



**FY 2014**

**DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

**AND**

**AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM**

**COMPLIANCE REVIEW REPORT**

**OF THE**

**Wayne County Airport Authorit**

**Detroit Metropolitan Wayne County Airport**

**and**

**Willow Run Airport**

REPORT ISSUED: June 25, 2014

PREPARED BY THE FEDERAL AVIATION ADMINISTRATION, OFFICE OF CIVIL RIGHTS

# U.S. Department of Transportation Federal Aviation Administration

## JURISDICTION AND AUTHORITIES

The Federal Aviation Administration (FAA) Office of Civil Rights is authorized by the Secretary of the U.S. Department of Transportation (DOT) to conduct civil rights compliance reviews. Reviews are undertaken to ensure compliance of applicants, recipients, and sub-recipients with 49 CFR, Part 26 Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs and 49 CFR, Part 23 Participation by Disadvantaged Business Enterprises in Airport Concessions, referenced in this report as Part 26 and Part 23, respectively. Also, specific sections of the programs are referenced using the nomenclature (23.xx) and (26.xx) in this document.

Part 26 requirements apply to recipients of DOT funds under certain programs including airport funds under 49 U.S.C. 47101 et seq. The program is narrowly tailored under the law. It is designed to allow firms that meet certain eligibility standards to compete fairly, to remove barriers to DBE firms seeking to participate in DOT-funded programs, to assist in developing firms that can compete in the marketplace outside of the DBE program, and to provide flexibility to recipients of federal funds in creating opportunities for DBE firms.

Part 23 requirements apply to airports that had received a grant for airport development at any time after January 1988 that was authorized under Title 49 of the United States Code. The requirements under this part apply to those airports classified as primary airports by the National Plan of Integrated Airport Systems (NPIAS). Part 23 is mandated by 49 U.S.C. 47107(e) and addresses the airport concessions disadvantaged business enterprises (ACDBEs) at airports receiving funds under the Airport Improvement Program (AIP). The requirements of this part became effective April 21, 2005 and have revised several times.

## OBJECTIVES

The purposes of Part 26 and Part 23 as stated in the regulations are:

- To ensure nondiscrimination in the award and administration of airport concessions and DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs.
- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.
- To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law.
- To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs.
- To help remove barriers to the participation of DBEs in airport concessions and DOT-assisted contracts.
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program.
- To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

## SCOPE OF REVIEW

This review process is a high level examination of the Detroit Metropolitan Wayne County and Willow Run Airports' compliance with Parts 26 and 23. Unlike a comprehensive audit where testing and extensive examination of records are normal procedures, this compliance review is designed to maximize available resources in assessing an organization's general understanding and implementation of procedures to meet requirements. Some areas may be more heavily scrutinized than others based on review finding of other recipients, recently released guidance or final rules, or reports that FAA may have received about a specific sponsor's compliance.

To maximize the effectiveness of this review, FAA has identified regulatory requirements prior to the review that have higher priorities in the review process. The review also compared the actual implementation of the Part 26 and Part 23 requirements with the written descriptions found in the DBE and ACDBE programs and reviewed contract files, internal documents, and information from contractors and subcontractors. Interviews were conducted with sponsor officials. Four (4) focus group sessions were held with prime contractors, subcontractors, prime concessionaires, ACDBE firms, and other relevant personnel.

## REVIEW PROCESS

The review process began with a desk review of the Airport's DBE and ACDBE Programs. This review focused only on the operations of the Airport. We sent a letter to the Airport notifying it of the planned on-site review. In the notification letter we requested that the airport send us certain information and respond to questions.

Documents reviewed to verify compliance of requirements under 49 CFR Part 26:

- A. Airport organization chart, showing DBELO's position.
- B. Records documenting monitoring of contracts with DBE participation.
- C. Bid documents.
- D. Records documenting work site visits.
- E. Copy of airport's DBE Triennial Goal.
- F. Records documenting Good Faith Effort reviews.
- G. Copy of DBE accomplishment reports for the most recent three years.
- H. List of all active FAA funded projects.
- I. List of active FAA funded projects that have DBE participation, identifying DBE goal and actual contract percentage achieved to date.
- J. Sample of an FAA funded contract.
- K. Sample of a contract that includes a DBE goal requirement.

Documents reviewed to verify compliance of requirements under 49 CFR Part 23:

- A. Airport organization chart, showing ACDBELO's position.
- B. Copy of your approved ACDBE Triennial Goal.
- C. Records documenting Good Faith Effort reviews.
- D. Copy of ACDBE accomplishment reports for the most recent three years.
- E. List of all active concession contracts.
- F. List of all active concession contracts that have ACDBE participation, identifying ACDBE goal and actual contract percentage achieved to date.
- G. Copy of the top three revenue generating concession contracts.
- H. Copy of two recent Request For Proposals
- L. Complete listing of all concession contracts including start date, end date, possible contract extensions, total potential term including possible extensions.

According to FAA AIP grant history, in the most recent three years, the FAA awarded the Detroit Metropolitan Wayne County Airport and Willow Run Airport Improvement Program (AIP) grants for the planning and development of public-use airports that are included in the NPIAS. This review focused on active FAA funded projects funded by the following grants:

2014		
Detroit Metropolitan Wayne County Airport	Rehabilitate Runway 4R/22L	\$19,301,529.00
2013		
Detroit Metropolitan Wayne County Airport	Rehabilitate Runway 4R/22L	\$ 8,082,901.00
Willow Run Airport	Rehabilitate Runway 05R/23L	\$ 9,355,145.00
Willow Run Airport	Rehabilitate Runway 05R/23L	\$11,775,575.00
2012		
Detroit Metropolitan Wayne County Airport	Rehabilitate Runway [Construction - North half] - 04R/22L	\$20,498,079.00
Detroit Metropolitan Wayne County Airport	Rehabilitate Taxiway [Reimbursement]	\$ 3,649,999.00
Willow Run Airport	Install Miscellaneous NAVAIDS, Rehabilitate Runway [Construction] - 05R/23L	\$ 9,385,219.00
Willow Run Airport	Rehabilitate Runway - 05R/23L	\$ 5,878,947.00

A site visit has been conducted, as noted below:

<b>Review Conducted By FAA Staff:</b> Nancy Cibic and Gene Roth	<b>Site Visit Date(s):</b> June 23-27, 2014
<b>Airport/Wayne Count Staff : CEOs:</b> Thomas Naughton, Chief Executive Officer and Terry Teifer, Chief Financial Officer	
<u>Procurement Department</u>	
Ron Evans, Procurement Director/DBE Liaison Officer, Sherita Calloway, Deputy Procurement Director, Peter Hathaway, Business Diversity Coordinator, Cindy Clark, Senior Administrative Analyst	
<u>Internal Audit Department</u>	
Thomas Kalbfleisch, Manager	
<u>Wayne County Human Relations Division, Certifications</u>	
Victoria Inniss-Edwards, Manager, Janet Newell	
<u>FAA Airports Division Staff:</u> John Mayfield	

## DESCRIPTION OF THE DETROIT METROPOLITAN WAYNE COUNTY AND WILLOW RUN AIRPORTS

Established in 2002 by Michigan Public Act 90 (2002), the Wayne County Airport Authority (WCAA) is an independent agency responsible for the operation of Detroit Metropolitan Wayne County Airport (DTW), Willow Run Airport (YIP) and Crosswinds Marsh. The WCAA directly employs more than 500 individuals across a number of disciplines, while the airports themselves are home to more than 18,000 jobs. A report produced by University of Michigan-Dearborn in January 2014 estimated the economic impact of DTW at \$10.2 billion across the State of Michigan. Activity at the airport stimulates more than 86,000 jobs. A similar study conducted for YIP in 2007 estimated a \$200 million economic impact with 2,000 jobs generated. WCAA is tasked with the strategic operation and management of some of the State's most critical transportation and infrastructure and two of Southeast Michigan's most promising assets: Detroit Metropolitan Airport (DTW) and Willow Run Airport (YIP). Together, the airports comprise one of the world's leading air transportation hubs with awesome potential for growth and development.

Detroit Metropolitan Wayne County Airport (DTW) is classified as a large primary airport by the National Plan of Integrated Airport Systems (NPIAS). It has six (6) major runways; four (4) north/south and two (2) crosswind. DTW is a major international airport in the United States covering 6,100-acres in Romulus, Michigan, a suburb of Detroit. It is Michigan's busiest airport, and one of the largest air transportation hubs in the country. DTW serves as Delta Air Lines' second-busiest U.S. hub. Delta, along with SkyTeam partner Air France, occupy the McNamara Terminal, which features both domestic and international gates and serves as the airline's primary gateway to Asia and its third-busiest gateway to Europe. DTW's other terminal, the 26-gate North Terminal, opened in 2008 and hosts all of the airport's non-SkyTeam airlines, such as: Air Canada, American, Frontier, JetBlue, Lufthansa, Royal Jordanian, Southwest, Spirit, United, USAirways and all charters flights. Alaska Airlines will start service in September 2014. The North Terminal provides several environmentally-friendly features such as daylight harvesting, hydrant fueling, auxiliary power and pre-conditioned air for aircraft at every jet bridge, eliminating the need for diesel powered fueling trucks, ground power carts and other ground support emissions.

DTW is a major gateway for tourism in metropolitan Detroit and is one of SkyTeams' major Midwestern hubs. It is the second-largest base for Spirit Airlines, which was founded in Metro Detroit and once operated its largest base at the airport. DTW is one of the nation's most-recently expanded and modernized airports, with six major runways, two terminals, 145 aircraft gates, and an on-site Westin Hotel and conference center. McNamara Terminal's Concourse A is the world's second-longest airport terminal building at 1 mile. It is just surpassed by the 1.1 mile long Kansai International Airport (Osaka Bay, Japan). DTW has maintenance facilities capable of servicing and repairing aircraft as large as the Boeing 747. The airport is 7 miles from Willow Run Airport (YIP). In 2012, DTW was the 16th-busiest airport in the United States and the 44th busiest airport in the world in terms of passenger traffic. In terms of aircraft operations (takeoffs and landings), it remains one of the ten busiest airfields in North America. In 2013, 32.4 million total passengers arrived or departed DTW- the equivalent of three-times the population of the State of Michigan. DTW also serves the Toledo, Ohio area, approximately 47 miles south of the airport, and the city of Windsor, Ontario and Southwestern Ontario in nearby Canada. DTW serves nearly 150 non-stop destinations and was ranked highest amount six (6) large U.S. airport in customer satisfaction by J. D. Power & Associates in 2010.

Willow Run Airport (YIP) is classified as a reliever airport for Detroit Metropolitan Airport and is located in Van Buren Township and in Ypsilanti Township near Ypsilanti, Michigan, and serves freight, corporate, and general aviation. YIP was named for a small stream that meandered through pastureland and woods until the late 1930s. Automobile pioneer Henry Ford bought the property that became the airport's runways and taxiways in 1931, and used it for almost a decade as farmland for a "social engineering" experiment that brought inner-city boys to Willow Run Farm to learn about nature, farming tasks, and the rural way of life. The residents at the Willow Run farms planted, tended, and harvested crops as well as running a maple syrup operation, and sold their products at the farm market on the property. In the process, the boys learned self-discipline and the values of hard work, and benefited from the fresh air that they had not been able to experience while growing up in congested cities. There are no scheduled passenger airline services at YIP. In 2013, small aircraft enplanements totaled 2,370. Opened in 1942, "Willow Run" was synonymous with the American industrial effort that contributed so much to Allied victory in World War II. Operated by the Ford Motor Company, the Willow Run manufacturing plant produced a total of 8,685 B-24 Liberator heavy bombers, completed and in kit form, before closure in April 1945; Willow Run produced more Liberators than either plant owned by the plane's designer, Consolidated Aircraft. Today the Yankee Air Museum, in one of the airport hangars, has a significant collection of vintage aircraft.

Crosswinds Marsh is a 1,000 acre wetland/wildlife preserve created in 1993 (opened in 1997) by flooding a farmland that was originally a marsh. It is one of the largest man-made wetlands in the country that was created as a land swap to replace wetlands used to expand the Detroit Metro Airport (the Michigan Department of Natural Resources (DNR) and State law requires developers to create or set aside 1.5 acres of wetlands for every acre destroyed and move any threatened or endangered plants and animals). When Detroit Metro Airport used 200 acres of wetlands to expand its runways, the Authority bought dry farmland nearby and flooded it to create a 304-acre marsh within this 1,000 acre preserve. The park has a wonderful variety of landscapes. There are 1.4 miles of nice wooden boardwalks to walk on. The park has one of the most easily viewed and photographed Bald Eagles nest in Southeast Michigan



#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
	contracts to make use of DBE financial institutions? (49 CFR 26.27)		make reasonable efforts to use these institutions and encourage prime contractors to use such institutions.		
5	Is the DBELO present during the bid openings for FAA funded projects? (49 CFR 26.25)	NO	WCAA stated that the DBELO is not present during the bid openings for FAA funded projects. Instead, the Business Diversity Coordinator (BDC) and Business Diversity Senior Admin. Analyst (BDSAA) are present during the bid openings on FAA funded projects. The BDC and BDSAA work closely with the DBELO and staff.	NO	N/A
6	Does the airport verify written confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment? (49 CFR 26.53)	YES	WCAA requires a DBE Participation Form signed by the DBE.	NO	N/A
7	Does the airport confirm DBE certification prior to awarding the contract? (49 CFR 26.53)	YES	WCAA confirms DBE certification prior to awarding the contract. WCAA works closely with the Wayne County Human Relations Department regarding certifications.	NO	N/A
8	In situations where a DBE contract goal has been established, does the airport ensure that all DBE information is complete and accurate and adequately documents the bidder's good faith efforts before committing to the performance of the contract by the bidder? (49 CFR 26.53)	YES		NO	N/A
9	Does the airport have mechanisms in place to ensure that work committed to DBEs at contract award is actually awarded to DBEs? (49 CFR 26.37)	YES		NO	N/A
10	Do the mechanisms 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? (49 CFR 26.37)	YES	A monthly, DBE and non-DBE Subcontractor/Joint Venture Partner Monthly Participation Report is required from the prime contractors and reviewed by the WCAA staff.	NO	N/A
11	Does the airport have mechanisms in place to verify that the DBEs are managing their work, utilizing their own work forces, equipment, and materials? (49 CFR 26.37)	YES	WCAA uses the Worksite Review Form to verify that the DBEs are managing their work, utilizing their own work forces, equipment and materials. Cindy Clark and Peter Hathaway perform the reviews.	NO	N/A
12	Does airport staff conduct regular construction site visits and verify that the DBEs are performing a commercially useful function? (49 CFR 26.37)	NO	WCAA stated that the Business Diversity Unit performs at least the minimum required site visits of one per year per project as required by the Davis	YES	10/01/2014

#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
			<p>Bacon Act. However, insufficient staffing levels are available to reasonably monitor the sites as needed.</p> <p><b>RECOMMENDED CORRECTIVE ACTION:</b> Increase or relocate WCAA staff to ensure that the DBE program is appropriately managed.</p>		
13	During the construction site visits, does the airport verify that business names on equipment and vehicles are not covered with paint or magnetic signs? (49 CFR 26.37)	YES	WCAA uses the Worksite Review Form to verify that the DBEs are managing their work, utilizing their own work forces, equipment and materials. Cindy Clark and Peter Hathaway perform the reviews.	NO	N/A
14	During the construction site visits, does the airport verify who employs the workers on site? (49 CFR 26.37)	YES	WCAA uses the Worksite Review Form to verify that the DBEs are managing their work, utilizing their own work forces, equipment and materials. Cindy Clark and Peter Hathaway perform the reviews.	NO	N/A
15	Does the airport have a monitoring mechanism in place that provides a written certification that contracting records are being reviewed and work sites are being monitored? (49 CFR 26.37)	YES	<p>WCAA has a documented monitoring program in place. WCAA states that it reviews contracting documents to ensure that the required language is contained within the documents.</p> <p><b>RECOMMENDED CORRECTIVE ACTION:</b> The Airport should develop a process for providing written certification that contracting records are being reviewed.</p>	YES	10/01/14
16	Does the airport review monthly DBE participation reports? (Provide copy of sample report) (49 CFR 26.37)	YES	A monthly, DBE and non-DBE Subcontractor/Joint Venture Partner Monthly Participation Report is required from the prime contractors and is reviewed by the WCAA staff.	NO	N/A
17	Does the airport randomly verify who orders and pays for the necessary supplies being used by the DBE subcontractor? (49 CFR 26.37)	YES	<b>RECOMMENDED CORRECTIVE ACTION:</b> Develop a process including documenting that WCAA staff is verifying who orders and pays for supplies being used by the DBE subcontractor, i.e., is the DBE actually doing the ordering? This can be done randomly.	YES	10/01/2014

#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
18	Does the airport have prompt payment mechanisms in place and ensures retainage is given to all subcontractors upon substantial completion of their work on the project? (49 CFR 26.29)	NO	<p>WCAA does not have a prompt payment mechanism in place. However the WCAA is in process to implement an electronic tracking system (Prism) that will monitor prompt payment measures.</p> <p><b>RECOMMENDATION:</b> WCAA should revisit its policies on prompt payment <u>and</u> retainage to ensure that they achieve the intended outcomes.</p>	YES	10/1/14
19	In the case of post-award terminations, pre-award deletions or substitutions of DBE firms, does the airport verify that the DBE has been notified AND given time to respond before approving the termination/ substitution? (49 CFR 26.53)	YES	WCAA is in compliance with the proper termination requirements in 26.53. Prime contractors are required to make the request in writing. WCAA performs a thorough review, ensures the request is legitimate and that the DBE has been notified. WCAA approves or denies the request in writing.	NO	N/A
20	Before approving a termination and/or substitution of a DBE subcontractor, does the airport verify the documented good cause that compels the termination of the DBE subcontractor? (49 CFR 26.53)	YES	WCAA verifies good cause as required.	NO	N/A
21	Does the airport submit its Uniform Report on DBE participation? (49 CFR Part 26.11 and Appendix B)	YES		NO	N/A
22	Was the airport required to prepare a DBE goal accountability report for fiscal year 2013? (49 CFR 26.47)	NO		NO	
23	Has the airport implemented its Small Business element? (49 CFR 26.39)	YES	<p>WCAA has used its small business element (SBE) on several projects at the Detroit Metro Airport. However, WCAA will need to amend its SBE program document description and resubmit to FAA for review (WCAA misunderstood the SBE requirements, i.e., thought that participants in the SBE had to be DBE certified.</p> <p><b>RECOMMENDATION:</b> Revise SBE and resubmit to FAA for review. <b>Reference:</b> 49 CFR Part 26 Q&amp;As  <a href="http://www.dot.gov/osdbu/disadvantaged-business-enterprise/official-questions-and-answers-26">http://www.dot.gov/osdbu/disadvantaged-business-enterprise/official-questions-and-answers-26</a></p>	NO	10/01/2014

#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
24	Does the airport have a business development or mentor-protégé program? (49 CFR 26.35 and Appendix C/D)	YES	WCAA has submitted a mentor-protégé program that is currently under review by the FAA.  Reference: APPENDIX D TO PART 26—MENTOR-PROTÉGÉ PROGRAM GUIDELINES	NO	
25	Does the airport have a current and approved DBE Program in place? (49 CFR 26.21)	YES	WCAA has a current approved DBE program.	NO	N/A
26	Has the airport submitted its three year DBE goal and received concurrence with its methodology from the FAA. (49 CFR 26.45)	YES	<b>RECOMMENDATION:</b> We recommend WCAA revisit the Step 2 adjustment of the goal and consider using the most current past 3 years of DBE achievements, arranging them from low to high and using the median. Lastly, obtain a Step One Base Figure adjusted for past participation by taking the average of the Step One Base Figure and the median past participation. This average is obtained by adding together the Step One Base Figure and the median past participation percentage and dividing by 2 = overall goal. See Tips for Goal Setting <a href="http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise">http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise</a> .	NO	N/A
27	Kickoff/Pre-bid meetings	N/A	<b>RECOMMENDATION:</b> Consider distributing the OIG fraud information to the meeting attendees. <a href="http://www.oig.dot.gov/sites/dot/files/OIG_DB%E2%0card.pdf">www.oig.dot.gov/sites/dot/files/OIG DB%E2%0card.pdf</a>		

FINDINGS: SECTION II - Title 49 CFR Part 23 – AIRPORT CONCESSIONS

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
1	Has the airport's ACDBE program been approved by FAA? (49 CFR 23.23)	YES	WCAA's ACDBE program is outdated and needs to be updated. WCAA stated it is working on an updated program.	NO	10/01/2014
2	Did the airport distribute its ACDBE Policy Statement? (49 CFR 23.23)	YES	The policy statement was disseminated to the Wayne County Airport Authority Board and all of the components of its organization. Also, it was distributed to ACDBE and non-ACDBE business communities.	NO	N/A
3	Does the airport have an ACDBELO in place who has direct independent access to the Airport Director/CEO concerning DBE program matters? (49 CFR 23.23)	YES	The WCAA DBELO serves as Liaison Officer for both the DBE and ACDBE Programs. The ACDBELO has direct, independent access to the Airport Director/CEO.	NO	N/A
4	Is the ACDBELO responsible for ensuring that DBEs are not discriminated against in the award and administration of FAA funded contracts and subcontracts? (49 CFR 23.23)	YES		NO	N/A
5	Does the approved ACDBE program on file with FAA reflect the current organizational structure of the agency? (49 CFR 23.23)	NO	WCAA has not updated its ACDBE program to include changes to the organization. WCAA stated it is in the process of updating its ACDBE program.  <b>RECOMMENDATION:</b> Submit updated ACDBE program including organization chart to FAA no later than 10/01/2014.	YES	10/01/2014
6	Does the airport include enforcement provisions in concession agreements? (49 CFR 23.29)	YES		NO	N/A
7	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? (49 CFR 23.29)	YES	WCAA requires an ACDBE Participation Form signed by the ACDBE.	NO	N/A
8	Does the airport confirm ACDBE certification prior to awarding the contract? (49 CFR 23.29)	YES	WCAA confirms ACDBE certification prior to awarding the contract. WCAA works closely with the Wayne County Human Relations Department regarding certifications.	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
9	In situations where an ACDBE contract goal has been established, is the award of the concession contract conditioned on meeting the requirements of 49 CFR Part 23? (49 CFR 23.25)	YES	<b>RECOMMENDATION:</b> WCAA should enforce the ACDBE goal using its enforcement provisions within the contract when primes do not make good faith efforts in achieving the goal and/or when ACDBEs are not performing a CUF as outlined in their JV agreement.	NO	N/A
10	In situations where an ACDBE concession contract goal has been established, does the airport ensure that all ACDBE information is complete and accurate and adequately documents the bidder's good faith efforts before awarding the concession contract? (49 CFR 23.29)	YES	WCAA utilizes the Good Faith Effort Review Report form.	NO	N/A
11	Does the airport have a monitoring mechanism in place that provides a written certification that contracting records are being reviewed and work sites are being monitored? (49 CFR 23.29)	YES	WCAA has a limited monitoring program in place. The Airport states that it reviews contracting documents to ensure that the required language is contained within the documents.  <b>RECOMMENDED CORRECTIVE ACTION:</b> WCAA should develop a process for monitoring all concession sites and for providing written certification that contracting records are being reviewed.	YES	10/01/14
12	Does the airport verify that the work committed to ACDBEs is actually performed by the ACDBEs? (49 CFR 23.29)	YES		NO	N/A
13	Does the airport prohibit prime or master concessionaires from terminating ACDBE firms for convenience? (49 CFR 23.29)	YES		NO	N/A
14	Does the airport include administrative remedies if a prime or master concessionaire fails to comply with ACDBE requirements? (49 CFR 23.29)	YES		NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
15	In the case of post-award terminations, pre-award deletions, or substitutions of ACDBE firms, does the airport verify that the ACDBE has been notified AND given time to respond before approving the termination/substitution? (49 CFR 23.29)	YES		NO	N/A
16	Before approving a termination and/or substitution of a DBE subcontractor, does the airport verify the documented good cause that compels the termination of the DBE subcontractor? (49 CFR 23.29)	YES	WCAA is in compliance with the proper termination requirements in 23.29. Prime concessions are required to make the request in writing. WCAA performs a thorough review, ensures the request is legitimate and that the ACDBE has been notified. WCAA approves or denies the request in writing. WCAA verifies good cause.	NO	N/A
17	Does the airport conduct concession sites visits regularly? (49 CFR 23.55)	NO	The ACDBELO staff does not conduct regular concession site visits due to insufficient staffing levels.  <b>RECOMMENDED CORRECTIVE ACTION:</b> Increase or reallocate WCAA staff to adequately manage the program as required by 26.25. Develop a process to document site visits.	YES	10/01/2014
18	Does the airport verify that the ACDBE is actively managing the concession locations(s)? Including who the general managers are and to whom they report ? (49 CFR 23.55)	YES		NO	N/A
19	Does the airport verify gross sales reports accounting for ACDBE participation? (49 CFR 23.55)	YES	Prime Concessionaires submit the form: Dul Certified ACDBE Monthly Participation Statement.	NO	N/A
20	Does the airport submit its Uniform Report on ACDBE participation? (49 CFR 23 Appendix A)	YES		NO	N/A
21	Has the airport received any complaints alleging that it was not complying with ACDBE regulations in the past three years?	NO		NO	N/A
22	Does the airport have any joint venture agreements currently in place? If YES, please answer the following: (49 CFR Part 23 & JV	YES			

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED CORRECTIVE ACTION (if Any)	Compliance Issue	Action Due Date
	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?	YES	<b>RECOMMENDED CORRECTIVE ACTION:</b> We recommend WCAA re-review its joint venture agreements following the FAA Joint Venture Guidance and the guidance provided by FAA during this review.	YES	10/01/2014
	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?	NO		NO	
23	Does the airport have Long Term (5+ years) and Exclusive (LTE) contract(s) currently in place? (49 CFR 23.75)	YES	FAA has approved the LTE agreements that WCAA submitted. WCAA has two (2) additional LTE contracts that will be submitted to FAA for review.	YES	10/1/2014
24	If the airport has current Long Term and Exclusive contracts in place, were these contracts submitted to the FAA for approval? (49 CFR 23.75)	NO	WCAA was not clear on the definition of Exclusive and therefore, did not submit one of the LTEs for approval. WCAA will submit this LTE to FAA for review as soon as possible.		
25	Does the airport have an ACDBE business development or mentor-protégé program?	YES	WCAA has an ACDBE mentor-protégé program. FAA review is not required since this is not applicable to Part 23.	NO	N/A
26	Was the airport required to prepare and submit an ACDBE goal accountability report for fiscal year 2013? (49 CFR 23.57)	NO		NO	N/A
27	Other: Staffing	N/A	WCAA should ensure that it has adequate staffing to fully support its required ACDBE program in accordance with 26.25.	YES	10/1/14

**REVIEW SUMMARY**

The Federal Aviation Administration (FAA) Office of Civil Rights would like to thank you for your participation in this FY 2014 DBE & ACDBE Compliance Review. We appreciate the substantial effort taken by the Wayne County Airport Authority (WCAA) in providing 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. We appreciate your efficiency in arranging the numerous meetings, meeting rooms and on-site visits. The collective assessments made during the review have been incorporated into this report.

The FAA Office of Civil Rights periodically conducts discretionary reviews of grant recipients and sub-recipients in order to provide technical assistance, note best practices, identify areas for improvement, and ensure program compliance. This review has examined the Airport's compliance with the DBE Program and ACDBE Program. Observations and comments have been registered in each area that was examined as necessary.

Area(s) requiring your attention, if any, have been noted as a Compliance Issue under each specific question and corrective action must be taken by each set deadline. To supplement this year's review, we conducted focus group meetings with prime contractors, DBEs, master/prime concessionaires, as well as ACDBEs. The primary objective during these meetings was to evaluate the administration of the DBE and ACDBE program from the participants' perspective. We found that participants felt that the WCAA clearly understands the regulations and are supportive. In addition, most participants felt that WCAA has designed and implemented its DBE and ACDBE Programs with the spirit and intent of 49 CFR Parts 23 and 26. However, participants also noted the following:

- There are sometimes issues with prompt payment and retainage.
- Primes have to often assist DBEs and/or ACDBEs with financing and/or build-out costs
- Firms would like to have quarterly tenant meetings with the Airport staff.
- DBE/ACDBE directories and other availability directories should have key-word searches. Primes find it difficult to find DBEs and/or ACDBEs specific to the type of work or business requirement.
- Primes would like to have a better understanding of how the Airport staff set individual contract goals. Primes feel the contract goals are often too high and have difficulty achieving the goals.
- Primes indicate that there are often not enough paving, striping and trucking DBEs for the project work.
- ACDBEs state GFE is sometimes not clear.

It is commendable that Wayne County Airport Authority (WCAA) makes such substantial efforts to ensure local program administrators, stakeholders, the State of Michigan and the community, are regularly made aware of the DBE and ACDBE programs via significant outreach efforts made by the DBELO and staff. It is also commendable that the WCAA and Wayne County Human Relations Department work closely together on the DBE and ACDBE certifications to ensure compliance and prevention of fraud. In addition, the WCAA DBELO is in the process of creating a Supportive Services Program to specifically assist DBEs and ACDBEs and other firms with understanding the programs. Also, WCAA has agreed to hold quarterly tenant meetings to help keep the lines of communication open between the WCAA and the firms.

While WCAA has many positive aspects of the DBE and ACDBE Programs, based on the findings, we have designed specialized technical assistance to focus on the following areas of concern:

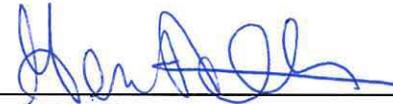
- DBE and ACDBE Program monitoring
- Joint Venture Guidance
- Long Term Exclusive Guidance

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 Programs" and 49 CFR Part 23, "Participation of Disadvantaged Business Enterprise in Airport Concessions."

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Recommended Resources:

FAA website, [http://www.faa.gov/about/office\\_org/headquarters\\_offices/acr/bus\\_ent\\_program/fed\\_reg/](http://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/fed_reg/)

FAA dbE-Connect System:

<https://faa.dbconnect.com/FAA/login.asp>

<https://faa.dbesystem.com/FrontEnd/VendorSearchPublic.asp>

U.S. Department of Transportation Office of Small and Disadvantaged Business Utilization <http://www.osdbu.dot.gov/DBEProgram/GuidanceforDBEProgramAdministrators/index.cfm>