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.
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 receive 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.

74 Certified ACDBEs
- Base figure = 129 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**

<table>
<thead>
<tr>
<th>NAICS Codes</th>
<th>Description</th>
<th>% of Work</th>
<th>Budget Amounts</th>
<th>ACDBEs</th>
<th>All Firms</th>
<th>ACDBE Availability</th>
<th>Weighted Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>523130, 994010</td>
<td>Currency Exchange</td>
<td>1%</td>
<td>$ 8,703,812</td>
<td>1</td>
<td>163</td>
<td>0.61%</td>
<td>0.01%</td>
</tr>
<tr>
<td>445120, 445229, 722310, 722513, 991001</td>
<td>Food &amp; Beverage</td>
<td>46%</td>
<td>$ 300,502,932</td>
<td>15</td>
<td>5,329</td>
<td>0.28%</td>
<td>0.13%</td>
</tr>
<tr>
<td>992000, 451212, 992020, 453220, 997010</td>
<td>Novelties/News/Gift/Retail</td>
<td>19%</td>
<td>$ 122,572,648</td>
<td>14</td>
<td>712</td>
<td>1.97%</td>
<td>0.37%</td>
</tr>
<tr>
<td>812930, 561790</td>
<td>Parking Lots</td>
<td>33%</td>
<td>$ 215,519,638</td>
<td>2</td>
<td>517</td>
<td>0.39%</td>
<td>0.13%</td>
</tr>
<tr>
<td>238290, 991010, 454210</td>
<td>Vending</td>
<td>0%</td>
<td>$ 1,463,401</td>
<td>2</td>
<td>310</td>
<td>0.65%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>100%</td>
<td>$ 648,762,430</td>
<td></td>
<td></td>
<td></td>
<td>0.64%</td>
</tr>
</tbody>
</table>

\[
\frac{0.01 (1/163) + 0.46 (15/5329) + 0.19 (14/712) + 0.33 (2/517) + 0.00 (2/310)}{100} \times 100
\]

\[
0.0064 \times 100 = 0.64\%
\]
Step 2
Adjustment 1 (Intercontinental)

(Base Figure + Weighted Availability )/2

\[
\frac{(57.36\% + 0.64\%)}{2} = 29\%
\]
Step 2
Adjustment 2 (Intercontinental)

- \( \frac{(\text{Base Figure} + \text{Median ACDBE Achievement})}{2} = \text{ACDBE Goal} \)
Past ACDBE Achievements
Years 2011 – 2013
Intercontinental

<table>
<thead>
<tr>
<th>FY</th>
<th>ACDBE Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>33.23 %</td>
</tr>
<tr>
<td>2012</td>
<td>33.47 %</td>
</tr>
<tr>
<td>2013</td>
<td>33.09 %</td>
</tr>
</tbody>
</table>

Median ACDBE Achievement = 33.23 %
Step 2
Adjustment 2 (Intercontinental)

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

29% + 33.23% ÷ 2 = 31.12%

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

<table>
<thead>
<tr>
<th>NAICS Codes</th>
<th>Description</th>
<th>% of Work</th>
<th>Budget Amounts</th>
<th>ACDBEs</th>
<th>All Firms</th>
<th>ACDBE Availability</th>
<th>Weighted Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>523130, 994010</td>
<td>Currency Exchange</td>
<td>0%</td>
<td>$ 29,972</td>
<td>1</td>
<td>163</td>
<td>0.61%</td>
<td>0.00%</td>
</tr>
<tr>
<td>445120, 445229, 722310, 722513, 991001</td>
<td>Food &amp; Beverage</td>
<td>53%</td>
<td>$ 128,827,586</td>
<td>15</td>
<td>5,329</td>
<td>0.28%</td>
<td>0.15%</td>
</tr>
<tr>
<td>992000, 451212, 992020, 453220, 997010</td>
<td>Novelties/News/Gift/Retail</td>
<td>22%</td>
<td>$ 52,570,530</td>
<td>14</td>
<td>712</td>
<td>1.97%</td>
<td>0.42%</td>
</tr>
<tr>
<td>812930, 561790</td>
<td>Parking Lots</td>
<td>25%</td>
<td>$ 61,850,541</td>
<td>2</td>
<td>517</td>
<td>0.39%</td>
<td>0.10%</td>
</tr>
<tr>
<td>238290, 991010, 454210</td>
<td>Vending</td>
<td>0%</td>
<td>$ 230,213</td>
<td>2</td>
<td>310</td>
<td>0.65%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>100%</strong></td>
<td><strong>$ 243,508,842</strong></td>
<td><strong>2</strong></td>
<td><strong>302</strong></td>
<td><strong>0.67%</strong></td>
<td></td>
</tr>
</tbody>
</table>

\[
\frac{0.01}{163} + \frac{0.53}{15/5329} + \frac{0.22}{14/712} + \frac{0.25}{2/517} + \frac{0.00}{2/310} \times 100
\]

\[
\frac{0.0061}{+ \frac{0.53}{.0028} + \frac{0.19}{.0197} + \frac{0.33}{.0039} + \frac{0.0}{.0065}} \times 100
\]

\[
\frac{0.0001 + .0015 + .0042 + .0010 + .0000}{100} \times 100
\]

\[
.0067 \times 100 = 0.67\%
\]
Step 2
Adjustment 1 (Hobby)

(Base Figure + Weighted Availability)/2

\[
\frac{57.36\% + 0.67\%}{2} = 29.02\%
\]
Step 2
Adjustment 2 (Hobby)

(Base Figure + Median ACDBE Achievement)/2 = ACDBE Goal
### Past ACDBE Achievements
#### Years 2011 – 2013
#### Hobby

<table>
<thead>
<tr>
<th>FY</th>
<th>ACDBE Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>29.05 %</td>
</tr>
<tr>
<td>2012</td>
<td>28.20 %</td>
</tr>
<tr>
<td>2013</td>
<td>26.26 %</td>
</tr>
</tbody>
</table>

**Median ACDBE Achievement = 28.20 %**
Step 2
Adjustment 2 (Hobby)

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

\[
\frac{29.02\% + 28.20\%}{2} = 28.61\%
\]

Adjusted ACDBE Goal = 29\%
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.

<table>
<thead>
<tr>
<th>Airport</th>
<th>Total Gross Revenues</th>
<th>Total ACDBE Prime Revenues</th>
<th>% Race Neutral Participation</th>
<th>Race Neutral Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAH</td>
<td>$252,189,073</td>
<td>$1,640,473</td>
<td>.65%</td>
<td>1.0%</td>
</tr>
<tr>
<td>HOU</td>
<td>$49,385,748</td>
<td>$67,860</td>
<td>.14%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>
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?