



FY 2014

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

AND

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM

COMPLIANCE REVIEW REPORT

OF THE

MID-CONTINENT AIRPORT

WICHITA, KANSAS

REPORT ISSUED: **August 7, 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 Mid-Continent Airport's 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 Mid-Continent Airport. We sent a letter to Mid-Continent 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 (specifications).
- D. Daily Inspection Logs and Daily Quality Control Reports.
- E. Copy of airport's approved 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 active FAA funded projects that have DBE participation, identifying DBE goal and actual contract percentage achieved to date.
- I. Sample of a contract that includes a DBE goal requirement.
- J. Sample of a DBE sub-contract agreement.

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

- A. Airport organization chart showing ACDBELO's position.
- B. ACDBE Program document.
- C. Copy of your approved ACDBE Triennial Goal.
- 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 recent Request For Proposals
- H. 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 Mid-Continent Airport three 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:

- 2013
 - 3-20-0088-066-2013 \$6,384,315 – Rehabilitate Apron (Phase 3a – Reconstruct Apron Between New and Old Terminals)
- \$2012
 - 3-20-0088-064-2012 \$11,131,074 – Construct Terminal Building (Terminal Construction)
 - 3-20-0088-065-2012 \$502,585 – Rehabilitate Taxiway Lighting (Construct)
- 2011
 - \$0

A site visit has been conducted, as noted below:

Review Conducted By FAA Staff: Patricia Wright and Gene Roth Victor White, Director of Airports; Traci Nichols, Properties and Contracts Manager; Linda Turley, Capital Program Airport Staff : Administrator & DBELO; Susan Hale, Properties and Contracts Analyst and ACDBELO; John Oswald, Airport Engineering & Planning Manager; Deidra Cronk, Assistant Program Manager, AECOM; Pat McCollom, Program Manager, AECOM	Site Visit Date(s): July 22-24, 2014
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DESCRIPTION OF THE WICHITA MID-CONTINENT AIRPORT:

Wichita Mid-Continent Airport is a small hub air carrier and general aviation complex, providing accommodations for all aircraft, as well as the latest innovations in passenger convenience, safety and efficiency at Kansas' largest airport. The practical annual airfield capacity is 500,000 operations. Current operations are 43 percent of capacity. The terminal building is comprised of 194,881 square feet. A \$6 million renovation of the terminal was completed in 1989.

The Wichita Airport Authority is responsible for directing the management of Wichita Mid-Continent Airport and Colonel James Jabara Airport. In fall of 1999, there was a change in the governance of the airports. The previous semi-autonomous, nine-member administrative board was replaced with a 13-member advisory board. The Wichita City Council is now the Authority Board.

Wichita Mid-Continent Airport continues to be an integral part of the total economy of south-central Kansas. Tenants under contract with the Airport Authority, including the various agencies of the federal government – as well as the airlines – number over 70.

Revenues generated from the Airport are used to cover operating expenses, debt service and part of the capital improvements. Airport funds are not used for purposes other than airport-related expenditures. The majority of non-revenue-producing capital improvements on Mid-Continent Airport is financed from the Airport Improvement Program, administered by the Federal Aviation Administration. The current operating budget is just under \$17 million, and the net revenue budget is \$20 million.

The Authority has used double-barreled general obligation bond funding for capital improvements at the Mid-Continent and Jabara Airports since 1969, and has matched these funds with approximately \$187.3 million of FAA Airport Improvement Program funds. This low cost method of financing has served the airports well. The Airport Improvements will be in keeping with a sound master plan of development for both airports and will be consistent with the FAA policies.

General aviation is served by specialized retailers, who provide aircraft-related accessories, service, rental, storage and flight training. Two general aviation manufacturers are located adjacent to the airport and maintain access agreements for the use of public facilities, as well as provide customer service at their respective locations. Three fixed-base operators (FBOs) provide a complete range of services, including aircraft repair, refurbishing, maintenance, sales, fueling and charters: Beechcraft, Yingling Aircraft and Wichita Airport Facilities. There are approximately 270 general aviation aircraft based at Mid-Continent.

Source: <http://www.flywichita.com/MCA-history.php>

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

#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
1	Did the airport disseminate its DBE Policy Statement? (49 CFR 26.23)	YES	Last signed policy statement is dated 9/2011. Recommend currently-signed policy statement is disseminated to airport staff, community organizations, and posted to website.	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 and has direct access to Airport Director.	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		NO	N/A
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	ICT was uncertain of intent and process to “make reasonable efforts to use DBE financial institutions...” During review, intent and recommended process were explained. DBELO committed to searching DBE database for financial institutions that may take advantage of future airport banking opportunities.	NO	N/A
5	Is the DBELO present during the bid openings for FAA funded projects? (49 CFR 26.25)	YES	DBELO or staff member attends all bid openings.	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	ICT uses Letter of Intent form to verify compliance.	NO	N/A
7	Does the airport confirm DBE certification prior to awarding the contract? (49 CFR 26.53)	YES	ICT verifies DBE certification prior to awarding the contract.	NO	N/A

#	QUESTION/REGULATION REFERENCE	Response YES/NO	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue YES/NO	Action Due Date
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 Airport's engineering consultant firm, AECOM, and DBELO. DBELO reviews and approves good faith efforts.	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	ICT verifies list of subcontractors submitted with the bid documents. Staff also verifies pay estimates as well as weekly payroll to ensure that work committed to DBEs is actually awarded to DBEs.	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	DBELO uses a spreadsheet to maintain a running tally of payments to DBE firms and monitor progress on goal accomplishment.	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	ICT has several layers of review in place to ensure DBEs are managing their work with their own forces, equipment, and materials.	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	Site visits are generally conducted by the staff of Airport's engineering consultant, AECOM, who provide written reports to DBELO. AECOM participated in all compliance review meetings except focus groups.	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	Site visits are generally conducted by the staff of Airport's engineering consultant, AECOM, who provide written reports to DBELO. AECOM participated in all compliance review meetings except focus groups.	NO	N/A
14	During the construction site visits, does the airport verify who employs the workers on site? (49 CFR 26.37)	YES	ICT has several layers of review in place to ensure DBEs are managing their work with their own forces, equipment, and materials.	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>ICT does not have a mechanism, outside of daily inspection reports, which provides for written verification that contracting records are being reviewed and work sites are being monitored.</p> <p>RECOMMENDED CORRECTIVE ACTION: Develop and implement a mechanism to meet this requirement. A description of the process and any associated forms should be submitted to FAA for review by set deadline.</p>	YES	8/29/14

16	Does the airport review monthly DBE participation reports? (Provide copy of sample report) (49 CFR 26.37)	YES	DBELO maintains a spreadsheet to monitor DBE participation. RECOMMENDATION: Add DBELO signature line to monthly DBE participation reports or create mechanism to acknowledge DBELO's review of 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)	YES	No formal process is in place to verify who orders and pays for supplies used by DBEs. RECOMMENDED CORRECTIVE ACTION: ICT should require a copy of the invoice the supplier submits to the prime as part of the pay estimate.	YES	3/29/14
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)	YES	Review identified prompt payment policy discrepancy between specification document and DBE plan. RECOMMENDED CORRECTION ACTION: rectify discrepancy and provide FAA documentation of resolution.	YES	3/29/14
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	ICT has a process in place so that DBEs are not terminated nor substituted without airport approval.	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	ICT has a process in place so that DBEs are not terminated nor substituted without thorough review and verification of good faith efforts.	NO	N/A
21	Does the airport submit its Uniform Report on DBE participation? (49 CFR Part 26.11 and Appendix B)	YES	ICT has submitted its reports on schedule.	NO	N/A

22	Was the airport required to prepare a DBE goal accountability report for fiscal year 2012? (49 CFR 26.47)	NO	ICT met its DBE goal and therefore was not required to prepare an accountability report for fiscal year 2012.	NO	N/A
23	Has the airport implemented its Small Business element? (49 CFR 26.39)	NO	Awaiting approval by FAA.	NO	N/A
24	Does the airport have a business development or mentor-protégé program? (49 CFR 26.35 and Appendix C/D)	NO		NO	N/A
25	Does the airport have a current and approved DBE Program in place? (49 CFR 26.21)	YES		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		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	FAA has reviewed and approved ICT's ACDBE Program.	NO	N/A
2	Did the airport distribute its ACDBE Policy Statement? (49 CFR 23.23)	YES	As with the DBE Program, broader dissemination is suggested.	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 and independent access to the Airport Director.	NO	N/A
4	Is the ACDBELO responsible for ensuring that the ACDBE program is not operating in a nondiscriminatory manner? (49 CFR 23.23)	YES	The ACDBELO understands that she is responsible for ensuring ACDBEs are not discriminated against in the administration of the ACDBE program.	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	DBELO and ACDBELO submitted two different organizational charts; DBELO's shows direct access to Airport Director but ACDBELO's does not. RECOMMENDED CORRECTIVE ACTION: Airport Authority should have one official organizational chart showing direct access from DBELO and ACDBELO to Airport Director.	YES	8/29/14
6	Does the airport include enforcement provisions in concession agreements? (49 CFR 23.29)	YES	There are references to 49 CFR Part 23, but the enforcement language is not sufficient. RECOMMENDED CORRECTIVE ACTION: ACDBELO must implement appropriate mechanisms to ensure compliance with the requirements of 49 CFR 23 by all participants in the program. The concession agreements and management contracts must include the specific provisions setting forth the enforcement mechanisms and other means used to ensure compliance. These provisions must include a monitoring and enforcement	YES	8/29/14

#	QUESTION/REGULATION REFERENCE	Response	FINDINGS / RECOMMENDED CORRECTIVE ACTION (If Any)	Compliance Issue	Action Due Date
			mechanism to verify that the work committed to ACDBEs is actually performed by the ACDBEs.		
7	Does the airport verify that the prime or master concessionaire and ACDBE have entered into a written commitment prior to awarding a response to an RFP/RFQ? (49 CFR 23.29)	YES	ICT uses the form, "Commitment Acknowledgement for ACDBE" to verify that the prime or master concessionaire have entered into a written commitment. RECOMMENDED CORRECTIVE ACTION: Add counter-signature line for ACDBE to confirm and acknowledge commitment.	YES	8/29/14
8	Does the airport confirm ACDBE certification prior to awarding the contract? (49 CFR 23.29)	YES	ACDBELO requests proof and verifies certification status of all ACDBEs.	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	Staff reviews submittals to ensure ACDBE participation is met through good faith efforts.	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	The RFP reviewed included forms documenting ACDBE participation as well as good faith efforts forms.	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	Although ICT conducts visits to the concession locations and reviews concession agreements, there is no official documentation of such. RECOMMENDED CORRECTIVE ACTION: Create a form to document site visits including date, time, location name, and signature of visiting staff member.	YES	8/29/14
12	Does the airport verify that the work committed to ACDBEs is actually performed by the ACDBEs? (49 CFR 23.29)	YES	Although ICT conducts visits to the concession locations and reviews concession agreements, there is no official documentation of such. RECOMMENDED CORRECTIVE ACTION: Create a form to document site visits including date, time, location name, and signature of visiting staff member.	YES	8/29/14
13	Does the airport prohibit prime or master concessionaires from terminating ACDBE firms for convenience? (49 CFR 23.29)	YES	The general contract clauses included in the agreement apply to ACDBE provisions.	NO	N/A
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)	NO	This is addressed in the Airport's Program document, but not fully included in concession agreements. RECOMMENDED CORRECTIVE ACTION: include a monitoring and enforcement mechanism in concession contracts to verify that the work committed to ACDBEs is actually performed by the ACDBEs.	YES	8/29/14
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	YES	The existing ACDBE program does not include this recent update to the regulation. ICT does not have a document process in place addressing this requirement.	YES	8/29/14

	before approving the termination/substitution? (49 CFR 23.29)		RECOMMENDED CORRECTIVE ACTION: 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.		
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	The existing ACDBE program does not include this recent update to the regulation. ICT does not have a document process in place addressing this requirement. RECOMMENDED CORRECTIVE ACTION: 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	8/29/14
17	Does the airport conduct concession sites visits regularly? (49 CFR 23.55)	NO	Airport staff and ACDBELO occasionally conduct site visits to the existing concessions. The infrequency of visits is a result of the construction of the new terminal and limited concessions. Recommendation: ACDBELO should conduct random and frequent visits to concessions and interview concession staff to ensure integrity of the ACDBE Program.	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 23.29)	YES	Recommendation: Random and frequent visits will allow a more aggressive and thorough interview process of staff and assessment of concessions.	NO	N/A

19	Does the airport verify gross sales reports accounting for ACDBE participation? (49 CFR 23.55)	YES	ACDBELO works with Accounting Department staff to confirm gross sales reports.	NO	N/A
20	Does the airport submit its Uniform Report on ACDBE participation? (49 CFR 23 Appendix A)	YES	Uniform ACDBE Reports are submitted in a timely fashion.	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	Recently, the Airport received criticism from an ACDBE who felt the goal of 4.5% in a Food & Beverage RFP was not high enough; ACDBE felt it should be at least 10%. Airport Director and staff explained the goal methodology and how the percentage was derived.	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 Guidance)	NO	Airport was under the impression its new Food & Beverage agreement was not a joint venture. However, after FAA review, it appears the agreement does meet the standard of a joint venture.	YES	8/29/14
	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?		RECOMMENDED CORRECTIVE ACTION: Review FAA Joint Venture Guidance document (attached) and recommend how this will be addressed.		
	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?				
23	Does the airport have Long Term (5+ years) and Exclusive contract(s) currently in place? (49 CFR 23.75)	YES	FAA approval was given to one LTE agreement.	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)	YES			
25	Does the airport have an ACDBE business development or mentor-protégé program? (49 CFR 23.25 and Appendix C/D)	NO		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		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 Wichita Mid-Continent 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 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 had an overall positive understanding of the program and a good relationship with staff. They expressed that staff is responsive to their comments and concerns. However, participants also noted that there were elements of the program they did not understand. For example, several participants were under the impression that a project goal attainment was linked to whether the airport received a grant. A couple of construction contractors said they've used certain DBEs only to ensure the grant funds were attained by the airport and would not have used these DBEs otherwise. In some cases, primes used DBEs who had considerably higher bids than non-DBES, only to keep a project from being rejected by the FAA for not meeting the goal.

Based on the findings, we have designed specialized technical assistance to focus on the following areas of concern:

- DBE goal-setting
- Good faith efforts intent and analysis
- ACDBE goal-setting
- General DBE and ACDBE Program requirements

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>