

Dallas/Fort Worth International Airport
 Small & Emerging Business Department
 Fall 2002

The Airport Continues Increased M/WBE Spending



The Airport analyzed its annual M/WBE spending report showing figures for the last nine years. The results are significant for several reasons. Here are some highlights:

- The Airport was able to continue its participation to M/WBEs and DBEs despite the events of September 11th.
- The Airport spent approximately \$118 million with M/WBEs on construction contracts in fiscal year '02, a new record. As a comparison, the City of Dallas spent approximately \$60 million with M/WBEs in construction during the past two years.
- The Airport spent approximately \$32,811,059.00 on professional services contracts with M/WBEs in one year. To put that in perspective, the City of Dallas spent \$15,694,005.00 for Architectural and Engineering services over a two year period.
- The sheer size and complexity of the projects handled by DFW's Airport Contractors are also impressive, i.e. electrical and cable wiring for Terminal D, the SkyLink APM station finish-out work, hotel demolition and apron pavement.
- The duration of M/WBEs tenure on the Airport Development project enhances their opportunity to develop capacity and their ability to leverage this experience into other public sector work.
- The Airport provides a tremendous amount of support and training for M/WBEs such as safety, trade training and surety support.

"The amount of dollars spent with M/WBE's over the past nine years has grown tremendously and will only get better as we continue to provide opportunities for M/WBEs to compete for Airport contracts," says Don O'Bannon, Vice President Small and Emerging Businesses.

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Don O'Bannon
Vice President
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As I See It

One of the issues confronting government entities that have minority and women owned business (M/WBE) subcontracting programs is the issue of enhancing participation at the prime level. Although there are several procurement options in order to accomplish this goal, one of the potentially most viable alternatives is promoting the development of joint ventures.

A "joint venture" is defined as an association of two or more businesses ("venturers" or "partners") to carry on a single business enterprise for profit or a common goal for a limited duration. The joint venture typically combines the capital, personnel and skill sets of separate business organizations for a common purpose or goal.

The joint venture approach allows for a business to maintain its current business structure and organization while achieving a strategic business or marketing advantage. Minority and women owned companies should strongly consider using the joint venture approach to enhance their ability to compete in the marketplace with more established firms and on larger contracts.

The opportunities to utilize this approach to enhance participation at the prime level are as varied and diverse as the business opportunities at the Airport.

The contracting community, majority and minority, is very familiar with the traditional joint venture arrangement in which there is a majority company that is the lead joint venture partner and the M/WBE is the minority joint venture partner. This joint venture arrangement has been successfully used Airport concessions for more than ten years. More recently, the Airport's new GMAX contractor for the next phase of the capital development program successfully used the joint venture approach.

The minority and woman owned business community, however, has not taken full advantage of the joint venture approach, to enhance the capacity of their firms to compete for larger contracts.

There is unfortunately a number of contracting opportunities that M/WBE companies must forgo because of a lack of capacity. The joint venture approach provides a business strategy that can address the gap in capacity of M/WBE firms and provide a vehicle for growth and expansion of the venturer's business.

For example, Dallas/Fort Worth International Airport issues a solicitation for express parking services. As part of the solicitation requirements, the solicitation imposes certain prerequisites for bonding, insurance and capitalization. The MBE Company wants to bid the job but is unable individually to meet the capitalization and insurance requirements. A WBE company finds itself in a similar situation in that it has the bonding but insufficient capital to meet the bidding requirements. The solution is for the MBE and the WBE to form a minority owned joint venture and bid the express parking solicitation.

Moreover, the recent selection of DFWIA Integrated Partners ("DFWIA") as the new GMAX contractor for the airport capital development program is proof that this approach can work. DFWIA is a 75% minority owned joint venture composed construction of H. J Russell & Company, Pegasus, Atser, L.P, Williams-Russell and Johnson, Inc. and Centex Construction Company.

There are significant legal issues involved in entering into any business relationship including a joint venture. This decision should be taken with great care. In discussing joint venture arrangements between potential parties, there are a number of tax, capitalization and management issues that must be addressed and the expectations and respective roles of the various joint venture partners should be clearly defined.

This business approach does not provide a panacea for addressing M/WBE participation at the prime level. It does provide an approach that has been successfully implemented to build the capacity of minority and women owned firms, and an opportunity to move from a subcontractor position to prime.

Able Communications: Wired for Success



Rick and Hiram Lopez
Able Communications

The Lopez brothers, Hiram and Rick, did not get along very well as children. But they are getting along just fine as joint owners of Able Communications, a telecommunications network infrastructure company.

Able Communications has come a long way from sibling rivalry and its partners' original two offices. "We had two branch offices, one in The Colony and one in Bedford - his kitchen table and mine," says Hiram.

Able Communications has been in business for over ten years and now has more than 40 employees including an office staff of 13, a warehouse and several employees working at the Airport.

Able Communications started out when the brothers were working in two separate industries. Hiram was a manager for Siemens, installing large PBX phone systems. He learned the intricacies of how to place cable, and how to install what was then emerging as high-speed data technology. A Siemens sub-contractor doing cabling work invited Hiram to work with him, and they started sub-contracting and installing phone lines, soon moving into installing data lines as well.

Rick joined them three years later, bringing with him a background working for an electrical firm that installed traffic light systems. He began to work with Hiram installing cable and traffic lights.

Hiram explains, "It was during that three year period that we identified the profitability in the cabling business. We were able to identify the growth that was there in the cabling industry, [and decided] it would be in our best interest to focus on one effort with all of us, instead of trying to do two things."

Able Communications has had a relationship with the Airport for seven years, beginning as a sub-contractor for an electrical firm working on the maintenance building.

"When the maintenance building was renovated, it was the Airport's first effort to enhance the connectivity for their infrastructure and information technology systems, to bring up network speeds. The first thing they had to replace was the cable. We were imbedded into an electrical sub-contract with S & J Electric who invited us to bid with them on the cabling system."

"We were young and eager, and by chance S & J won the contract. We did well on that project, fostered the relationship with the Airport's IT staff and did more work. Over time, the Airport called on us," Hiram says. "We made it our business to make the Airport's business our business."

"Million Dollar Buyers" Award



Seven contract administrators at the Airport received the Million Dollar Buyers Award from the U.S. Department of Commerce, Minority Business Development Agency and the U.S. Small Business Administration. As part of the 2002 Dallas/Ft. Worth Minority Enterprise Development (MED) Week Celebration, the U.S. Department of Commerce, Minority Business Development Agency and the U.S. Small Business Administration sponsored this new award to recognize individual public and private sector buyers who spent \$1,000,000 or more with M/WBE (Minority/Women Business Enterprise) firms in the last year.

This Million Dollar Roundtable Award included representatives of 26 local agencies and firms which achieved this distinction.

The Airport was recognized with awards to the following seven Contract Administrators:

Jack J. Dale	Edward Dunagan
Ron Duncan	William H. Ellis
Karen Humble	Katie L. Pope
Joseph White	

The award was accepted by John Wesley White, Vice President of Procurement & Materials Management. The Airport is honored to receive this award as another testament to our commitment to M/WBE companies and the community, and we appreciate the hard work of the recognized employees to bring the Board's vision into reality.

Upcoming Contracts

For additional information on North Central Texas Region Certification Agency (NCTRCA) visit the agency's web site at www.nctrca.org or call 817 640 0606.

Contract	Job Description	Contact	Phone No	Bid/Proposal Date
7003410	Sale of Scrap Metal	Ed Dunagan	972 574 8463	1 Qtr. '03
7003449	Vent-A-Hood Cleaning Services	Ed Dunagan	972 574 8463	November
7003452	Integrated Pest Management System	Katie Pope	972 574 1364	November
7003453	Runway Rubber Removal	Ed Dunagan	972 574 8463	November
7003454	Airport Train Propulsion Motor Repair	Hollis Trotter	972 574 1108	1 Qtr. '03
7003455	Electricity & Associated Services	Ron Duncan	972 574 8154	November
7003456	Rapid Set Concrete	Hollis Trotter	972 574 1108	1 Qtr. '03
7003457	Offsite Media Storage	Joe White	972 574 0068	December
8001824	Benefits Consulting	Ron Duncan	972 574 8154	November
9001663	Partial Roof Replacement at Terminal B & C	Kevin Sewell	972 574 8146	1 Qtr. '03
9001664	Administration Building Roof Replacement	Kevin Sewell	972 574 8146	1 Qtr. '03
9001665	Terminal A Partial Roof Replacement, Phase 2	Kevin Sewell	972 574 8146	1 Qtr. '03
9001672	Replace Entrance Doors at Terminal B	Kevin Sewell	972 574 8146	1 Qtr. '03
9001671	Rehabilitate Airfield Pavements FY 02	Bill Ellis	972 574 3634	November
9001674	Small Contractors Development Program for Construction Services	Kevin Sewell	972 574 8146	November

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Ampco System Parking Exceeds MWBE Goal

As part of the airport's new Strategic Parking Plan, Terminal B Remote North and Value AA parking lots will be converted into Express Parking products with new and higher levels of service.

The Strategic Parking Plan is designed to enhance customer service, raise the level of customer satisfaction, and simplify the Airport's parking products.

The Airport Board awarded the contract for managing the new parking plan to Ampco System Parking.

In accordance with the Airport Board's M/WBE Program goals, the annual M/WBE goal for this contract is 25 percent. Ampco System Parking committed to achieving 35 percent M/WBE participation on this contract.

The 35 percent goal will be met by utilizing M/WBE sub-contractors in the areas of staffing, benefits, vehicle maintenance, painting, uniforms and vehicle washing.

Produced by Dallas/Fort Worth International Airport Public Affairs and ITS/Graphic Services Departments, in conjunction with the Small & Emerging Business Department. For more information, log on to www.dfairport.com.

OPPORTUNITIES 4



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