parts' requirements by all program participants. You are required to set forth these mechanisms as part of your Disadvantaged Business Enterprise (DBE) Program and Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.

This compliance review is not to directly investigate whether there has been discrimination against disadvantaged business by the grant recipients or its sub-recipients, nor to adjudicate these issues on behalf of any party.

SECTION 1 - Title 49 CFR Part 26 – Construction

#	Question	Response	Observations/Comments	Compliance Issue
1	Did the airport distribute its DBE Policy Statement? (§ 26.23)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC distributes its policy statement to stakeholders. SLC plans to redistribute its updated policy statement as part of their DBE Program update.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
2	Does the airport make reasonable efforts to use DBE financial institutions? (§ 26.27)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC complied with this requirement and plans to reinvestigate the availability of DBE financial institutions as part of their DBE Program update.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
3	Does the airport encourage prime contractors on DOT assisted contracts to make use of DBE financial institutions? (§ 26.27)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC has found no DBE financial institutions in the state of Utah to recommend to prime contractors. SLC plans to distribute any information on DBE financial institutions to prime contractors once this information is revisited.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
4	Is the DBELO present during the bid openings for FAA funded projects? (§ 26.25)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC has a process in place to allow for the DBELO's review of bidder's DBE documentation prior to award recommendation.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
5	Does the airport verify that the Letters of Intent are included in the bid package? (§ 26.53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC verifies this information as part of a responsive process.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
6	Does the airport confirm DBE certification prior to awarding the contract? (§ 26.53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO verifies DBE certification prior to the awarding of contracts.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended

#	Question	Response	Observations/Comments	Compliance Issue
7	Does the airport have mechanisms in place to ensure that work committed to DBEs at contract award is actually awarded to DBEs? (§§ 26.37, 26.53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO was reminded of the recent Regulation updates on termination for "good cause", timelines, and requirements associated with the termination of DBE subcontractor for approved substitution. SLC DBELO understands the new requires of 49 CFR 26.53 and plans to update forms to further enhance his existing process.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
8	Do the mechanism provide for a running tally of actual DBE attainments (e.g., payments actually made to DBE firms), including a means of comparing these attainments to commitments. (§ 26.11)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
9	Does the airport have mechanisms in place to verify that the DBEs are managing their work, utilizing their own work force, equipment, and materials? (§ 26.37)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO conducts monthly unannounced site visits of construction work sites, verifies DBE firms, and interviews the DBE workforce.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
10	Does the airport verify that the DBEs are performing a commercially useful function? (§ 26.37, 26.55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO conducts monthly unannounced site visits of construction work sites, verifies DBE firms, and interviews the DBE workforce.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
11	Does the airport conduct random construction sites visits? (§ 26.37)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to address this requirement SLC staff was reminded of the recent Regulation update requiring the "written certification" that the work sites are being monitored. SLC plans to update its forms to include the signature of the person conducting the work site inspection and expand on the narrative to allow for more specific details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
12	During the construction site visits, does the airport verify that business names on equipment and vehicles are not covered with paint or magnetic signs? (§ 26.37)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO verifies the paperwork which reflects ownership of equipment on the work sites.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
13	During the construction site visits, does the airport verify whether the DBE owner is present at job sites? (§ 26.53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to verify and address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
14	During the construction site visits, does the airport verify who employs the workers on site? (§ 26.55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to verify and address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended

#	Question	Response	Observations/Comments	Compliance Issue
15	Does the airport verify contracts between prime contractors and DBE subcontractors? (§ 26.53)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC staff was reminded of the recent Regulation update requiring "written certification" that the contract records have been reviewed. SLC's DBELO receives and reviews subcontracts and makes necessary recommendations regarding required DBE clauses. We recommend that SLC develops a written process to properly document the review of the contracts. As well as ensuring that all required DBE Regulation clauses are incorporated into the contracts and subcontracts.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
16	Does the airport review monthly DBE participation reports? (§ 26.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to verify and address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
17	Does the airport randomly verify who orders and pays for the necessary supplies being used by the DBE subcontractor? (§ 26.55)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to verify and address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
18	Does the airport have prompt payment mechanisms in place? (§ 26.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to verify and address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
19	Does the airport submit its Uniform Report on DBE participation to the DOORS system? (§ 26.11)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC DBELO is timely in the submission of the airport's FY-11 Uniform Report. DBELO has a good knowledge of the new DOT DOORS.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
20	Is the airport required to prepare a DBE goal accountability report? (§ 26.45, §26.45)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC achieved its FY-11 DBE goal and was not required to prepare a goal accountability report. SLC DBELO understands the importance of reviewing DBE goals and making any necessary adjustments as appropriate.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended

Documents Reviewed:
<ul style="list-style-type: none"> • Airport's DBE Program • Airport's DBE Triennial Goal • Forms: <ul style="list-style-type: none"> DBE Substitution Request Correspondence Contract Monitoring Form – CUF Form Site Visits Forms Monthly DBE Participation • Template of a sample FAA funded contract.

SECTION II - Title 49 CFR Part 23 – Concessions

#	Question	Response	Observations/Comments	Compliance Issue
1	Has the airport's ACDBE program been approved by FAA? (§ 23.51)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBE Program was approved in 2006. SLC plans to update its ACDBE program following the new regulation changes as soon to be released.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
2	Did the airport distribute its ACDBE Policy Statement? (§§ 23.1, 23.23)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC distributed its policy to stakeholders. SLC plans to distribute the policy along with its updated ACDBE Program.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
3	Does the approved ACDBE program on file with FAA reflect the current organizational structure of the agency? (§ 23.23)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	A key requirement of the ACDBE Liaison Officer's duties and responsibilities is that this person has direct and independent access to the Chief Executive Officer concerning ACDBE Program matters. SLC's ACDBE Program and organizational chart indicate that the ACDBE Liaison Officer reports directly to the Airport Director. All documents available to the general public should continue to clearly display this direct and independent access.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
4	Does the airport include enforcement provisions in concession agreements? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Documents reviewed did not include specific contract clauses to address ACDBE participation, ACDBE certification, or specific ACDBE regulation enforcement provisions. We recommend that SLC revisit its contract/lease templates to incorporate ACDBE enforcement provisions.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
5	Does the airport verify that the prime or master concessionaire and ACDBE have entered into a written commitment prior to submitting a response to an RFP/RFQ? (§ 23.11)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC ACDBE Program identified a responsive process requiring the collection of "written and signed confirmation form the ACDBE that it is participating in the concession" We recommend that SLC develops a process and forms to address this commitment. Addressing this issue will prevent ACDBE "shopping" potential fraud.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
6	Does the airport require a prime or master concessionaire have written confirmation from the ACDBE firm that it is participating in the contract? (§ 23.29)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC ACDBE Program identified a responsive process requiring the collection this data. We recommend that SLC implements a process and develop forms to address this requirement.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
7	Does the airport confirm ACDBE certification prior to awarding the contract? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has mechanisms in place to address this requirement.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended

#	Question	Response	Observations/Comments	Compliance Issue
8	Does the airport verify that the work committed to ACDBEs is actually performed by the ACDBEs? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC's ACDBELO verifies contracts and conducts random site visits.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
9	Does the airport prohibit prime or master concessionaires from terminating ACDBE firms for convenience? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Documents reviewed did not include specific contract clauses to address the termination of an ACDBE. We recommend that SLC revisit its contract/lease templates to incorporate an enforceable ACDBE termination process which specifically addresses any termination for convenience.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
10	Does the airport require prime or master concessionaires include administrative remedies if a prime or master concessionaire fails to comply with ACDBE requirements? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Documents reviewed did not include specific contract clauses to address the administrative remedies if a concessionaire should fall short of meeting the set ACDBE goal. We recommend that SLC revisit its contract/lease templates to incorporate an enforceable ACDBE provisions.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enhancement Recommended
11	Does the airport conduct concession sites visits regularly? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBELO conducts random site visits as part of SLC's monitoring process. ACDBELO is familiar with the concession locations and ACDBE concessionaires' staff.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
12	During the concession site visits, does the airport verify general managers and who they report to? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBELO reviews this type of information during their random concession site visits.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
13	Does the airport verify that the ACDBE is actively managing the concession locations(s)? (§ 23.29)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBELO reviews this type of information during their random concession site visits.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
14	Does the airport verify gross sales reports accounting for ACDBE participation? (§ 23.XX)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBELO reviews this type of information during their random concession site visits.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
15	Has the airport submitted its FY 2010 Uniform report on ACDBE participation to the FAA? (Appendix A to Part 23)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC ACDBELO reviews this type of information during their random concession site visits.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended

#	Question	Response	Observations/Comments	Compliance Issue
16	Does the airport submit its Uniform Report on ACDBE participation to the DOORS system? (Appendix A to Part 23)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has a good tracking system which enables them to submit the report and required. ACDBELO and support staff has direct access to the DOT DOORS program. Their tracking mechanism allows for timely submission of the required report.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
17	Has the airport received any complaints alleging that it did not comply with the ACDBE regulations in the past three years? (§ 23.29)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC has not received any complaints. SLC should consider developing a written complaint process to be made available to the general public. This will allow for consistent handling of any complaints. This type of documentation is extremely beneficial during an official FAA complaint investigation.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
18	Does the airport have any joint venture agreements currently in place? If YES, please answer the following: (§ 23.55 & FAA Joint Venture Guidance) a) Has the airport undertaken an internal review of its joint venture agreements, if any, in order to verify that they are in compliance with the FAA Joint Venture Guidance? b) Did the airport make any change in the counting of ACDBE participation of the joint venture toward ACDBE goals as a result of its joint venture agreement reviews findings?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	SLC has processed the recommended reviews of its Joint Venture agreements in accordance with the Joint Venture Guidance.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
19	Does the airport have Long Term (5+ years) and Exclusive contract(s) currently in place? (§ 23.75)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	SLC does not have any current long term and exclusive contacts.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Enhancement Recommended
20	If the airport has current Long Term and Exclusive contracts in place, were these contracts submitted to the FAA for approval? (§ 23.75)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Documents Reviewed:

- Airport's ACDBE Program & Goal
- FY-2011 DBE Goal accountability report.
- Forms: ACDBE Substitution Request; ACDBE Concession Agreement Monitoring Form; Good Faith Effort Review, Site Visits Forms, Monthly DBE Participation Tracking.
- Sample template of a contract that includes a ACDBE goal requirement.

REVIEW SUMMARY

The Federal Aviation Administration (FAA) Office of Civil Rights would like to thank you for your participation in the FY 2012 DBE & ACDBE Compliance Review. We appreciate the substantial effort taken by Salt Lake City International Airport (SLC) in providing the numerous documents and meeting with the FAA team during this on-site visit. Your timely response and active participation was an essential element in the successful completion of this important initiative. The collective assessments made during the review have been incorporated into this report.

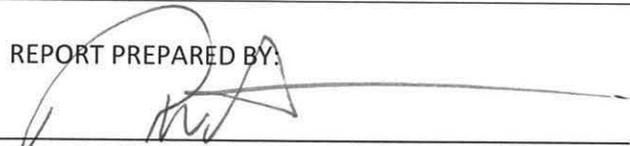
The main purpose of this compliance review was to examine the compliance of the "Monitoring and Enforcement" aspect of the recipient's DBE Program and ACDBE Program. In examining SLC monitoring and enforcement forms and practices, SLC should be commended for taking proactive efforts to strengthen their monitoring and enforcement process in the following areas:

- Form utilized to verify DBE's "commercially useful function" was identified as a very useful tool in their monitoring and enforcement process.
- Pre-Bid Checklist is very thorough which ensures that prime contractors and subcontractors are well informed on federally funded contract requirements.
- Out of the five Compliance Review sites we have visited to date, SLC has been identified as the only airport who has taken a proactive approach in incorporating recent changes in Regulation reinforcing monitoring processes.
- SLC's numerous unannounced site visits is a very effective proactive approach of fraud prevention.

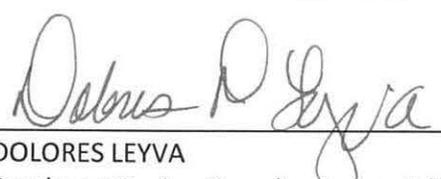
Area(s) requiring your attention, if any, have been noted as "Enhancement Recommended" under the Compliance Issue column under each specific question. Please ensure to correct any deficiencies as identified in each section.

The FAA Office of Civil Rights looks forward to continuing to work with you in ensuring compliance with 49 CFR Part 26, "Participation by Disadvantaged Business Enterprise in Department of Transportation Financial Assistance Program," and 49 CFR Part 23, "Participation of Disadvantaged Business Enterprise in Airport Concessions."

REPORT PREPARED BY:


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Recommended Resources:

FAA website, http://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/fed_reg/

FAA dbE-Connect System, <https://faa.dbesystem.com/Default.asp?>

U.S. Department of Transportation Office of Small and Disadvantaged Business

Utilization <http://www.osdbu.dot.gov/DBEProgram/GuidanceforDBEProgramAdministrators/index.cfm>