

TRANSPORTATION RESEARCH BOARD

Diversity in Airport Business Contracting and Workforce Programs

March 10, 2021

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#TRBWebinar

Learning Objectives

- Discuss how diversity contracting can benefit airports
- Mitigate challenges in workforce diversity programs
- Utilize the spreadsheet tool



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Diversity in Airport Business Contracting and Workforce Programs

March 10, 2021



ACRP Report 217

Guidance for Diversity in Airport Business Contracting and Workforce Programs

Richard A. Krop, Ph.D., Cadmus Group, LLC

Project Team

- ✈️ Richard Krop, Cadmus, Principal Investigator
- ✈️ Nancy K. West, Exstare Federal Services Group, Deputy Principal Investigator
- ✈️ Mara Rosales, Rosales Law Partners, Lead Legal Advisor

ACRP Report 217 Oversight Panel

Sharon M. Stone, St. Louis Lambert International Airport, St Louis, MO (Chair)

ReGina Armstrong, Memphis International Airport, Memphis, TN

Lorena de Rodriguez, SSi, Inc., Phoenix, AZ

Tara L. Harl, North Memorial Health, Robbinsdale, MN

Benjamin J. Mello, Kaplan & Mello Planning, LLC, Bainbridge Island, WA

Kate Webb, Tampa International Airport, Clearwater, FL

Neil Kumar, FAA Liaison

Deborah C. McElroy, Airports Council International - North America Liaison

Christine Gerencher, TRB Liaison

Business Diversity Benefits

Regional Economic Impact

- ➔ **Diverse businesses contribute to the economic sustainability of our communities**
 - **A larger tax base**
 - **Derived from airport-related private sector activity**
 - **Allows government entities to spend more on projects that benefit their communities**

Business Diversity Benefits

“We recognize the value of working with a diverse group of local business partners. Not only is this a better way to do business, but when we create strategic opportunities for small, minority and woman-owned businesses, the result is a stronger Columbus Region.”

Columbus Regional Airport Authority

“We have moved past inclusion being a compliance issue to it being a commerce issue.”

Metropolitan Washington Airports Authority

Business Diversity Benefits

Reduced Socioeconomic Disparities

- ➔ **Diverse businesses help reduce employment and income disparities**
 - **Job opportunities**
 - **Improve household income**
 - **Alleviate poverty**

Disadvantaged, Small, Minority and Woman-owned businesses participating in **Dallas Fort Worth International Airport** 's businesses diversity programs contributed \$1.2 billion to the North Texas economy in 2016. Their participation accounted for 7,500 jobs and \$366 million in associated payroll.

Business Diversity Benefits

Competition and Cost Reduction

➔ Including diverse businesses in airport contracting can achieve better outcomes

- Increased pool of contractors
- New and innovative approaches and products
- Lower overall costs
- Higher quality services
- Fresh perspectives

Business Diversity Challenges

Common Issues

➔ Airports of all sizes experience challenges executing diversity initiatives

- Limited resources
- Compliance with laws and regulations
- Procurement processes
- Not enough contractors
- Quantifying benefits

Business Diversity Solutions

Common Ingredients of Successful Programs

- ➔ Airports of any size can realize economic and other benefits through well-thought-out planning and execution
 - Leadership commitment and staff engagement
 - Strategic planning
 - Defined and shared goals and objectives
 - Improved processes and flexibility
 - Mechanisms that facilitate small business competition
 - Aggressive outreach
 - Training and technical assistance
 - Program monitoring and evaluation

Key Takeaways

Business Diversity is Important

- Business diversity in contracting can generate substantial value, not only for the airport, but also for the local economy
- Diverse businesses help reduce socioeconomic gaps
- Hiring diverse businesses can achieve better outcomes
- Successful business diversity programs have strong support from leadership and a culture in which airport staff value and understand the importance of diversity

Overview of Workforce Diversity

- “Workforce Diversity” is similar but distinct from “Business Diversity”
- Airports, as employers and owners, design, develop and implement their own paths
- The research looked at what airports and other sectors are doing in the field of workforce diversity

Big picture:

- There’s a wealth of information and practices ranging from compliance with federal equal opportunity laws/policies to creative and innovative practices with equitable diversity outcomes.

Workforce Diversity Benefits

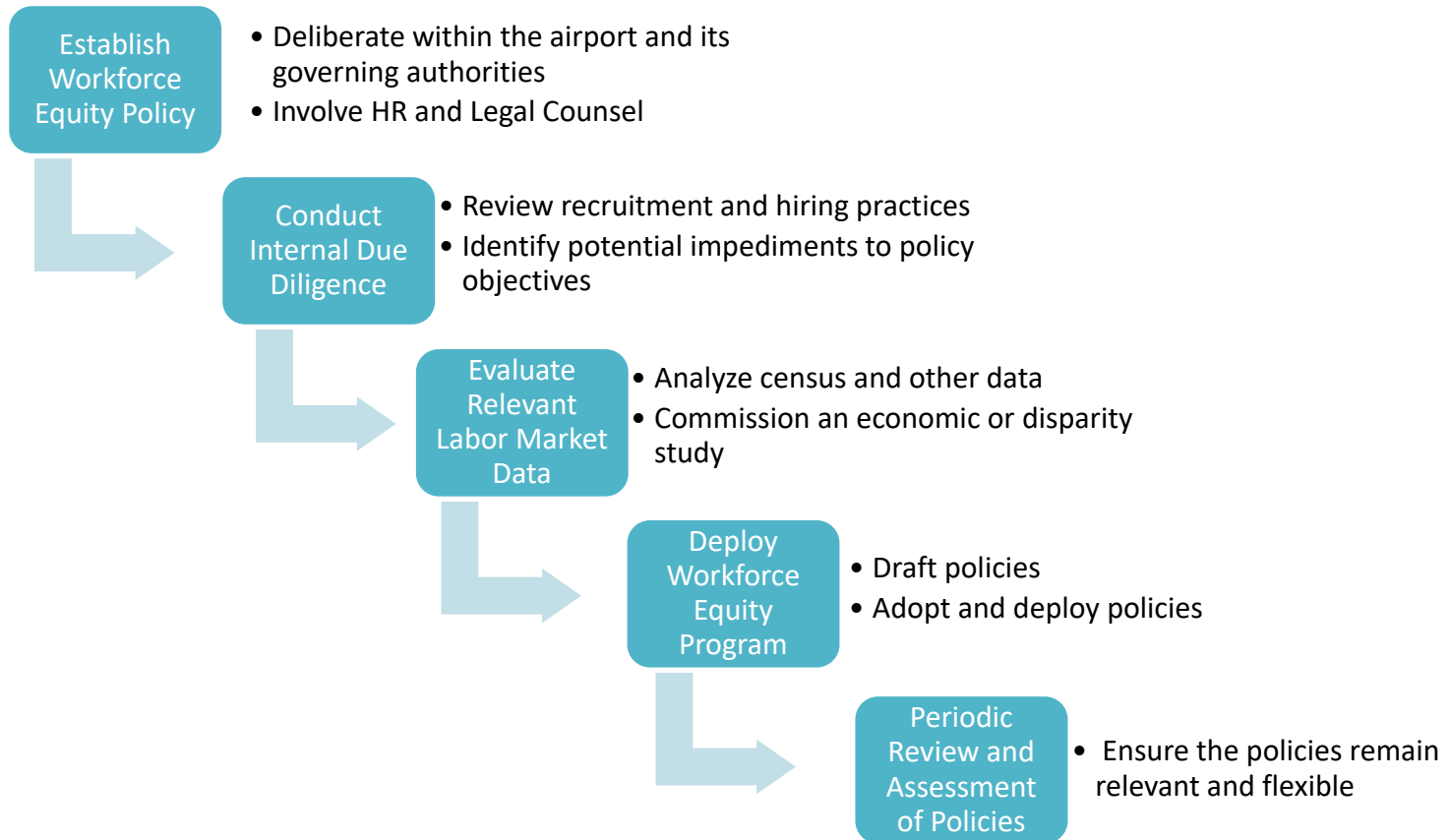
Economic, Socioeconomic, Community and Labor Availability Benefits

1. **Economic Benefits** – good for the bottom line
2. **Socioeconomic Benefits** – positive impact on socioeconomic status e.g., more jobs, contract opportunities, ability to move up the economic ladder
3. **Community Benefits** – positive community relationships
4. **Supply of Labor**

Keys to Success: Leadership

1. CEO-executive authority
2. Boards – policy oversight and direction
3. Management approaches
 - a. Adopt policy focus
 - b. Cultivate Diversity in Senior Staff
 - c. Engage in Strategic planning and execution
 - d. Perform effective communication of policy objectives and goals

Keys to Success: Strategic Planning



Keys to Success: Creativity and Flexibility

Internal Workforce

- Maintain diversity in management team
- Organization cross-training for existing team
- Active and expanded recruitment efforts to include diverse populations
 - More diversified job and career fairs, community events
 - Outreach to community partners to provide notice of jobs (San Diego International Airport)

Best Practices – Internal Workforces

- Discuss ways to increase workforce diversity, training efforts
- Regular tracking and reporting of diversity efforts
- Cultivate pipeline of next generation of workforce

Columbia
Metropolitan
Airport

Richmond
International
Airport

Raleigh-Durham
International
Airport

Best Practices – External Workforces

Apprenticeship and on-the-job training

- St. Louis Lambert International Airport
- Port of Portland
- Los Angeles International Airport
- San Francisco International Airport

Project labor agreement with a local hire component

- Fresno-Yosemite International Airport

Best Practices – Innovative Approaches

- Develop an equity action plan to remove barriers for historically underrepresented groups
- Showcase the wide variety of career opportunities
- EEO policy to ensure diverse candidates are encouraged and rightfully considered (MWAA)
- Redesign hiring practices to include diverse candidate slates and hiring panels
- Train management team on implicit bias and how to attract an inclusive workforce (Columbus Regional Airport Authority)
- Offer laid-off private bus drivers training as city/airport bus drivers (City of San Francisco/SFO)
- Conduct disparity study to assess equity/diversity gaps for workers (Kansas City)

Uses of Airport Diversity Contracting Benefit-Cost Tool

Tool designed to help implement concepts in the guidebook:

- ➔ Establish diversity participation goals in contracting and track progress across categories
 - Minority-owned, woman-owned businesses
 - Certified DBEs and ACDBEs
 - Local and small businesses
- ➔ Organize information airport boards commonly request
- ➔ Identify gaps in contracting practices, inform strategies to improve contracting diversity
- ➔ Estimate and track program costs and economic impacts of diversity contracting

Economic Impacts and Cost Effectiveness

- ➔ Generates economic impacts resulting from diversity contracting
 - Employment generated (FTEs)
 - Added value (gross regional product)
 - Labor income
- ➔ Summarizes economic impacts attributable to:
 - Minority-owned, woman-owned businesses
 - Certified DBEs and ACDBEs
 - Local and small businesses
- ➔ Measures of cost-effectiveness of diversity contracting

What the Tool Needs

→ Contractor details

- Minority-owned, woman-owned
- DBE/ACDBE certification status
- Other business characteristics (e.g., small, local)

→ Contract details

- Type of contract (e.g., construction, goods and services)
- Contract expenditures by year

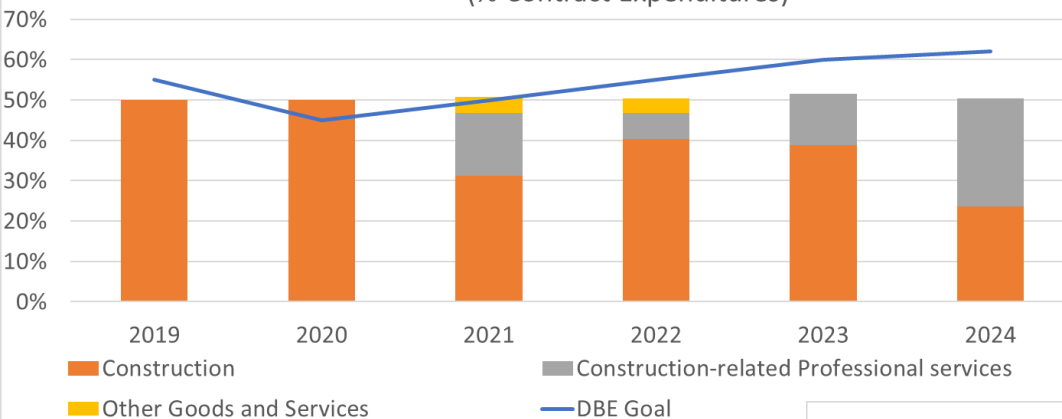
→ Concessionaire details

→ Concessions contract details

→ Flexible tool allows for inputs to be simplified to reduce data entry burden

Examples of Diversity Contracting Output

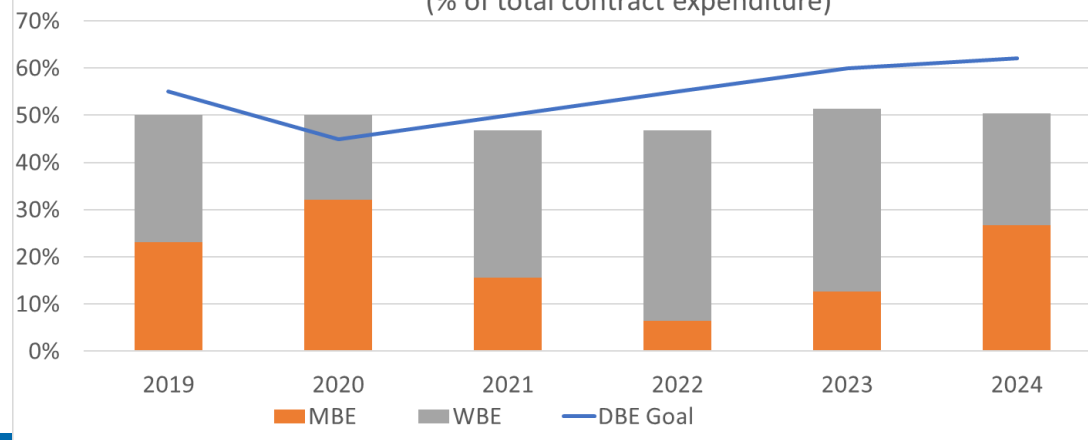
DBE Participation by Contract Type
(% Contract Expenditures)



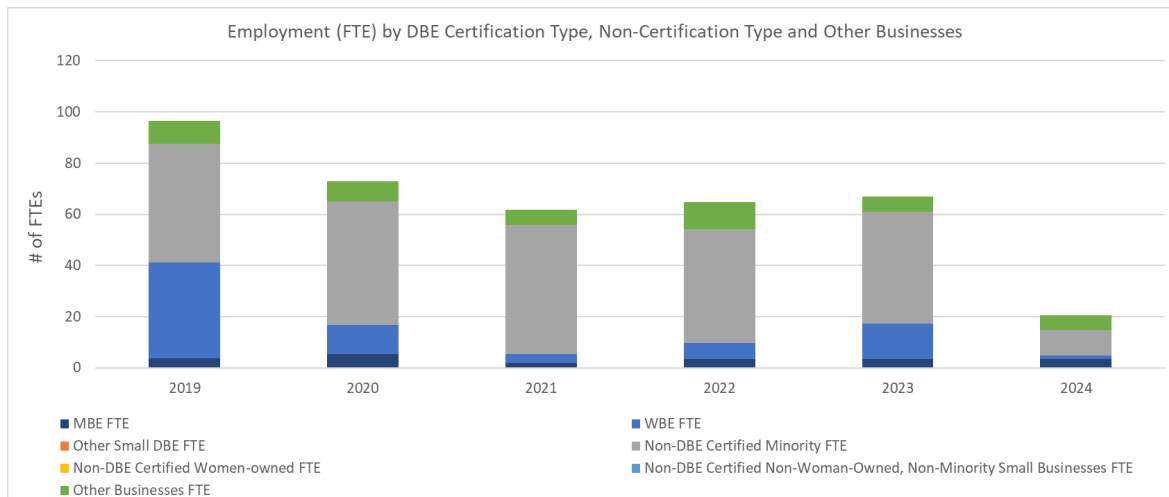
- Model produces ready-made charts to analyze results and use in reports
- Compares progress against goals

- Charts break out results by:
 - Type of certification
 - Type of contract

DBE Participation in Contracts by DBE Type
(% of total contract expenditure)



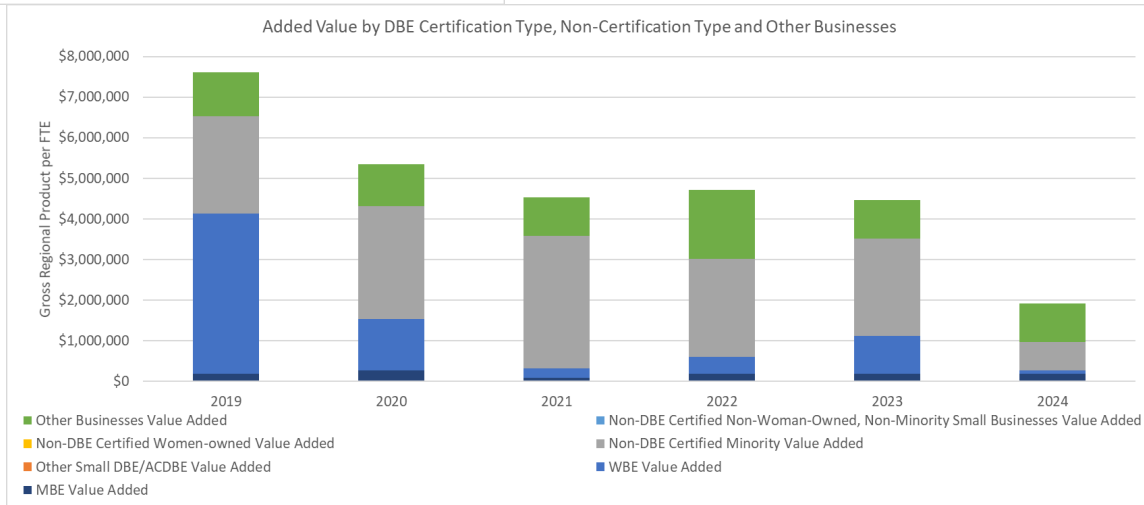
Examples of Economic Impacts Charts



Model produces charts for:

- Employment
- Added value (GRP)
- Labor income

- Charts break out results by:
 - Business type
 - Certification status



Conclusions

- Airports understand the economic benefits of contracting and workforce diversity
- The guidebook is a comprehensive resource that will help airports meet their contracting and workforce diversity and inclusion goals
- The benefit-cost tool will help airports demonstrate the economic value of their diversity and inclusion programs.

FOR ADDITIONAL INFORMATION



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Case Studies

✈ Updates of Existing Case Studies

- Columbia Metropolitan Airport
- Oakland International Airport
- Phoenix Sky Harbor International Airport
- Raleigh-Durham International Airport
- Richmond International Airport
- San Diego International Airport

✈ New Case Studies

- Charleston International Airport
- Columbus Regional Airport Authority
- Houston Airport Systems
- Metropolitan Washington Airports Authority
- Port of Portland International Airport
- St. Louis Lambert International Airport

Guidebook for Workforce Diversity and Diverse Business Contracting

→ Guidebook Contents

- Approaches and Techniques for Understanding the Parameters of Laws and Regulations
- Benefits of Business and Workforce Diversity
- Proactive Practices: Diverse Business Participation in Airport Contracting
- Proactive Practices: Workforce Diversity
- Measuring Costs and Benefits of Contracting and Workforce Initiatives
- Analysis and Communication Strategies for Airports

Today's Presenters

#TRBwebinar



Moderator: Sharon Stone, *St. Louis Lambert International Airport*



Mara Rosales, *Rosales Law Partners, LLP*

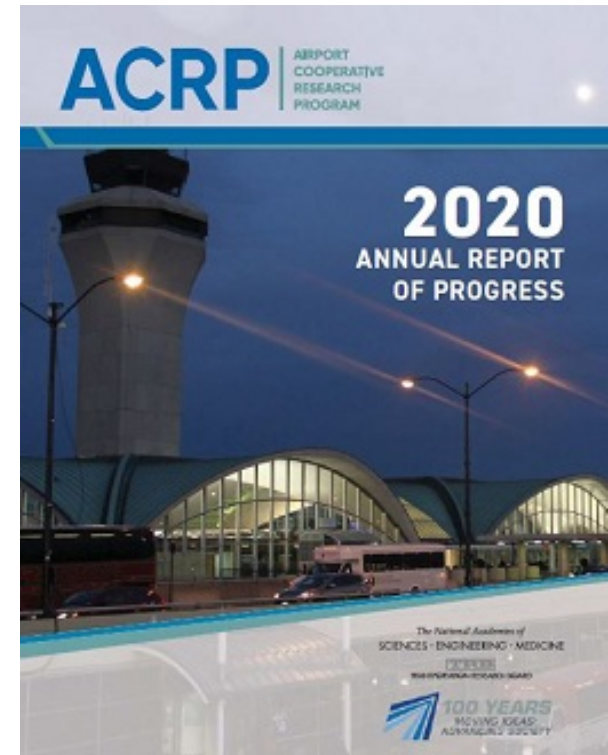


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- Managed by TRB and sponsored by the Federal Aviation Administration (FAA).
- Seeks out the latest issues facing the airport industry.
- Conducts research to find solutions.
- Publishes and disseminates research results through free publications and webinars.



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Other ACRP Research on Today's Topic

Report 87: *Procuring and Managing Professional Services for Airports*

Report 126: *A Guidebook for Increasing Diverse and Small Business Participation in Airport Business Opportunities*

Report 186: *Guidebook on Building Airport Workforce Capacity*

Report 202: *Developing Innovative Strategies for Aviation Education and Participation*

Synthesis 18: *Aviation Workforce Development Practices*

Synthesis 113: *Airport Workforce Programs Supporting Employee Well-Being*

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