



HOUSTON AIRPORT SYSTEM OFFICE OF BUSINESS OPPORTUNITY PROPOSED ACDBE GOALS FY 2015 – 2017

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Why Does the OBO Exist?

- To promote the utilization of Disadvantaged Business Enterprises (DBEs) and Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) in Department of Transportation (DOT) Federal Aviation Administration (FAA) financially-assisted contracts.
- Utilization of Minority and Women, Small (SBE) and Persons with Disabilities Business Enterprises (M/W/S/PDBEs) in City of Houston funded contracts.
- To improve access to HAS contract opportunities for M/W/S/PDBE companies.
- To ensure compliance with local, state, and federal mandates.



Office of Business Opportunity (OBO) Mission

- ▶ The Houston Airport System's Office of Business Opportunity is committed to creating a level playing field on which:
 - DBEs, ACDBE's and M/W/S/PDBEs can participate in an environment that removes barriers
 - Ensures non-discrimination
 - Provides the tools necessary to compete and perform successfully within the Houston Airport System



Calculation of ACDBE Goals

George Bush Intercontinental & William P. Hobby Airports

49 CFR Part 23 requires the calculation of separate Airport Concessionaire Disadvantaged Business Enterprise goals for George Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU).

Background

United States Department of Transportation requires that recipients that receives more than \$250,000 in Federal Funds must establish a Airport Concessionaire Disadvantage Business Enterprise Plan and set Triennial Goals on Federal Assisted projects. The Houston Airport System receives Airport Improvement Program Funds from the Federal Aviation Administration in excess of that amount.

Current ACDBE Goal for IAH and HOU

The Houston Airport System's current Triennial ACDBE goal at IAH is 33.55% and HOU is 33.05%. Of the respective ACDBE goals, it is anticipated that 1.8% (IAH) and 0.1% (HOU) can be achieved by race/gender neutral means.

Steps to determine overall goals on DOT assisted Contracts

Pursuant to 49 Code of Federal Regulation Part 23 subsection 23.51 the goals were determined by:

- ▶ Step 1
 - Determine the number of ready, willing and able ACDBEs in your market that perform work in work (Base Figure)
- ▶ Step 2
 - Examine all of the evidence available in your jurisdiction to determine what adjustment if any, is needed to the base figure

How the Houston Airport System determined the overall ACDBE goal

▶ Step 1

- HAS divided the number of certified ACDBE with the City of Houston by the number of active concessions at both IAH and HOU. A base figure of **57.36%** was calculated.

- Base figure =
$$\frac{74 \text{ Certified ACDBEs}}{129 \text{ Active Concessions (including ACDBEs)}}$$

57.36%

Step 2

Adjustment 1 (Intercontinental)

- ▶ $(\text{Base Figure} + \text{Weighted Availability}) / 2$

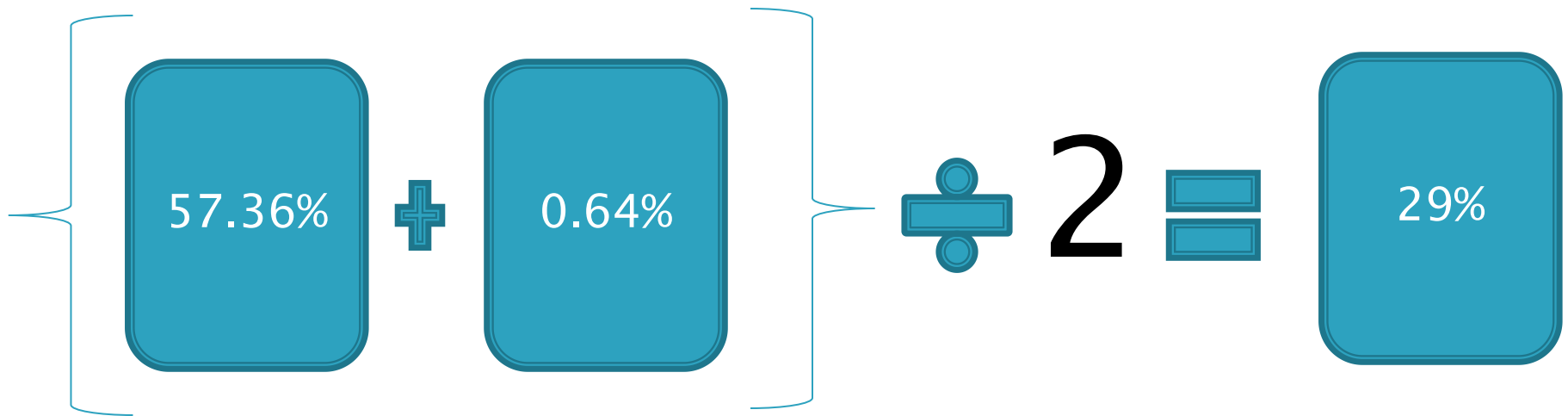
Weighted Availability Intercontinental

Houston Airport System							
Office of Business Opportunity							
ACDBE Goal Calculation FY-2014-2016							
George Bush Intercontinental Airport							
Weighted Ratio of Certified DBEs to Available Firms in Market Area							
NAICS Codes	Description	% of Work	Budget Amounts	ACDBEs	All Firms	ACDBE Availability	Weighted Availability
523130, 994010	Currency Exchange	1%	\$ 8,703,812	1	163	0.61%	0.01%
445120, 445229, 722310, 722513, 991001	Food & Beverage	46%	\$ 300,502,932	15	5,329	0.28%	0.13%
992000, 451212, 992020, 453220, 997010	Novelties/News/Gift/Retail	19%	\$ 122,572,648	14	712	1.97%	0.37%
812930, 561790	Parking Lots	33%	\$ 215,519,638	2	517	0.39%	0.13%
238290, 991010, 454210	Vending	0%	\$ 1,463,401	2	310	0.65%	0.00%
	TOTAL	100%	\$ 648,762,430				0.64%
[0.01 (1/163) + 0.46 (15/5329) + 0.19 (14/712) + 0.33 (2/517) + 0.00 (2/310)] * 100							
[(.01 *.0061) + (.46 * .0028) + (.19 * .0197) + (.33 * .0039) + (0.0 * .0065)] * 100							
[0.0001 + .0013 + .0037 + .0013 + .0000] * 100							
.0064 * 100 = 0.64%							

Step 2

Adjustment 1 (Intercontinental)

- ▶ (Base Figure + Weighted Availability)/2



Step 2

Adjustment 2 (Intercontinental)

- ▶ $(\text{Base Figure} + \text{Median ACDBE Achievement}) / 2 = \text{ACDBE Goal}$

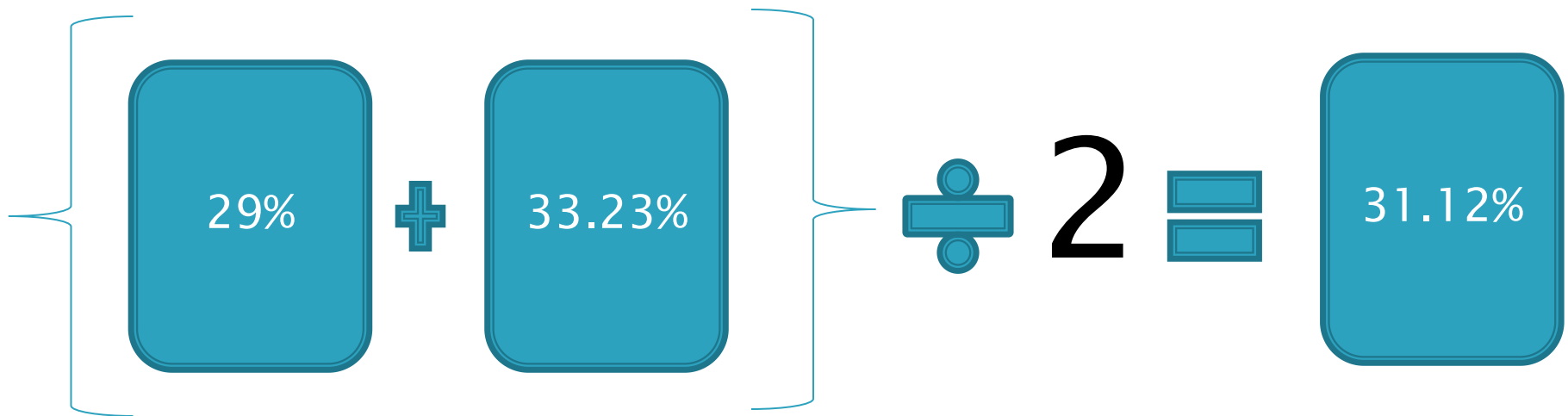
Past ACDBE Achievements Years 2011 – 2013 Intercontinental

FY	ACDBE Participation
2011	33.23 %
2012	33.47 %
2013	33.09 %

Median ACDBE Achievement =
33.23 %

Step 2 Adjustment 2 (Intercontinental)

- ▶ (Base Figure + Median ACDBE Achievement) / 2 = ACDBE Goal



Adjusted ACDBE Goal = 32%

Step 2

Adjustment 1 (Hobby)

- ▶ $(\text{Base Figure} + \text{Weighted Availability}) / 2$

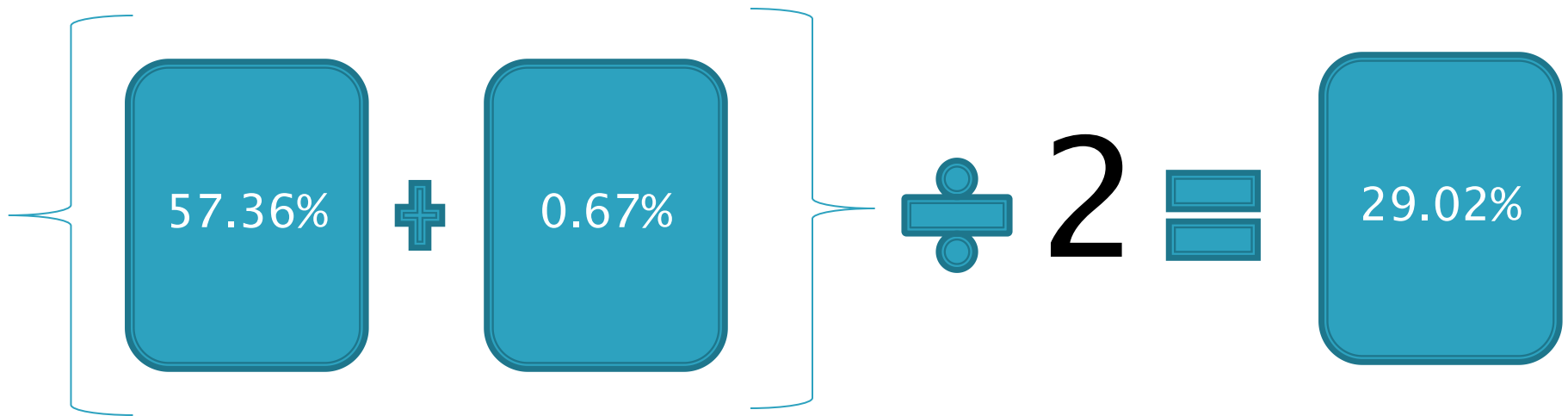
Weighted Availability Hobby

Houston Airport System							
Office of Business Opportunity							
ACDBE Goal Calculation FY-2014-2016							
William P. Hobby Airport							
Weighted Ratio of Certified DBEs to Available Firms in Market Area							
NAICS Codes	Description	% of Work	Budget Amounts	ACDBEs	All Firms	ACDBE Availability	Weighted Availability
523130, 994010	Currency Exchange	0%	\$ 29,972	1	163	0.61%	0.00%
445120, 445229, 722310, 722513, 991001	Food & Beverage	53%	\$ 128,827,586	15	5,329	0.28%	0.15%
992000, 451212, 992020, 453220, 997010	Novelties/News/Gift/Retail	22%	\$ 52,570,530	14	712	1.97%	0.42%
812930, 561790	Parking Lots	25%	\$ 61,850,541	2	517	0.39%	0.10%
238290, 991010, 454210	Vending	0%	\$ 230,213	2	310	0.65%	0.00%
	TOTAL	100%	\$ 243,508,842				0.67%
[0.01 (1/163) + 0.53 (15/5329) + 0.22 (14/712) + 0.25 (2/517) + 0.00 (2/310)] *100							
[(.01 *.0061) + (.53 * .0028) + (.19 * .0197) + (.33 * .0039) + (0.0 * .0065)] * 100							
[0.0001 + .0015 + .0042 + .0010 + .0000] * 100							
.0067 * 100 = 0.67%							

Step 2

Adjustment 1 (Hobby)

- ▶ (Base Figure + Weighted Availability)/2



Step 2

Adjustment 2 (Hobby)

- ▶ $(\text{Base Figure} + \text{Median ACDBE Achievement}) / 2 = \text{ACDBE Goal}$

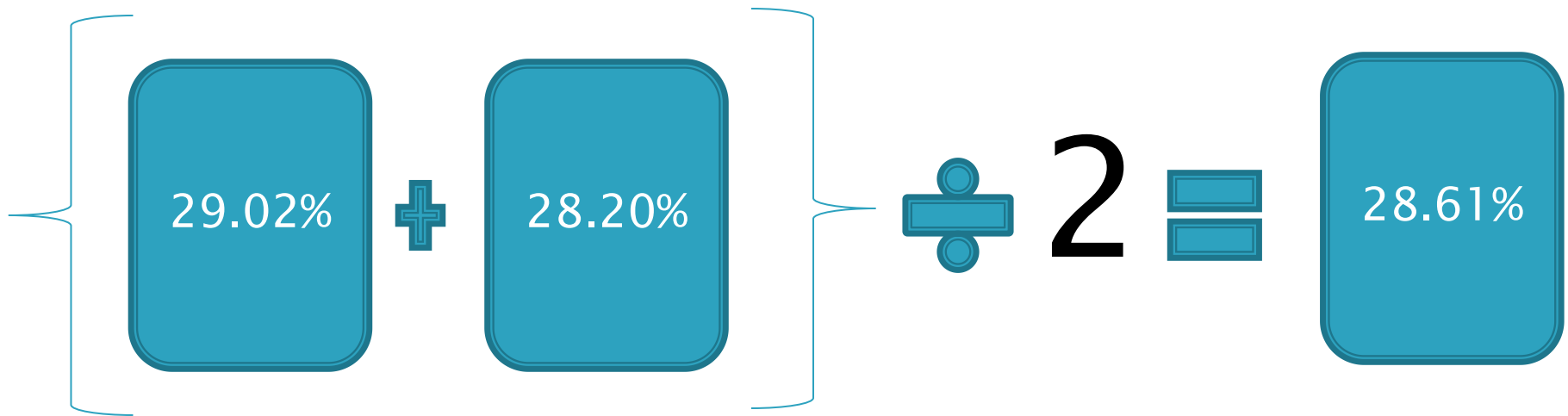
Past ACDBE Achievements Years 2011 – 2013 Hobby

FY	ACDBE Participation
2011	29.05 %
2012	28.20 %
2013	26.26 %

Median ACDBE Achievement =
28.20 %

Step 2 Adjustment 2 (Hobby)

- ▶ (Base Figure + Median ACDBE Achievement) / 2 = ACDBE Goal



Adjusted ACDBE Goal = 29%

Establishing a Race/Gender Neutral Goal

- ▶ Pursuant to 49 CFR Part 23.51, it was necessary to ascertain how much ACDBE participation would result without the assistance of ACDBE contracting goals. To calculate this figure, the combined participation in FY 2013 of ACDBE prime contractors operating at each airport was used as the numerator, while the total Estimated Gross Receipts was used as the denominator. The resulting percentage of ACDBE prime contractor participation for each airport is reflected in the table below.

Airport	Total Gross Revenues	Total ACDBE Prime Revenues	% Race Neutral Participation	Race Neutral Goal
IAH	\$252,189,073	\$1,640,473	.65%	1.0%
HOU	\$49,385,748	\$67,860	.14%	1.0%

Pursuant to the Code of Federal Regulations, Section 49, Part 23, the proposed Goal for IAH is 32% and HOU is 29% for the participation of Airport Concessionaire Disadvantaged Business Enterprise, effective October 1, 2014 thru September 30, 2017. Of the 32% and 29% overall goal, it is anticipated that 1.0% can be achieved by race/gender neutral means at both IAH and HOU.



Questions?