



FY 2014

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

AND

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)

PROGRAM

COMPLIANCE REVIEW REPORT

OF THE

PORTLAND INTERNATIONAL AIRPORT (PDX)

PORTLAND, OR

REPORT ISSUED: July 31, 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 been 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 Portland International Airport (PDX/AIRPORT) 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. Three 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 Portland International Airport. We sent a letter to Portland International Airport on April 14, 2014, 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. Sample forms used to monitor monthly DBE participation.
- D. Site visits record.
- E. PDX's approved DBE Triennial Goal.
- F. Sample form 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. PDX's organization chart, showing ACDBELO's position.
- B. Records documenting monitoring of contracts with ACDBE participation.
- C. Sample forms used to monitor monthly ACDBE participation.
- D. Records documenting site visits to concessions locations.
- E. Copy of your approved ACDBE Triennial Goal.
- F. Copy of accomplishment reports for the most recent three years.
- G. List of all active concession contracts.
- H. List of all active concession contracts that have ACDBE participation, identifying ACDBE goal and actual contract percentage achieved to date.
- I. Copy of the top three revenue generating concession contracts.
- J. 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 PDX five (5) 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 the by following grants:

FY-2014

- Taxiway T Southwest Rehabilitation & Taxiways T & K Centerline Lighting \$ 9,150,000.00

FY-2013

- Re-grade and construct drainage improvements at the south end of runway 3/21. \$ 1,550,000.00
- Rehabilitation of taxiway E and exits **North** of Runway 10R/28L. \$ 9,300,000.00
- Rehabilitation of Taxiway E and exits **South** of Runway 10R/28L. \$ 11,600,000.00

FY-2012

- Rehabilitation Taxiway C **East** of runway 3/21 \$14,900,000.00

A site visit has been conducted, as noted below:

Review Conducted By FAA Staff: Ricky Watson and Dolores Leyva	Site Visit Date(s): July 29-31, 2014
PDX's Staff : Bill Wyatt, Executive Director; Cindy Nichol, CFO and Director of Administrative Services; Bobbi Matthews, Administrative Services Senior Manager; David Pfeiffer, Senior Manager of Concessions Development; Kimberly Mitchell-Phillips, Small Business Development Program Manager / DBELO & ACDBELO; Shane Andreasen, Concessions Market Development Manager; Michael L. Smelser, Purchasing Agent / Buyer IV; and Glen Moe, Construction Contract Manager.	

DESCRIPTION / HISTORY OF THE PORT LAND INTERNATIONAL AIRPORT (PDX):

The Portland International Airport (PDX) is owned and operated by the Port of Portland. PDX is also a joint civil-military airport and accounts for 90% of passenger travel and more than 95% of air cargo for the state. PDX is Oregon's largest commercial airport welcoming over 13 million passengers per year. The Airport has nonstop international service to Amsterdam and Tokyo as well as many other domestic locations across the country. PDX is comprised of 700 acres and is located within city limits of Portland and the County of Multnomah, about twelve miles outside of downtown Portland.

During the summer of 2011, PDX stopped all operations on its south runway to complete one of the Airport's largest construction projects to rehabilitation the runway. The runway was reopened in October 2011. The South Runway Reconstruction Project was the final phase of a three-year tarmac improvement program. The first two years focused on the north runway, with a rehabilitation of the surface and an extension to each end so it could replace the south runway during rebuilding.

The Airport's passenger facility includes a passenger terminal complex consisting of an integrated terminal with 5 Concourses - together forming an 'H' layout. During calendar year 2013, PDX served a record 15,029,569 total passengers. PDX prides itself on its top rating in customer service as well as on its on-time performance. PDX was awarded the Flight-Stats On-time Performance Award for its on-time percentage of 86.02% among Major North American Airports. In 2013 and in 2014, The Travel & Leisure Readers Survey awarded PDX the America's Best Airport award.

FINDINGS: SECTION 1 - Title 49 CFR Part 26 – AIRPORT CONSTRUCTION

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
1	Did the airport disseminate its DBE Policy Statement? (49 CFR 26.23)	YES	The DBE policy statement was disseminated to the Port of Portland and to trade organizations. Also, it was distributed to DBE and non-DBE business communities that perform work for us on DOT assisted contracts. In addition, the Policy Statement is made available for public review by accessing the Port of Portland website at http://www.portofportland.com	NO	N/A
2	Does the airport have a DBELO in place who has direct, independent access to the Airport Director/CEO concerning DBE program matters and do you have adequate staff to administer the program? (49 CFR 26.25)	YES	The DBELO has direct, independent access to the Executive Director. <i>Recommended Enhancement:</i> It is recommended that for an airport this size more staff be available to support the program, including specific areas requiring monitoring. This can be achieved with collaborative efforts with other divisions.	NO	N/A
3	Is the DBELO responsible for ensuring that DBEs are not discriminated against in the award and administration of FAA funded contracts and subcontracts? (49 CFR 26.25)	YES	DBELO understands her responsibilities to ensure that the DBE program is in compliance with 49 CFR 26.25 and that all discriminatory actions are forbidden in accordance with 49 CFR 26.7. Contracts include a nondiscrimination clause, but it is a different than the required assurance under 26.13. <u>RECOMMENDED CORRECTIVE ACTION:</u> PDX should update standard assurance as required under section 26.13. Sample template should be submitted to FAA for review and approval.	YES	11/1/14
4	Does the airport make reasonable efforts to use DBE financial institutions as well as encourage prime contractors on DOT assisted contracts to make use of DBE financial institutions? (49 CFR 26.27)	YES	PDX reviewed the availability of DBE financial institutions, as part of the process in updating their DBE Program. They did not find any financial institutions in their market area. PDX plans to continue to monitor the availability and will make	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
			reasonable efforts to use any identified 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	<p>The Purchasing Agent/Buyer coordinates the bid openings. At this point the process during a bid opening is simply to record the bids, announce apparent low bidder, and does not include review of specific bid requirements.</p> <p><u>Recommended Enhancement:</u> We recommend that the DBELO be present, as time permits, during some of the bid openings so that the DBE community identifies her as the liaison officer and the main point of contact for the Airport's DBE program.</p>	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	<p>PDX treats bidder/offers' compliance with good faith efforts requirements as a matter of responsibility. Bidders are required to submit bidder's commitment two hours after bid closes.</p> <p><u>Recommended Enhancement:</u> PDX should develop a standard form to be used by all bidders. A sample form can be found in the FAA's Sample DBE Program.</p>	NO	N/A
7	Does the airport confirm DBE certification prior to awarding the contract? (49 CFR 26.53)	YES	PDX DBELO utilizes Oregon UCP Directory to verify that all DBE firms are currently certified prior to award of contract.	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	Bid documents are reviewed by the DBELO. The DBELO properly documents the good faith effort reviews.	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	PDX DBELO receives official copies of all payments to DBE subcontractors. The DBELO also attends progress project meetings at least once a month.	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
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	PDX DBELO reviews Subcontractor Payment And Utilization Reports as well as monthly Progress Reports on all federal funded projects.	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	PDX project inspectors and project managers conduct regular site visits to the work sites. Project Inspectors visit the sites on a daily basis and report on the progress of the projects as well as who is completing the work. This information gets reported to the DBELO upon request.	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)	YES	<p>Project Manager and Inspectors conduct regular site visits. They verify the firms who are scheduled to perform the work and who actually performing the work.</p> <p><u>Recommended Enhancement:</u> All personnel conducting site visit associated with the monitoring of federally funded projects should be trained on identifying fraud in the DBE program. Information can be found at http://www.oig.dot.gov</p> <p>The use of Fraud Awareness posters is strongly recommended. Existing form should be enhanced to included items associated with DBE monitoring and possible fraudulent activity.</p>	NO	N/A
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	<p>PDX relies on overall signage requirements to ensure fraud is not taking place. Firms that typically participate on projects at this Airport have worked here before. According to staff, they are very familiar with the firms and their work.</p> <p><u>Recommended Enhancement:</u> All personnel conducting site visit associated with the monitoring of federally funded projects should be trained on identifying fraud in the DBE program. Information can be found at http://www.oig.dot.gov</p> <p>The use of Fraud Awareness posters is strongly recommended. Existing form should be enhanced to included items associated with DBE monitoring and possible fraudulent activity.</p>	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
14	During the construction site visits, does the airport verify who employs the workers on site? (49 CFR 26.37)	YES	<p>PDX has created Worksite Review Form to verify that the DBEs are managing their work, utilizing their own work forces, equipment and materials. DBELO or the represented will conduct all future site visits.</p> <p><u>Recommended Enhancement:</u> All personnel conducting site visit associated with the monitoring of federally funded projects should be trained on identifying fraud in the DBE program. Information can be found at http://www.oig.dot.gov</p> <p>The use of Fraud Awareness posters is strongly recommended. Existing form should be enhanced to included items associated with DBE monitoring and possible fraudulent activity.</p>	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>PDX has a documented monitoring program in place. PDX reviews contracting documents to ensure that the required language is contained within the documents.</p> <p><u>Recommended Enhancement:</u> Review process should be properly documented.</p>	NO	N/A
16	Does the airport review monthly DBE participation reports? (Provide copy of sample report) (49 CFR 26.37)	YES	DBELO reviews DBE Subcontractor Monthly Participation Reports.	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)	NO	<p>PDX does not have a process in place to review documents</p> <p><u>RECOMMENDED CORRECTIVE ACTION:</u> Develop a process to randomly verify who orders and pays for supplies being used by the DBE subcontractor, as applicable.</p>	YES	11/1/14
18	Does the airport has 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)	YES	DBELO receives an official copy of the Sub-Contractors Utilization report which reflects monthly payments.	NO	N/A
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	PDX has a process in place which complies with the requirements under 49 CFR 26.53.	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
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	Current process requires that Prime contractors obtain written permission from PDX before terminating DBE firms. PDX verifies good cause is accordance with 49 CFR Section 26.53.	NO	N/A
21	Does the airport submit its Uniform Report of DBE Awards/Commitments and Payments? (49 CFR Part 26.11 and Appendix B)	YES	PDX has submitted all required Uniform Reports of DBE Awards/ Commitments and Payments report via the DBE Office Online Reporting System (DOORS).	NO	N/A
22	Was the airport required to prepare a DBE goal accountability report for fiscal year 2013? (49 CFR 26.47)	NO	PDX was not required to prepare a report for FY 2013.	NO	N/A
23	Has the airport implemented its Small Business element? (49 CFR 26.39)	YES	PDX Small Business Element was approved on July 2014. Note: This element should be fully implemented no later than nine months from the date it was approved.	NO	N/A
24	Does the airport have a business development or mentor-protégé program? (49 CFR 26.35 and Appendix C/D)	YES	PDX has developed a mentor-protégé program for small businesses, it has proven to be very successful, to date a total of 120 firms have participated in the program. There are currently 10 firms enrolled in the program. There's no record that the program was ever submitted to the FAA for review. We strongly recommend that PDX submits their program for review and approval in order to incorporate as part of its DBE Program.	NO	N/A
25	Does the airport have a current and approved DBE Program in place? (49 CFR 26.21)	YES	PDX current DBE program was approved on April 7, 2014 by the FAA &PDX updated the DBE program on July 2014.	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	A race-conscious goal of 5.36% for FY 14-16 was approved by FAA on May 14, 2014.	NO	N/A

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

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED 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	PDX's ACDBE program is dated December 21, 2005. RECOMMENDED CORRECTIVE ACTION: PDX should submit an updated ACDBE program incorporating all recent changes to regulation by the set deadline.	YES	10/1/14
2	Did the airport distribute its ACDBE Policy Statement? (49 CFR 23.23)	YES	The ACDBE policy statement was disseminated to the Port of Portland and all of the components of its organization. In addition, the Policy Statement is made available for public review by accessing the Port of Portland website at http://www.portofportland.com	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 ACDBELO has direct, independent access to the Executive Director.	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	The ACDBELO understands her responsibilities to ensure that the ACDBE program is in compliance with 49 CFR 23.23. ACDBELO understands the requirement under 49 CFR 23.9.	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)	YES	PDX has submitted a current organizational structure which shows the direct independent access to the Executive Director on DBE matters.	NO	N/A
6	Does the airport include enforcement provisions in concession agreements? (49 CFR 23.29 & 23.9)	YES	Section 19.15, entitled Nondiscrimination, of the Retail Concession Lease sample template and Section 16.24, entitled Nondiscrimination of the Food and Beverage Concession Lease template addresses the requirements under this section. RECOMMENDED CORRECTIVE ACTION: PDX committed to use specific clauses in its agreements. Review ACDBE program and ensure assurances are include in the agreements. Provide sample template for review by the set deadline.	YES	11/1/14

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
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)	N/A	According to the documentation provided, PDX has direct lease agreements with all concessionaires, including ACDBEs. Recommended.	NO	N/A
8	Does the airport confirm ACDBE certification prior to awarding the contract? (49 CFR 23.29)	YES	The ACDBELO confirms that the ACDBE certification using the OR UCP Directory prior to awarding contracts.	NO	N/A
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	RFP for 2014 Concession Solicitation did not include language addressing ACDBE goal requirement or specific forms or specifics of this requirement.	YES	11/1/14
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	RECOMMENDED CORRECTIVE ACTION: In the case where an opportunity carries an ACDBE goal requirement, the RFP specific language as well as forms to be used to document commitment to ACDBE goal as well as information providing specifics on good faith efforts. Revised sample template should be submitted to FAA for review and approval by the set deadline.		
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)	N/A	ACDBELO has developed site visit monitoring forms which are being used during scheduled and unscheduled site visits. The ACDBELO works closely with the Concessions Development Division to ensure agreements include required clauses.	NO	N/A
12	Does the airport verify that the work committed to ACDBEs is actually performed by the ACDBEs? (49 CFR 23.29)	N/A	The ACDBELO works closely with the concessionaires. There's no official documentation to verify review. RECOMMENDED CORRECTIVE ACTION: PDX should develop a process to meet this requirement. A description of the process should be documented in the updated ACDBE Program. The updated program and any associated forms should be submitted to FAA for review by the set deadline.	YES	10/01/14
13	Does the airport prohibit prime or master concessionaires from terminating ACDBE firms for convenience? (49 CFR 23.29)	N/A	PDX has direct lease agreements with all concessionaires	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
14	Does the airport require prime or master concessionaires include administrative remedies if a prime or master concessionaire fails to comply with ACDBE requirements? (49 CFR 23.29)	YES	Lease template includes a standard Default section which covers all terms, covenants, and conditions of the lease. The contracts reviewed were direct lease agreements with the Airport.	NO	N/A
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	PDX has direct lease agreements with all concessionaires	NO	N/A
16	Before approving a termination and/or substitution of a ACDBE subcontractor, does the airport verify the documented good cause that compels the termination of the ACDBE subcontractor? (49 CFR 23.29)	YES	PDX has direct lease agreements with all concessionaires. There are no records of the termination of an ACDBE.	NO	N/A
17	Does the airport conduct concession sites visits regularly? (49 CFR 23.55)	YES	ACDBELO has developed site visit monitoring forms which are being used during scheduled and unscheduled site visits. <u>Recommended Enhancement:</u> Site visits should be conducted on a regular basis and properly documented.	NO	N/A
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	The current site visit form allows for verification of this requirement.	NO	N/A
19	Does the airport verify gross sales reports accounting for ACDBE participation? (49 CFR 23.55)	YES	ACDBELO has access to the Monthly Gross Receipt Reports.	NO	N/A
20	Does the airport submit its Uniform Report on ACDBE participation? (49 CFR 23 Appendix A)	YES	PDX has submitted all required Uniform Report on ACDBE participation via the DBE Office Online Reporting System (DOORS).	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	PDX has not received and resolved any ACDBE complaints without the FAA involvement or direction.	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
22	Does the airport have any joint venture agreements currently in place? If YES, please answer the following: (49 CFR Part 23 & JV Guidance)	YES	<p>PDX has three joint venture concessions, Soundbalance PDX, LLC / APW Holdings, LLC JV; Paradies – My-Reo, LLC (JV); and Oregonian/Stephanie Inc (JV) in place. The agreement have not been reviewed for joint venture compliance.</p> <p>RECOMMENDED CORRECTIVE ACTION: PDX should review the agreements to verify compliance with the FAA ACDBE Joint Venture Guidance. Records documenting the review should be submitted to the FAA by the set deadline.</p>	YES	11/01/14
	<ul style="list-style-type: none"> 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			
	<ul style="list-style-type: none"> 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			
23	Does the airport have Long Term (5+ years) and Exclusive contract(s) currently in place? (49 CFR 23.75)	NO	PDX does not have any exclusive agreements.	NO	N/A
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)	N/A			
25	Does the airport have an ACDBE business development or mentor-protégé program? (49 CFR 23.25 and Appendix C/D)	NO	The Airport does not have a mentor-protégé that focuses on the development of ACDBEs.	NO	N/A
26	Was the airport required to prepare/ submit an ACDBE goal accountability report for fiscal year 2012? (49 CFR 23.57)	NO	Uniform Report of Participation for FY-2013 shows a participation of 20.1%, the overall goal for was set at 23.49%. PDX prepared the required accountability report for FY 2013.	NO	N/A

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 Portland International Airport 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. 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.

Area(s) requiring your attention, if any, have been noted as a Compliance Issue under each specific question, corrective must be taken by each set deadline. To supplement this year's review, we conducted three 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 are happy to be doing business at PDX. They appreciate the support the Airport offers to small businesses as well as the spirit of customer service it promotes. They appreciate the open communication and inclusion. In addition, most participants felt that PDX 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 that they would like more transparency and inclusion in the DBE goal setting process. They would also like to be notified during the comment period.

While PDX 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: (1) DBE and ACDBE Program monitoring; (2) ACDBE Goal Setting Methodology & Process; and (3) AC/DBE Program required clauses.

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."

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>

DOT Departmental Office of Civil Rights <https://www.civilrights.dot.gov/disadvantaged-business-enterprise>