



Small Business Opportunities Report

February 2012



EOP Primary Responsibilities

- Business Outreach
- DBE and LDBE Certification
- DBE and LDBE Contract Compliance (Pre-Award and Post-Award Compliance)
- Internal and External Reporting



Outreach

- Outreach to DBE/LDBE/MBE/WBE firms – in 2011 staff participated in 24 outreach events that were attended by over 12,000 participants.
- Outreach involves external events, Airports Authority sponsored events and/or project/contract specific events.



DBE/LDBE Certification

- DBE/LDBE Certification (600 DBE firms and 1,760 LDBE firms currently certified).
- DBE Certification – Examination of ownership, control, management, operations, disadvantaged owner status, personal net worth and company gross receipts. Site visits required.
- LDBE Certification – Examination of company size (gross receipts or number of employees), local presence (located within 100 miles). Site visits optional.

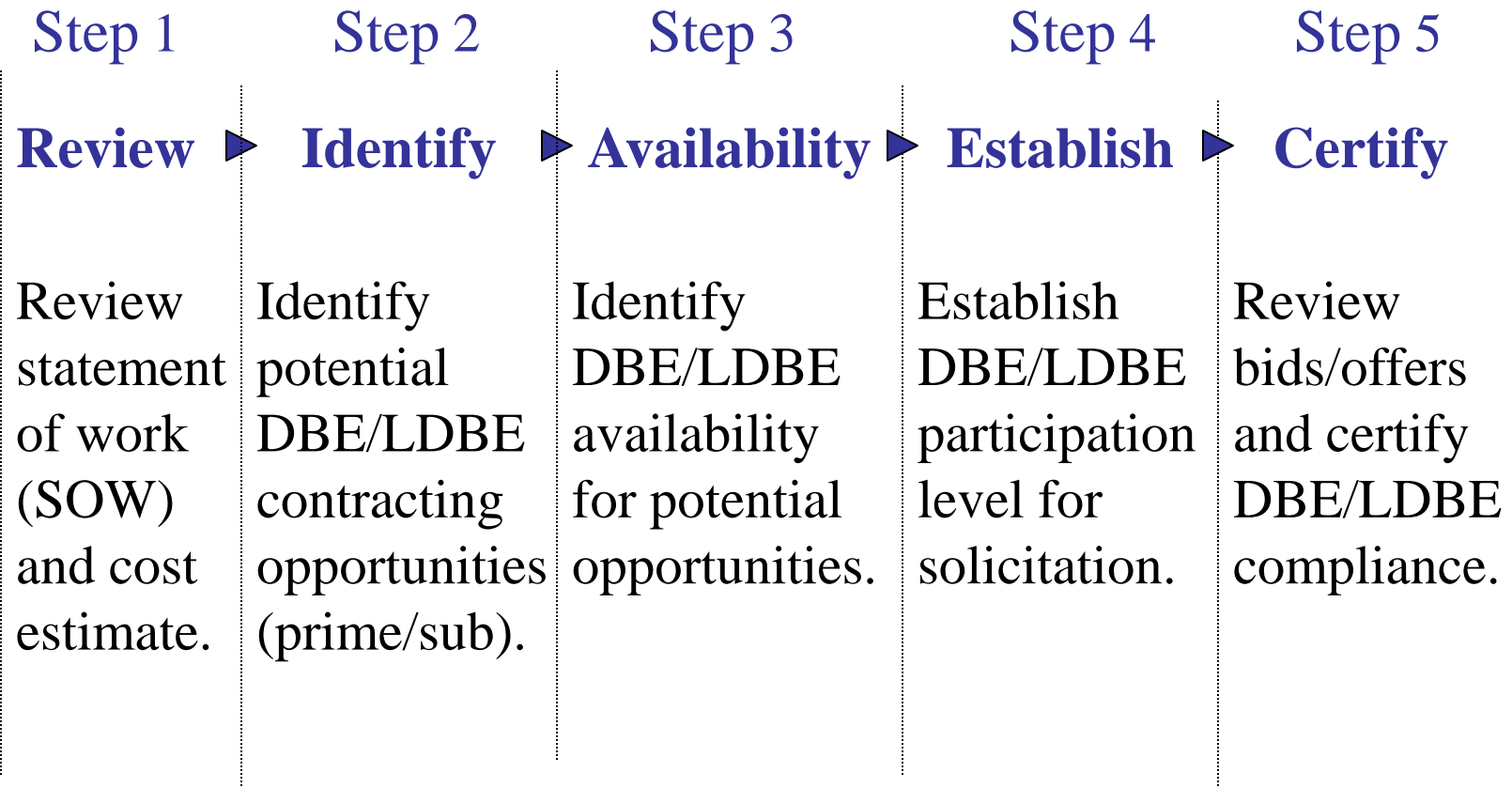


Compliance

- DBE/LDBE Contract Compliance – currently 300 active contracts with DBE/LDBE participation commitments.
- Compliance involves two phases - pre-award and post-award.



Pre-Award Compliance





Post-Award Compliance

Step 1

Monitor

Monitor monthly invoices to track DBE/LDBE participation and payments.

Step 2

Performance

Monitor DBE/LDBE performance of committed work and payments vs. commitments (conduct site visits/reviews).

Step 3

Non-Compliance

Work with COTR and/or Contracting Officer for corrective actions regarding non-compliance (i.e. substitution, good faith efforts and/or sanctions).

Step 4

Achievement

Determine final compliance/achievement.



2011 LDBE/DBE Achievements

Contract Activity Type	Goal	Achievement Amount	Achievement Percent
Non-Federally Assisted Construction (LDBE)	25%	\$24,446,443	38%
Non-Federally Assisted Goods & Services (LDBE)	20%	\$61,652,613	49%
Federally Assisted Construction Aviation Enterprises (DBE)	25%	\$10,613,340	28%
Dulles Corridor Metrorail Project (DBE) *	13.24%	\$142,064,700	17.1%

*Figures are for Federal Fiscal year 2011 (October 1, 2010 – September 30, 2011)



2011 ACDBE Achievements

Contract Activity Type	Goal	Achievement Amount	Achievement Percent
Non-Rental Car Concessions Reagan National (ACDBE) *	29%	\$28,076,147	29%
Non-Rental Car Concessions Dulles International (ACDBE) *	20%	\$60,793,886	31%
Rental Car Concessions (ACDBE) *	10%	\$458,146	<1%

*Figures are for Federal Fiscal year 2011 (October 1, 2010 – September 30, 2011)

**REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE
SMALL BUSINESS OPPORTUNITIES REPORT
FEBRUARY 2012**

PURPOSE

To report on the responsibilities and accomplishments of the Metropolitan Washington Airports Authority's (Airports Authority) small business opportunities programs.

BACKGROUND

The Airports Authority fosters the inclusion of small, local, minority and women-owned businesses in the business and procurement opportunities of the Airports Authority through three programs. The programs consist of the federally mandated Disadvantaged Business Enterprise (DBE) and the Airport Concessions Disadvantaged Business Enterprise (ACDBE), and the Airports Authority created Local Disadvantaged Business Enterprise (LDBE) program. These programs are administered by the Equal Opportunity Programs (EOP) Department.

DBE and ACDBE firms are defined as small businesses which are at least 51 percent owned by one or more socially and economically disadvantaged individuals, and whose management and daily operations are controlled by one or more of the individuals who own the business. Socially and economically disadvantaged persons are citizens or permanent residents who are African-American, Hispanic American, Native American, Asian Pacific American, Asian Indian American, and/or women.

An LDBE is a small business that is organized for profit and is located within a 100-mile radius of the District of Columbia's zero mile marker.

In furtherance of the federal and Authority objectives to include minority, female, small and local businesses in our contracting opportunities, the EOP Department conducts the business outreach, certification and contract compliance activities for the Airports Authority. In the area of outreach, EOP is responsible for coordinating the Airports Authority's participation in business focused events to promote greater awareness of the Airports Authority's small business programs. During 2011 EOP staff hosted three events that were attended by more than 900 participants and participated in 21 external outreach events that were attended by over 11,000 participants. Additionally, EOP staff maintains ongoing working relationships with the DC Chamber of Commerce, Virginia Minority Supplier Development Council, MD/DC Minority Supplier Development Council, DC Chapter of the National Association of Minority Contractors, DC

Department of Small and Local Business Development, and the DC Office of Employment Services.

EOP staff is responsible for certifying the eligibility of firms to participate in the DBE, ACDBE and LDBE programs. There are more than 600 DBE/ACDBE firms and more than 1760 LDBE firms currently certified. In 2011 EOP staff conducted more than 100 DBE/ACDBE certification reviews and more than 520 LDBE certification reviews on firms seeking certification or recertification.

EOP conducts pre-award and post-award DBE/LDBE contract compliance and monitors monthly payments activity on more than 300 active contracts with DBE/LDBE participation goals or requirements. EOP staff conducted eight project compliance site visits in 2011.

2011 DBE ACHIEVEMENT

The Federal Aviation Administration (FAA) requires the Airports Authority to report annually on its DBE accomplishments. The fiscal year reporting period for the Airports Authority is January 1 through December 31, 2011. For 2011, the Board of Directors established an overall DBE goal of at least 25 percent for 2011 federally-assisted design and construction contracts for the Aviation Enterprise. In addition, the Federal Transit Administration (FTA) requires the Airports Authority to report annually on its DBE accomplishments on the Dulles Corridor Metrorail Project (DCMP). Following FTA regulations the DBE goal applies only to the federally-funded portion of the DCMP. To achieve the DBE goal, total DBE participation over the life of the DCMP Phase 1 must equal or exceed \$109.8 million. FTA's fiscal year reporting period for the DCMP Phase 1 is October 1, 2010 through September 30, 2011.

The total 2011 DBE achievement for the airports was 28 percent compared to the established 25 percent goal. At Ronald Reagan Washington National Airport four new federally-assisted contracts totaling \$37,884,754 were awarded of which \$10,613,340 was subcontracted to DBE firms. There were no new contracts awarded for Washington Dulles International in 2011. The total federally-assisted DBE achievements are reflected in Table 1.

The Dulles Corridor Metrorail Project since its inception has achieved cumulative DBE participation of \$142,064,700 or 17.1 percent in comparison to the 13.24 percent established goal. The DCMP Phase 1 DBE participation includes first and second tier DBE subcontractor participation in construction, program management, engineering, inspections and material supply (See Table 2).

2011 ACDBE ACHEIVEMENT

The FAA requires the Airports Authority to report annually on its ACDBE accomplishments. The fiscal year reporting period for the Airports Authority is October 1, 2010 through September 30, 2011. Airport concessions include retail/food and beverage, service businesses, and landside services. Service businesses include pay telephones, baggage carts, foreign currency, and the branch banks and automated teller machines (ATMs), hotel and gas station. Landside services include parking, taxi dispatch, and shuttle/shared ride services. As required by federal rules, the Board of Directors established two separate goals for each Airport's ACDBE program: one for car rental concessions and the other for all other airport concessions. These goals were 29 percent for Reagan National's non-car rental concessions, 20 percent for Dulles International's non-car rental concessions, 10 percent for car rental concessions at Reagan National, and 10 percent for car rental concessions at Dulles International.

The Airports Authority's ACDBE achievements for federal FY 2011 are reported in attached Tables 3 and 4. In federal FY 2011, ACDBE firms generated a total of \$28.1 million in gross receipts, or 29 percent of all non-car rental concession gross receipts in the Reagan National concessions program, with food and beverage and retail receipts making up the significant share of the gross receipts. This met the goal of 29 percent. During this same period at Dulles International, DBE firms generated \$60.8 million in gross receipts or 31 percent of all non-car rental concession gross receipts, well exceeding the goal of 20 percent.

In airport car rental concession contracts, ACDBE participation may come from the car rental firms' purchase of goods and services from ACDBE firms (including the purchase or leasing of new vehicles from ACDBE firms). The ACDBE goal for Reagan National and Dulles International require that rental car companies make good faith efforts to achieve at least 10 percent ACDBE participation in their purchase of goods and services. The ACDBE regulations provide that only firms certified by the Airports Authority as ACDBEs may be considered in calculating DBE goal achievement. Because of this regulation, rental car companies have experienced significant challenges in achieving the 10 percent ACDBE goal for 2011, reporting less than one percent participation by Airports Authority certified ACDBEs.

Rental car companies are required to fully document their good faith efforts to achieve the ACDBE goal. As part of this documentation, staff requires rental car companies to report all small minority and women-owned business participation regardless of the firm's DBE certification status with the Airports Authority. Airports Authority staff continues to work with the car rental companies to encourage their minority and women-owned vendors to apply for DBE certification with the Airports Authority, so that more of their minority and women-owned business participation can be credited toward the Airports Authority's ACDBE goals.

2011 LDBE Achievement

The Board of Directors established the LDBE program in 1989 and at that time set LDBE participation goals of at least 25 percent for construction contracts and at least 20 percent for goods and services contracts. Historically, LDBE achievements have been reported based on contract commitment activity for all firms including LDBE, minority and women-owned businesses. For the period January 1, 2011 to December 31, 2011, participation in construction contracts was \$24.4 million or 38 percent and was \$61.7 million or 49 percent for goods and service contracts. Overall, LDBE firms received \$86.1 million or 45 percent of all non-federally assisted contract activity. Table 5 provides a detailed breakdown of Airports Authority contract activity by type of firm, contract type and jurisdiction.

RECOMMENDATION

No action required.

Prepared by:
Office of Business Administration
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Table 1

**AVIATION ENTERPRISE
TOTAL FEDERALLY-ASSISTED CONTRACTS
2011 DBE ACHIEVEMENTS**

Airport	DBE Goal	Contract Award Amount	DBE Participation Amount	Total % DBE Participation
Reagan National	25%	\$37,884,754	\$10,613,340	28%
Dulles International	25%	0	0	0%
TOTAL	25%	\$37,884,754	\$10,613,340	28%

Table 2

**DULLES CORRIDOR METRORAIL PROJECT
2011 DBE ACHIEVEMENTS**

Airport	DBE Goal	Project DBE Goal Amount	DBE Participation Amount	Total % DBE Participation
Dulles Corridor Metrorail Project	13.24%	\$109,860,092	\$142,064,700	17.1%

Table 3

**ACDBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2011
RONALD REAGAN WASHINGTON NATIONAL AIRPORT**

Non-Rental Car Concessions				
Concession Category	Total Concession Gross Receipts	Total ACDBE Gross Receipts	Total % ACDBE Participation	Program Goal
Retail	\$83,752,636	\$27,578,458	33.0%	
Services	\$8,245,820	\$299,645	4.0%	
Landside	\$3,821,207	\$198,044	5.2%	
TOTAL	\$95,819,663	\$28,076,147	29.3%	29%
Rental Car Concessions				
Concession Category	Total Concession Gross Receipts	Total ACDBE Gross Receipts	Total % ACDBE Participation	Program Goal
RENTAL CARS	\$106,959,636	\$458,146	<1%	10%

Table 4

**ACDBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2011
WASHINGTON DULLES INTERNATIONAL AIRPORT**

Non-Rental Car Concessions				
Concession Category	Total Concession Gross Receipts	Total ACDBE Gross Receipts	Total % ACDBE Participation	Program Goal
Retail	\$123,649,036	\$49,031,406	39.0%	
Services	11,771,299	\$5,608,572	47.6%	
Landside	\$61,303,263	\$4,308,860	7.0%	
TOTAL	\$196,723,598	\$60,793,886	30.9%	20%
Rental Car Concessions				
Concession Category	Total Concession Gross Receipts	Total ACDBE Gross Receipts	Total % ACDBE Participation	Program Goal
RENTAL CARS	\$145,933,110	0%	0%	10%

Table 5

**Equal Opportunity Programs
MBE/WBE/LDBE/DBE Contract Activity Awards
January 1, 2011 - December 31, 2011**

CATEGORY	CONSTRUCTION		GOODS and SERVICES		TOTAL	
Non-Federally Assisted	\$64,526,237	100.0%	\$126,849,617	100.0%	\$191,375,854	100.0%
LDBE	\$24,446,443	37.9%	\$61,652,613	48.6%	\$86,099,056	45.0%
MBE	\$8,188,983	12.7%	\$15,698,974	12.4%	\$23,887,957	12.5%
WBE	\$2,103,377	3.3%	\$38,670,087	30.5%	\$40,773,464	21.3%
Federally Assisted	\$39,151,200	100.0%	\$1,298,629	100.0%	\$40,449,829	100.0%
DBE	\$7,259,933	18.5%	\$218,146	16.8%	\$7,478,079	18.5%
Federally Assisted and Non-Federally Assisted	\$103,677,437		\$128,148,246		\$231,825,683	
			District of Columbia		\$19,154,295	8.3%
			Maryland		\$71,341,196	30.8%
			Virginia		\$87,379,834	37.7%
			Other Jurisdictions		\$53,950,358	23.3%