

# State of Hawaii

Department of Transportation  
Large & Medium HUB Primary  
Airports – Honolulu International and  
Kahului Airport  
Airport Concession  
Disadvantaged Business Enterprise

FFY 2021 – 2023

Proposed Goal & Methodology

March 2020

## Introduction

The Hawaii Department of Transportation (HDOT) hereby submits its proposed annual, overall Airport Concession Disadvantaged Business Enterprise (ACDBE) goals for Honolulu International Airport and Kahului Airport for federal fiscal years (FFY) 2021 through 2023 to the Federal Aviation Administration pursuant to 49 CFR Part 23. The Federal ACDBE Program requires separate goals for (1) non-car rental concessions and (2) car rental concessions. HDOT's ACDBE goals for large and medium hub airports for FFYs 2018 through 2020 are as follows.

- Non-car rental concessions:
  - 7.00% for Honolulu International Airport.
  - 13.00% for Kahului Airport.
- Car rental concessions:
  - 1.00% for Honolulu International Airport.
  - 1.00% for Kahului Airport.

Based on the results of the 2019 Availability and Disparity Study prepared by Keen Independent Research (Keen Independent), HDOT proposes the following ACDBE goals for FFY 2021 through FFY 2023 for concessions at these two airports.

- Non-car rental concessions:
  - 7.72% for Honolulu International Airport.
  - 12.25% for Kahului Airport.
- Car rental concessions:
  - 1.00% for Honolulu International Airport.
  - 1.00% for Kahului Airport.

The overall ACDBE goals are based on information on current airport concessions and their associated revenue as well as data regarding ready, willing and able ACDBEs relative to all businesses currently ready, willing and able to participate on HDOT's airport concessions. There may be additional concessions added at Honolulu International Airport within the time period of the goal that might lead HDOT to further update its overall ACDBE goal for that airport.

The 2019 Availability and Disparity Study report provided information to HDOT as it considered (1) its overall ACDBE goals for FFY 2021 through FFY 2023 for airport concessions, and (2) its projection of the portion of its overall ACDBE goal to be achieved through neutral means. HDOT estimates that all of the new overall ACDBE goal for each airport can be achieved through race- and gender-neutral programs. HDOT proposes that it will create and promote a new small business goals program through which the Department will encourage small businesses to become certified and participate in HDOT airport concessions opportunities.

## **I. Determining a Base Figure for Non-Car Rental Concessions — Pursuant to 49 CFR Section 23.51(c)**

HDOT began the process of determining its overall ACDBE goal by establishing base figures for ACDBE participation in HDOT’s airport concessions.

As presented in Chapter 13 of the Availability and Disparity Study, one might expect participation of current and potential ACDBEs to be 7.72% for non-car rental concessions at Honolulu International Airport and 12.25% for non-car rental concessions at Kahului Airport based on analysis of FFY 2018 data on non-car rental airport concessions and subconcessions at those airports. These two numbers represent the “base figures” resulting from the availability analysis.

This section explains how the relative availability of current and potential ACDBEs was calculated.

**Overview.** To establish overall ACDBE goals for its airports, HDOT used information about:

- The current concessions and subconcessions at each airport;
- Gross receipts generated by each concession and subconcession;
- The length of time each concession agreement is expected to be in place;
- Current ACDBE participation generated in each concession; and
- The relative availability of current and potential ACDBEs, compared to total availability, for each type of concession for each island in the state.<sup>1</sup>

**Data sources and calculations.** For the 2019 Availability and Disparity Study, HDOT provided information on the first four sets of information listed above. Keen Independent conducted a statewide survey of firms potentially providing different types of concessions services to determine relative availability of ACDBEs. As described in Chapter 4 and Appendix D of the Availability and Disparity Study, the survey included questions about:

- Interest in airport concessions;
- The islands where the company could provide those concessions;
- The size of the business; and
- The race, ethnicity and gender of the business owner.

Keen Independent also determined the primary line of business (eating places, gift and news shops, etc.) for each firm interested in airport concessions and whether they were currently ACDBE-certified or could potentially be certified.

---

<sup>1</sup> Hawaii was determined to be the relevant geographic market area for airport concessions for each airport, as discussed in Chapter 3, but only those firms indicating ability to provide concessions on a particular island were counted in the availability analysis for the airport(s) on that island.

Determining which firms were included in the calculations and which businesses should be counted as ACDBEs. Only those firms indicating interest in providing airport concessions in the survey were included in the concessions availability analysis.

- Each of these firms was counted in the totals for the availability calculations.
- A company was counted as a current or potential ACDBE if it was (a) currently certified as an ACDBE or (b) was minority- or women-owned and had average revenue below the size limit to be an ACDBE (and had not previously graduated from the program or had been denied certification).

Availability calculations. Once the pool of firms available for concessions was created, Keen Independent calculated availability percentages for seven different types of concessions.

The study team made each calculation for a type of concession at that airport by:

- Determining the **number of current and potential ACDBEs** for that type of concession that indicated they could provide airport concessions services on that island (e.g., “Oahu”);
- Determining the **total number of firms** (ACDBEs and non-ACDBEs) for that type of concession that indicated they could provide airport concessions services on that island (e.g., “Oahu”); and
- Dividing the **number of ACDBEs** by the **total number of firms** for that concession (and island).

For example, if there were 50 current or potential ACDBEs out of 100 firms determined to be available for a particular type of concession at an airport, the calculation would be  $50 \div 100 = 50\%$ . Figure 1 on the following page provides availability results for each type of concession for Honolulu International Airport and Kahului Airport.

**Figure 1. Availability Estimates of Current and Potential ACDBEs for HDOT Airport Concessions**

	Honolulu International Airport	Kahului Airport
Eating places	19.31 %	44.97 %
Gift and news shops	47.63	15.71
Flowers, fresh	3.82	N/A
Foreign currency exchange	0.00	N/A
Coin operated service machines	0.00	N/A
Automobile parking	8.14	12.89
Other concessions	0.39	0.15

Source:  
Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 4).

Calculating projected ACDBE and total gross receipts. After determining the percentage of the gross receipts that might be generated by an ACDBE for each type of concession or individual concession, Keen Independent:

- Determined the **total gross receipts** associated with that type of concession or individual concession or subconcession. Keen Independent used the most current data on annual gross receipts for a concession to project future gross receipts without applying a rate of inflation. The Hawaii travel market is very dependent on the national economy, with the possibility of declining concession revenue as well as increasing revenue. HDOT can also more easily use Keen Independent’s data and methods to update these projections as conditions change between the time of this report and when it submits its final ACDBE goals for an airport.
- Multiplied **percentage ACDBE availability** for a type of concession by the future gross receipts by the gross receipts anticipated for that concession or subconcession (or for that group of concessions).
- Summed the **gross receipts projected to be generated by ACDBEs** for non-car rental concessions at that airport.
- Summed the **project gross receipt projected to be generated by all firms** for non-car rental concessions at that airport.
- Divided the **sum of gross receipts for ACDBEs** by the **sum for all firms**.

The following example assumes there were two concessions agreements at an airport, one with \$500,000 in annual gross receipts with 50% projected to be generated by an ACDBE through a subconcession and the second with \$500,000 in annual gross receipts with none of it projected to be generated by an ACDBE.

- Total ACDBE participation is  $(50\% \times \$500,000) + (0\% \times \$500,000) = \$250,000$ .
- The total gross receipts is  $\$500,000 + \$500,000 = \$1,000,000$ .

The base figure is  $\$250,000 \div 1,000,000 = 25\%$ .

Advantages of the methodology used to calculate base figures for non-car rental concessions. The advantages of this approach to determining availability for a specific type of concession for a specific airport include the following:

- The analysis examined individual concessions and subconcessions now in place at each airport and their associated gross receipts. This assessment included whether or not the term of the existing concession agreement would extend into or through the three-year time period for the new ACDBE goal (and could be projected to remain in place).
- For those concessions agreements that expire prior to the next goal period, Keen Independent could examine the relative availability of ACDBEs for those concessions.
- Only those firms indicating interest in airport concessions in the availability survey were counted in the analysis.
- All data were specific to the type of concession and the individual island.
- As described on the previous page, data for ACDBEs and non-ACDBE firms were collected and analyzed in exactly the same way (an apples-to-apples analysis). These data were the basis for the percentage ACDBE calculations for a specific type of concession at an airport.
- Data for gross receipts for each non-car rental concessions came from the same source, also ensuring apples-to-apples analysis.
- The fact that many HDOT airports have very limited concessions opportunities could be reflected in the analysis. (For example, Keen Independent recognized that some concessions could not be “broken up” to include subconcessions due to a single location for a concession.)

The following discussion presents the base figure analysis for each airport.

**Base figure for Honolulu International Airport.** Keen Independent calculated a base figure for Honolulu International Airport using the data sources and types of calculations described above. The first column of Figure 1 on the previous page shows availability results for Honolulu International Airport. For example, 19% of firms available for eating places concessions on Oahu are current and potential ACDBEs. About 48% of firms available for gift and news shop concessions on Oahu are current and potential ACDBEs. There were also some types of concessions for which ACDBE availability appeared to be 0% on Oahu.

Keen Independent examined each existing non-car rental concession at Honolulu International Airport, including the term of the lease, to determine which might continue unchanged into the future and which might be open to competition from ACDBEs and non-ACDBEs within the time frame of the future three-year ACDBE goal. Figure 2 provides results, with individual calculations for each type of concession explained in the following pages.

Gift shops and newsstands. There are two long-term concessions agreements for gift, novelty and souvenir shops at Honolulu International Airport that have subconcessions operated by ACDBEs. These two concessions had revenue of \$159 million in FFY 2018.<sup>2</sup> Of that revenue, \$6,752,000 was generated by concessions operated by ACDBEs. As those concessions agreements extend beyond the FFY 2021 through FFY 2023 time frame for the next overall ACDBE goal for Honolulu International Airport, the projection of ACDBE revenue for gift, novelty and souvenir shops at the airport is \$6,752,000 out of the total of \$159 million in annual revenue. (Keen Independent used the most recently reported annual gross receipts as the forecast of future revenue.)

There is one month-to-month master concession for newsstands at the airport that generated \$14 million in revenue in FFY 2018 (002028/Master RP-5180). None of the revenue was produced by an ACDBE.

ACDBE availability for airport gift shops and newsstands is 47.63% on Oahu based on Keen Independent's availability survey, so the study team projected that \$6.7 million of the \$14 million in newsstand concessions revenue at Honolulu International Airport might be generated by ACDBEs for FFY 2021 through FFY 2023.

Eating places. There is one long-term concessions contract for eating places at Honolulu International Airport that generates \$76 million in annual revenue (FFY 2018). ACDBEs have subconcessions that generate \$7,639,000 in annual revenue. The eating places concessions agreement extends beyond the time from of the next overall ACDBE goal for Honolulu International Airport. Therefore, Keen Independent used values of \$7,639,000 for ACDBE concessions revenue and \$76 million in total revenue for Honolulu International Airport eating places when determining the base figure for airport concessions at this airport.

---

<sup>2</sup> FFY 2019 revenue had not been reported by HDOT at the time of this report.

Automobile parking. There are two long-term concessions for automobile parking at Honolulu International Airport, neither of which currently includes ACDBE participation. These concessions generated \$26.7 million in revenue in FFY 2018. When determining the base figure for the ACDBE goal for Honolulu International Airport, Keen Independent used these total gross receipts and assumed no ACDBE participation from FFY 2021 through FFY 2023.

Fresh flowers concessions. There is one long-term concession for fresh flowers at Honolulu International Airport (006919/DOTA-01-0001) that extends past the FFY 2023 duration of the next overall ACDBE goal. It generated \$2.1 million in annual revenue in FFY 2018 and the concessionaire was not an ACDBE. Keen Independent assumed that this agreement would remain in place during FFY 2021 through FY 2023 with no ACDBE participation.

There are six individual month-to-month concessions for fresh flowers at Honolulu International Airport that collectively generate \$1,357,000 in annual gross receipts. None of the concessionaires in FFY 2018 were ACDBEs. Based on current ACDBE availability of 3.82% for florists for Oahu airport concessions determine in the Keen Independent availability survey, 3.82% of the future revenue of those fresh flower concessions is projected to be from ACDBE concessionaires (\$52,000 per year).

Foreign currency exchange. There is a long-term concessions agreement for foreign currency exchange (001621/DOTA-03-0001) that extends beyond the FFY 2023 duration of the next overall ACDBE goal. It generates \$6 million per year in revenue (FFY 2018) and has no ACDBE participation. Keen Independent assumed continuation of this agreement through the next goal period (with no ACDBE participation).

There is another foreign currency exchange concessions agreement (DOTA-03-01/1621) that generates \$7.2 million of revenue per year and includes \$1,899,000 of ACDBE participation. (The ACDBE participation is through internet provider subconcessionaires.) Although this agreement expires prior to September 30, 2023, Keen Independent projected that it would continue through the next goal period generating the same total receipts and ACDBE receipts as demonstrated for FFY 2018.

Coin-operated service machines. There are two month-to-month concessions for coin-operated service machines at Honolulu International Airport that collectively generate \$1 million per year. Neither of these concessionaires are ACDBEs. Keen Independent assumed that this revenue would continue to be generated by firms other than ACDBEs.

Other concessions. In 2018, there were four concessions at Honolulu International Airport related to other types of goods or services, such as luggage carts and electronic lockers. In total, they generated \$4.5 million in revenue in FFY 2018. As Keen Independent identified very low ACDBE availability for other concessions in the availability survey, none of this revenue was projected to be generated by ACDBEs for FFY 2021 through FFY 2023.

Projected ACDBE and total non-car rental concessions for FFY 2021 through FFY 2023. Based on the above analyses, Keen Independent projects \$23 million in annual revenue for ACDBE concessions and \$298 million per year for all concessions for Honolulu International Airport for FFY 2021 through FFY 2023. ACDBE revenue as a share of total revenue is projected to be 7.72%.

This base figure result is similar to HDOT’s 7% ACDBE goal for FFY 2018 through FFY 2020 for Honolulu International Airport.

**Figure 2. Honolulu International Airport — Base Figure for Non-Car Rental Concessions, FFY 2021–FFY 2023**

Type of concession	Concessions agreement number	Current concessionaire gross receipts (FFY 2018)	Current ACDBE gross receipts	Future concessionaire gross receipts	Future ACDBE gross receipts
<b>Gift shops and newsstands</b>					
Long-term concessions	007795/DOTA-07-0001	\$ 99,884,477	\$ 2,007,801	\$ 99,884,477	\$ 2,007,801
	009213/DOTA-09-0002	59,179,272	4,744,065	59,179,272	4,744,065
Month-to-month concessions	002028/Master RP-5180	14,068,272	0	14,068,272	6,700,385
<b>Eating places</b>					
Long-term concessions	002752/DOTA-92-0018	\$ 76,387,102	\$ 7,638,710	\$ 76,387,102	\$ 7,638,710
<b>Automobile parking</b>					
Long-term concessions	014015/DOTA-18-0004	\$ 7,022,052	\$ 0	\$ 7,022,052	\$ 0
	009876/DOTA-10-0004	19,697,125	0	19,697,125	0
<b>Fresh flowers</b>					
Long-term concessions	006919/DOTA-01-0001	\$ 2,136,514	\$ 0	\$ 2,136,514	\$ 0
Month-to-month concessions	001799/RP - 4841	171,064	0	171,064	6,542
	010884/RP - 8006	393,918	0	393,918	15,064
	001781/RP - 5329	581,769	0	581,769	22,248
	001806/RP - 4837	98,094	0	98,094	3,751
	010101/RP - 6967	23,889	0	23,889	914
	001801/RP - 4840	88,288	0	88,288	3,376
<b>Foreign currency exchange</b>					
Long-term concessions	DOTA-03-01/1621	\$ 6,040,647	\$ 0	\$ 6,040,647	\$ 0
Long-term concessions that expire prior to Sept. 30, 2023	001621/DOTA-03-0001	7,247,680	1,898,657	7,247,680	1,898,657
<b>Coin-operated service machines: scales, shoe shine, etc.</b>					
Month-to-month concessions	011239/RP - 8080	\$ 984	\$ 0	\$ 984	\$ 0
	011279/RP - 8086	974,419	0	974,419	0
<b>Other concessions</b>					
Annual concessions that expire prior to Sept. 30, 2023	013320/DOTA-17-0003	\$ 2,443,441	\$ 0	\$ 2,443,441	\$ 0
Month-to-month concessions	013356/DOTA-16-0002	37,027	0	37,027	0
Long-term concessions that expire prior to Sept. 30, 2023	12756/DOTA-15-0019	553,540	0	553,540	0
	008875/DOTA-08-0011	1,454,735	0	1,454,735	0
<b>Total annual future projection</b>		<b>\$ 298,484,307</b>	<b>\$ 16,289,234</b>	<b>\$ 298,484,307</b>	<b>\$ 23,041,513</b>
<b>Base figure (ACDBE percentage of total projection)</b>			<b>5.46 %</b>		<b>7.72 %</b>

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 6).

**Base figure for Kahului Airport.** The second column of Figure 1 (earlier in this document) shows availability results for Kahului Airport. For example, about 13% of firms available for automobile parking concessions on Maui are current and potential ACDBEs. About 16% of firms available for gift and news shop concessions on Maui are current and potential ACDBEs. There were also some types of concessions, such as flower and lei shops, that are not present at Kahului Airport (these categories are marked “N/A” in Figure 1). Figure 3 on the following page provides detailed projections for non-car rental concessions for Kahului Airport.

Gift shops and newsstands. There are two long-term concessions agreements for gift shops and newsstands at Kahului Airport, one of which has a subconcession operated by an ACDBE.

- The larger of the two concessions had revenue of \$14.1 million in FFY 2018. Of that revenue, \$3,466,000 was generated by a concession operated by an ACDBE.
- The newsstand concession, which does not have ACDBE participation, had annual gross receipts of \$1.5 million.

Both of those concessions agreements extend beyond the FFY 2021 through FFY 2023 time frame for the next overall ACDBE goal for Kahului Airport. Therefore, the projection of ACDBE revenue for gift shops and newsstands at the airport is \$3,466,000 out of the total of \$15.6 million in annual revenue. (Keen Independent used the most recently reported annual gross receipts at the time of this report as the forecast of future revenue.)

Eating places. There is one long-term concessions agreement for eating places at Kahului Airport that generates about \$27.5 million in annual revenue (FFY 2018). An ACDBE has a subconcession that generates \$2,746,000 in annual revenue. The eating places concessions agreement extends into the time period for the next overall ACDBE goal for Kahului Airport. Keen Independent used the current values for ACDBE concessions revenue and total revenue for Kahului Airport eating places when determining the projection of ACDBE and total gross receipts for eating places concessions.

**Figure 3. Kahului Airport — Base Figure for Non-Car Rental Concessions, FFY 2021–FFY 2023**

Type of concession	Concessions agreement number	Current concessionaire gross receipts (FFY 2018)	Current ACDBE gross receipts	Future concessionaire gross receipts	Future ACDBE gross receipts
<b>Gift shops and newsstands</b>					
Long-term concessions	010375/DOTA-11-0005	\$ 14,137,402	\$ 3,465,957	\$ 14,137,402	\$ 3,465,957
	001884/RP - 5067	1,510,325	0	1,510,325	0
<b>Eating places</b>					
Long-term concessions	002018/DOTA-92-0014	\$ 27,455,510	\$ 2,745,551	\$ 27,455,510	\$ 2,745,551
<b>Automobile parking</b>					
Long-term concessions	011426/DOTA-13-0011	\$ 5,175,008	\$ 0	\$ 5,175,008	\$ 0
<b>Other concessions</b>					
Long-term concessions	013339/DOTA-15-0022	\$ 2,484,330	\$ 0	\$ 2,484,330	\$ 0
Month-to-month concessions	001006/RP - 5775	1,272	0	1,272	0
	010382/RP - 7018	6,836	6,836	6,836	6,836
<b>Total annual future projection</b>		<b>\$ 50,770,682</b>	<b>\$ 6,218,344</b>	<b>\$ 50,770,682</b>	<b>\$ 6,218,344</b>
<b>Base figure (ACDBE percentage of total projection)</b>			<b>12.25 %</b>		<b>12.25 %</b>

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 8).

Automobile parking. There is one long-term concession for automobile parking at Kahului Airport and it does not include ACDBE participation. This concession generated \$5.2 million in revenue in FFY 2018. When determining the base figure for the ACDBE goal for Kahului Airport, Keen Independent used these total gross receipts and assumed no ACDBE participation in airport parking concessions from FFY 2021 through FFY 2023.

Other concessions. In 2018, there were three concessions related to other types of goods or services at Kahului Airport.

- A long-term concession that generated \$2.5 million in annual revenue (a non-ACDBE);
- A month-to-month concession that produced \$1,000 in annual revenue (a non-ACDBE); and
- A month-to-month concession that produced about \$7,000 in annual revenue (an ACDBE).

Because the term of the largest of these concessions extends beyond the time frame of the next overall ACDBE goal for Kahului Airport, it is projected to continue for FFY 2021 through FFY 2023. The two smaller concessions are also projected to continue for FFY 2021 through FFY 2023.

Projected ACDBE and total non-car rental concessions revenue for FFY 2021 through FFY 2023. Based on the above analyses, Keen Independent projects about \$6,218,000 in annual revenue for ACDBE concessions and about \$50,771,000 per year for all concessions for Kahului Airport for FFY 2021 through FFY 2023. ACDBE revenue as a share of total revenue is projected to be 12.25%.

The base figure indicated in Figure 3 is similar to HDOT’s 13% ACDBE goal for FFY 2018 through FFY 2020 for Kahului Airport.

**Base Figures.** The base figures representing potential and certified ACDBEs available for HDOT’s non-car rental concessions at Honolulu International Airport and Kahului Airport are 7.72% and 12.25%, respectively.

## **II. Consideration of Possible Step-2 Adjustments for Non-Car Rental Concessions — 49 CFR Section 23.51(d)**

In accordance with ACDBE Program regulations, after the base figure was calculated, HDOT considered available evidence to determine whether or not the figure should be adjusted higher or lower than the base figure (a “step-2 adjustment”).

The regulations indicate an agency must consider the following:

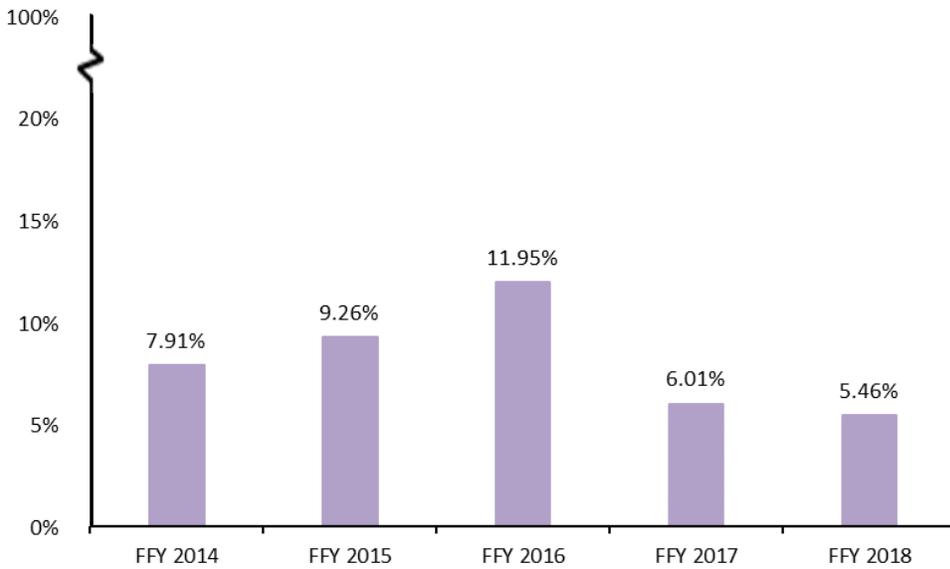
- Current capacity of ACDBEs to perform work, as measured by the volume of work ACDBEs have performed in recent years;
- Information on employment, self-employment, education and training;
- Any disparities in the ability of ACDBEs to get financing, bonding and insurance; and
- Other relevant factors.

Taking into account relevant information from the 2019 Availability and Disparity Study, HDOT considered each of these factors below in determining whether or not to adjust the base figure.

**1. Current Capacity of ACDBEs to Perform Work, Measured by the Volume of Work ACDBEs Performed in Recent Years.** USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past ACDBE participation on their USDOT-funded contracts in recent years (i.e., the percentage of contract dollars going to ACDBEs). HDOT chooses to use median ACDBE participation indicated in the Uniform Reports to calculate potential step 2 adjustments for each airport.

ACDBE participation based on HDOT Uniform Reports to FAA. Figures 4 and 5 present information about past ACDBE participation based on data from HDOT Uniform Reports of ACDBE Participation reported to FAA. The median ACDBE participation for FFY 2014 through FFY 2018 for Honolulu International Airport, as presented in Figure 4, is 7.91%,

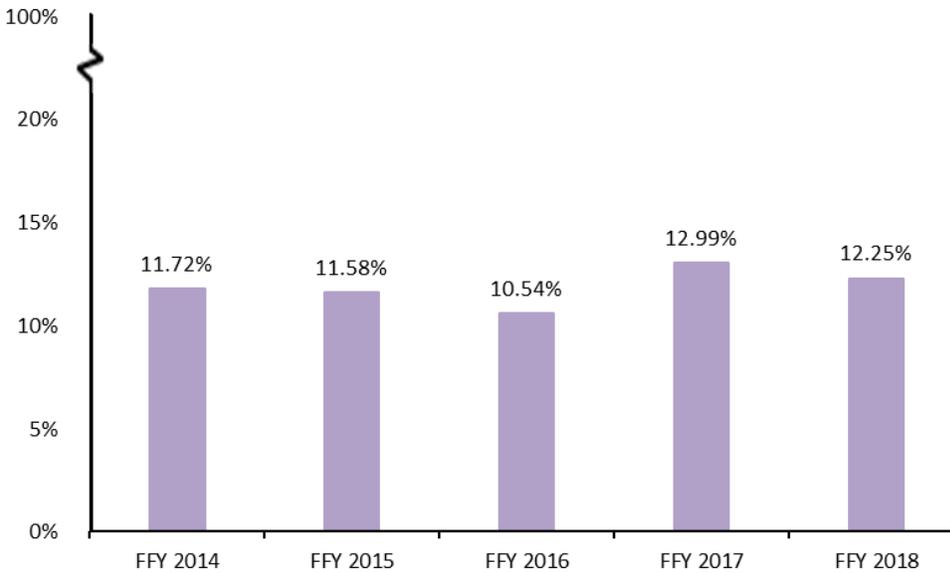
**Figure 4. Honolulu International Airport — HDOT-Reported Past ACDBE Participation on Non-Car Rental Concessions, FFY 2014 through FFY 2018**



Source: HDOT Uniform Reports of ACDBE Participation.

The median ACDBE participation for Kahului Airport, as presented in Figure 5, is 11.72%.

**Figure 5. Kahului Airport — HDOT-Reported Past ACDBE Participation on Non-Car Rental Concessions, FFY 2014–FFY 2018**



Source: HDOT Uniform Reports of ACDBE Participation.

**2. Information Related to Employment, Self-employment, Education and Training.** Chapter 7 of the Availability and Disparity Study summarizes information about conditions in the Hawaii airport concessions industry for minorities, women and MBE/WBEs (also see Appendices E through H). Analyses indicate barriers that certain minority groups and women face that may affect the availability of minority- and women-owned firms for HDOT concessions agreements.

Employment, education and training. There is evidence of some barriers in employment, education and training that may have depressed the availability of minority- and women-owned firms in the Hawaii airport concessions industry. It was not possible to quantify the effects as part of the Availability and Disparity Study, however.

Self-employment. Keen Independent examined whether there were statistically significant disparities in rates of business ownership for the concessions industry, as explained in Chapter 7.

- There were no differences in business ownership rates between women and men working in the Hawaii food, beverage and selected retail industry.
- There were disparities in business ownership rates for Filipino Americans and Native Hawaiians working in the industry after controlling for neutral factors. However, business ownership rates for some other Asian American groups were higher than non-Hispanic whites. When examining results for all Asian Americans, Native Hawaiians and Pacific Islanders working in the industry, business ownership rates were about the same as non-Hispanic whites.

For these reasons, Keen Independent did not calculate an upward adjustment based on any differences in self-employment rates in the concessions industry.

**3. Any Disparities in the Ability of ACDBEs to get Financing, Bonding and Insurance.**

Analysis of access to financing revealed quantitative and qualitative evidence of disadvantages for minorities, women and MBE/WBEs. For example, of the food, beverage and selected retail companies surveyed in Hawaii that expressed interest in airport concessions, 14% of minority- and women-owned companies indicated difficulties obtaining lines of credit or loans compared with 3% of majority-owned firms.

- Any barriers to obtaining financing might affect opportunities for minorities and women to successfully form and operate airport concessions businesses in the Hawaii marketplace.
- If there are barriers that MBE/WBEs face in obtaining financing, those firms would also be at a disadvantage in obtaining and performing HDOT airport concessions prime contracts and subcontracts.

It was not possible to calculate the impact of any barriers regarding access to capital on the availability of minority- and women-owned airport concessionaires.

**4. Other Factors.** The Federal ACDBE Program suggests that federal aid recipients also examine other relevant factors when determining whether to make any step 2 adjustments to their base figure.<sup>3</sup>

Among the other factors examined in this study was the success of MBE/WBEs relative to majority-owned businesses in the Hawaii food, beverage and selected retail industry. There is quantitative evidence that certain groups of MBE/WBEs are less successful than majority-owned firms, and face greater barriers in the marketplace, even after considering neutral factors. Chapter 7 of the Availability and Disparity Study summarizes that evidence and Appendix H presents supporting quantitative analyses. For example:

- Among companies in Hawaii interested in airport concessions, minority- and women-owned businesses had lower revenue than majority-owned firms (see Appendix H).
- Women-owned food, beverage and selected retail companies in Hawaii had lower revenue than male-owned companies, even after controlling for certain gender-neutral factors (see Appendix H).

There is also qualitative evidence of barriers to the success of minority- and women-owned businesses, as summarized in Chapter 7 and explored in detail in Appendix J of the Availability and Disparity Study. Some of this qualitative information suggests that minority- and women-owned firms do not have equal access to opportunities for Hawaii airport concessions.

**Approaches for making step 2 adjustments.** Quantification of potential step 2 adjustments is discussed below.

1. Current capacity of ACDBEs to perform work, as measured by the volume of work ACDBEs have performed in recent years. The capacity analysis indicates potential step 2 adjustments if based on past ACDBE participation for the last five fiscal years (FFY 2014 through FFY 2018). The median reported ACDBE participation on non-car rental concessions was:

- 7.91% for Honolulu International Airport; and
- 11.72% for Kahului Airport.

As discussed starting on the following page, Keen Independent calculated potential step 2 adjustments based on median past participation.

---

<sup>3</sup> 49 CFR Section 23.51.

2. Information related to employment, self-employment, education and training. Analysis of self-employment indicated no need for an upward step 2 adjustment related to disparities in business ownership rates. Therefore, the study team did not quantify a step 2 adjustment based on information related to employment, education and training.

3. Any disparities in the ability of ACDBEs to get financing, bonding and insurance. Analysis of financing, bonding and insurance indicates that an upward adjustment is appropriate. However, impact of these factors on availability could not be quantified.

4. Other factors. Impact of the other barriers to success of MBE/WBEs in Hawaii could not be specifically quantified. However, the evidence supports an upward adjustment.

**Calculation of Step 2 Adjustments.** Analysis of past ACDBE participation might indicate a possible step 2 adjustment — for FFY 2014 through FFY 2018 the median reported ACDBE participation on airport concessions was 7.91% for Honolulu International Airport and 11.72% for Kahului Airport.

USDOT “Tips for Goal-Setting” suggests taking one-half of the difference between the base figure and evidence of current capacity as one approach to calculate the step 2 adjustment for that factor.

The difference between the 7.72% base figure and 7.91% ACDBE participation for Honolulu International Airport is 0.19 percentage points ( $7.91\% - 7.72\% = 0.19\%$ ). One-half of this difference is a downward adjustment of 0.10 percentage points ( $0.19\% \div 2 = 0.10\%$ ). The goal would then be calculated as follows:  $7.72\% + 0.10\% = 7.82\%$ . These calculations are presented in Figure 6.

**Figure 6. Honolulu International Airport — Potential Step 2 Adjustment for ACDBE Goal for Non-Car Rental Concessions, FFY 2021–FFY 2023**

Step 2 adjustment component	Value	Explanation
Evidence of current capacity	7.91 %	Past ACDBE participation (Uniform DBE Reports)
<b>Base figure</b>	- 7.72	From base figure analysis
Difference	0.19 %	
	÷ 2	Reduce by one-half
Adjustment	0.10 %	Adjustment for current capacity
Base figure	7.72 %	From base figure analysis
Adjustment for current capacity	+ 0.10	Step 2 adjustment
<b>Overall ACDBE goal</b>	<b>7.82 %</b>	Possible adjusted ACDBE goal

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, Page 19).

For Kahului Airport, the difference between the 12.25% base figure and 11.72% ACDBE participation is 0.53 percentage points. One-half of this difference is a downward adjustment of 0.27 percentage points ( $0.53\% \div 2 = 0.27\%$ ). The goal would then be calculated as follows:  $12.25\% - 0.27\% = 11.99\%$ . (These calculations are presented in Figure 7.)

**Figure 7. Kahului Airport — Potential Step 2 Adjustments for HDOT’s Overall ACDBE Goal for Non-Car Rental Concessions, FFY 2020–FFY 2022**

Step 2 adjustment component	Value	Explanation
Base figure	12.25 %	From base figure analysis
Evidence of current capacity	- 11.72	Past ACDBE participation (Uniform DBE Reports)
Difference	0.53 %	
	÷ 2	Reduce by one-half
Adjustment	0.27 %	Adjustment for current capacity
Base figure	12.25 %	From base figure analysis
Adjustment for current capacity	- 0.27	Step 2 adjustment
<b>Overall ACDBE goal</b>	<b>11.99 %</b>	Possible adjusted ACDBE goal

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 20).

**Adjustments Summary.** HDOT proposes to use the base figure as its overall ACDBE goal for non-car rental airport concessions at both Honolulu International Airport and Kahului Airport for the FFY 2021 through FFY 2023 goal period.

- Honolulu International Airport. For non-car rental concessions at Honolulu International Airport, HDOT proposes to use the base figure of 7.72% as its ACDBE goal.
- Kahului Airport. For non-car rental concessions at Kahului Airport, HDOT proposes to use base figure ACDBE goal of 12.25%.

### **III. Race-Neutral / Race-Conscious Projections — 49 CFR Section 23.51(d)(5)**

To comply with the Federal ACDBE Program, HDOT must meet the maximum feasible portion of its overall ACDBE goal using race- and gender-neutral measures. Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or ACDBEs. HDOT has considered whether it can meet its overall ACDBE goals solely through neutral means or whether race- and gender-conscious measures — such as ACDBE contract goals — are also needed. As part of doing so, HDOT has projected the portion of its overall ACDBE goals that it expects to meet (a) through race- and gender-neutral means, and (b) through race- and gender-conscious programs (if any).

The section of the regulations in 49 CFR Part 23 pertaining to projecting neutral- and race-conscious portions of ACDBE goals references Section 26.51 of the regulations for the Federal DBE Program.<sup>4</sup> USDOT has provided extensive information about how to make such projections for overall ACDBE goals, which is applied here as well.

Based on 49 CFR Part 26, HDOT considered the following questions:

1. Is there evidence of discrimination within the concessions marketplace for any racial, ethnic or gender groups?
2. What has been the agency's past experience in meeting its overall ACDBE goal?
3. What has ACDBE participation been when HDOT has not applied ACDBE contract goals (or other race-conscious remedies)?<sup>5</sup>
4. What is the extent and effectiveness of race- and gender-neutral measures that the agency could have in place for the next fiscal year?

The balance of this section is organized around each of those general areas of questions.

---

<sup>4</sup> 49 CFR Section 23.51(d)(5).

<sup>5</sup> USDOT guidance suggests evaluating (a) certain ACDBE participation as prime contractors if the ACDBE contract goals did not affect utilization, (b) ACDBE participation as prime contractors and subcontractors for agency contracts without ACDBE goals, and (c) overall utilization for other state, local or private contracting where contract goals are not used.

**1. Is there Evidence of Discrimination Within the Concessions Marketplace for any Racial, Ethnic or gender Groups?** The 2019 Availability and Disparity Study considered conditions in the Hawaii marketplace to address this question. Quantitative and qualitative information is summarized below.

Marketplace conditions. As discussed in Chapter 7 and summarized in Chapter 13 of the Availability and Disparity Study, Keen Independent examined conditions in the Hawaii marketplace regarding:

- Entry and advancement;
- Business ownership;
- Access to capital, bonding and insurance; and
- Success of businesses.

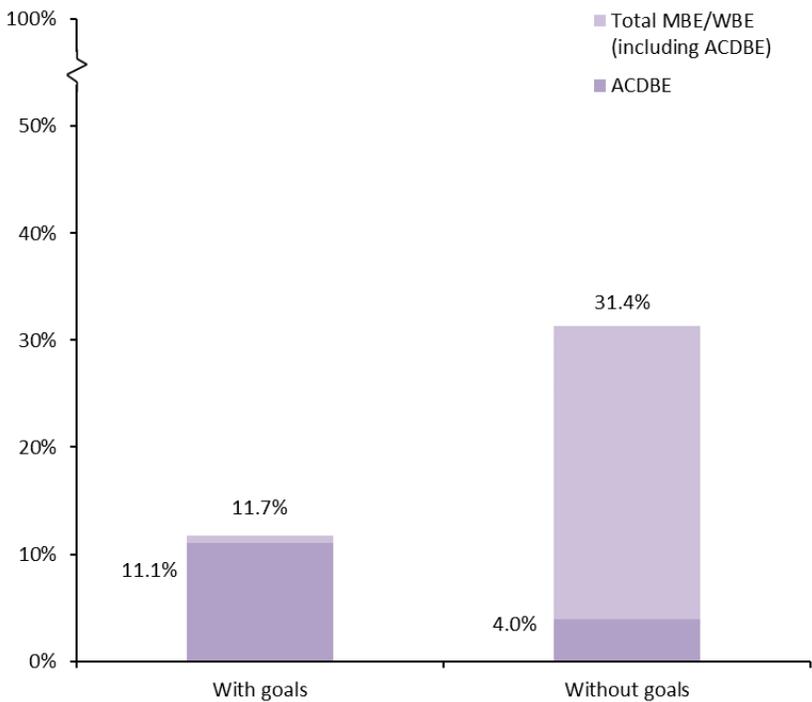
African Americans, Filipino Americans and Native Hawaiians were less likely to be business owners than non-Hispanic whites working in the Hawaii food, beverage and selected retail industry, and those disparities persisted for Filipino Americans and Native Hawaiians after controlling for neutral factors.

There was quantitative evidence of unequal access to capital for minorities in Hawaii and evidence of disparities in outcomes for minority- and women-owned firms in general and for certain MBE/WBE groups concerning the above issues. Qualitative information indicated some evidence of barriers to participation of minority- and women-owned firms in airport concessions (see Appendix J).

Results of the disparity analysis for airport concessions. Chapter 6 of the Availability and Disparity Study examines utilization of minority- and women-owned firms as concessionaires on agreements with and without ACDBE contract goals. Although HDOT had overall goals for ACDBEs for concessions, it did not apply ACDBE goals to each of the concession agreements, and for some airports, did not apply ACDBE contract goals at all (i.e., they operated the program solely through neutral means). Airports on Lanai and Molokai did not have ACDBE goals for concession agreements during the study period. Other airports had ACDBE goals for certain concessions agreements (mainly agreements with master concessionaires) but not others.

- Concessions agreements with goals. For HDOT airport concessions agreements with ACDBE goals, minority- and women-owned businesses received 12% of concessions revenue, mostly going to certified ACDBEs, as shown in Figure 8. For agreements with goals, each MBE/WBE group showed a substantial disparity except for Hispanic American-owned companies (see Chapter 6).
- Concessions agreements without goals. Figure 8 also presents results for concessions agreements for which no specific ACDBE goals applied. For airports concessions contracts without goals, minority- and women-owned businesses received 31% of concessions revenue, 4 percentage points of which went to certified ACDBEs. Participation of minority- and women-owned firms was much higher for these concessions than for those which ACDBE goals applied. As discussed in Chapter 6, there were still disparities for some groups of minority-owned firms, however.

**Figure 8. MBE/WBE and DBE Share of HDOT Airport Concessions Revenue for Agreements With and Without ACDBE Goals, July 2011–June 2016**



Note: Dark portion of bar is certified ACDBE utilization.  
 Number of concession and subconcession agreements analyzed is 162 with ACDBE contract goals and 337 without contract goals.

Source: Keen Independent from data on HDOT and LPA non-car rental airport concessions prime contracts and subcontracts, July 2011–June 2016.

**Summary.** HDOT reviewed the information about utilization and availability of minority- and women-owned firms for airport concessions in Chapters 5 and 6 of the Availability and Disparity Study when considering the extent to which it can meet its overall ACDBE goals through neutral measures. HDOT also examined the analysis of marketplace conditions presented in Chapter 7 and Appendices E through J of the Availability and Disparity Study, as well as other information, when considering the extent to which it can expect to meet its ACDBE goals through neutral measures.

**2. What has Been the Agency’s Past Experience in Meeting its Overall ACDBE goal?** HDOT’s success in meeting its overall ACDBE goals for FFY 2014 through FFY 2018 varied by airport.

Honolulu International Airport. At Honolulu International Airport, HDOT did not meet its ACDBE goal for non-car rental concessions in any of the fiscal years studied. Figure 9 presents these results.

**Figure 9. Honolulu International Airport — Overall ACDBE Goal and Reported ACDBE Participation on Non-Car Rental Concessions, FFY 2014–FFY 2018**

Federal fiscal year	ACDBE goal	ACDBE commitments/ awards	Difference from ACDBE goal
2014	12.00 %	7.91 %	-4.09 %
2015	12.00	9.26	-2.74
2016	12.00	11.95	-0.05
2017	24.00	6.01	-17.99
2018	7.00	5.46	-1.54

Source: HDOT Uniform Reports of ACDBE Participation.

Kahului Airport. At Kahului Airport, HDOT did not meet its ACDBE goal for non-car rental concessions in any of the fiscal years studied, though in FFY 2018 it was within one percentage point of meeting its goal (see Figure 10 below).

**Figure 10. Kahului Airport — Overall ACDBE Goal and Reported ACDBE Participation on Non-Car Rental Concessions, FFY 2014–FFY 2018**

Federal fiscal year	ACDBE goal	ACDBE commitments/ awards	Difference from ACDBE goal
2014	22.00 %	11.72 %	-10.28 %
2015	24.00	11.58	-12.42
2016	24.00	10.54	-13.46
2017	24.00	12.99	-11.01
2018	13.00	12.25	-0.75

Source: HDOT Uniform Reports of ACDBE Participation.

**3. What has ACDBE Participation Been when HDOT has not Applied ACDBE Contract Goals (or Other Race-Conscious Remedies)?** Participation of ACDBEs was 4% for concessions agreements without ACDBE goals and 11% for agreements with goals.

About 39% of the gross receipts for airport concessions agreements without ACDBE goals went to minority- and women-owned firms, many of which might be eligible for certification as ACDBEs. This participation was much higher than the 12% of revenue that went to MBE/WBEs for concessions agreements with ACDBE goals.

These results indicate that HDOT could achieve as much or more ACDBE participation without using ACDBE goals if it could encourage more concessionaires that are minority- or women-owned to become ACDBE-certified.

**4. What is the Extent and Effectiveness of Race- and Gender-Neutral Measures that the Agency Could Have in Place for the Next Fiscal Year?** When determining the extent to which it could meet its overall ACDBE goals through the use of neutral measures, HDOT reviewed the race- and gender-neutral measures that it and other organizations have in place, and those it has planned or could consider for future implementation.

One neutral effort to increase ACDBE participation is for HDOT to encourage minority- and women-owned firms that currently operate airport concessions to become certified as ACDBEs. Almost 40% of the gross receipts for agreements without goals went to minority- and women-owned firms.

Another neutral program that HDOT might consider is an airport concessions small business enterprise (ACSBE) contract goals program.

- In this program, HDOT would set ACSBE goals for specific concessions agreements in the same way as it has for ACDBE goals. Monitoring of ACSBE participation would be the same as ACDBE participation.
- HDOT would certify firms as ACSBEs in the same way it certifies companies as ACDBEs, except they would not need to be owned and controlled by minorities or women. All of the current ACDBEs in Hawaii would automatically qualify as ACSBEs.
- In the in-depth interviews in this study, a number of firms commented on the preponderance of business owners of color and women business owners in the Hawaii marketplace. Many current firms eligible to be certified as ACDBEs have not done so, and there may be some stigma concerning certification as a “disadvantaged business” that might not arise for small business certification.
- Minority and female business owners in Hawaii frequently reported disadvantages because they were a small business competing against large businesses. In Hawaii, some of those large businesses are owned by minorities or women.

An ACSBE concessions goals program for HDOT airports might be effective in encouraging minority- and women-owned business participation if it were widely promoted in advance of new concessions agreements becoming available, coupled with further unbundling of HDOT's concessions agreements and technical assistance for current and potential ACDBEs.

#### **IV. Summary for Non-Car Rental Concessions**

**1. Overall ACDBE goals for non-car rental airport concessions.** HDOT considered possible adjustments to set its overall ACDBE goals for non-car rental concessions at Honolulu International Airport and Kahului Airport.

Honolulu International Airport Summary. Based on the results of the 2019 Availability and Disparity Study summarized in this document, HDOT proposes a 7.72% ACDBE goal on non-car rental concessions for FFYs 2021 through 2023. HDOT proposes that it will meet this goal through solely neutral measures and intends to design and promote a new ACSBE Program to achieve its overall ACDBE goal.

Kahului Airport Summary. Based on the results of the 2019 Availability and Disparity Study summarized in this document, HDOT proposes a 12.25% ACDBE goal on non-car rental concessions at Kahului Airport for FFYs 2021 through 2023. As with Honolulu International Airport, HDOT proposes that it will achieve this overall ACDBE goal through solely neutral measures including the creation and implementation of a new ACSBE Program.

**2. Could HDOT project that it can meet all of its overall ACDBE goal through neutral means? If not, how much of the overall ACDBE goal can HDOT project to be met through neutral means?** HDOT has considered whether it can achieve its overall ACDBE goal through neutral means alone or whether race-conscious programs are needed. With HDOT's proposed overall ACDBE goals for non-car rental concessions of 7.72% (Honolulu International Airport) and 12.25% (Kahului Airport), HDOT concludes it is appropriate to design and promote a new ACSBE Program to achieve its overall ACDBE goals through solely neutral means for those airports.

- As discussed previously, most potential ACSBEs in Hawaii are minority- or women-owned, based on Keen Independent's analysis of small businesses available for HDOT work. And, minority- and women-owned firms are disproportionately small businesses.
- Federal regulations allow state DOTs to limit bidding on small contracts to ACSBE prime contractors and consultants, giving HDOT the option of a new tool to increase ACSBE and ACDBE participation.
- HDOT would set ACSBE contract goals in the same way as it currently sets ACDBE contract goals. The same firms currently eligible to count toward the goals would still be available to count toward the goals as ACSBEs.
- HDOT would continue technical assistance and other assistance to ACDBEs.

- The primary reason HDOT would not meet an overall ACDBE contract goal for Honolulu International Airport and Kahului Airport is that minority- and women-owned firms eligible for ACDBE certification continue to choose not to become certified. With outreach and additional reasons to become certified, such as small contracts reserved for bidding by ACSBEs, a new ACSBE Program could encourage more of these firms to become certified.

The economic disadvantage this program is attempting to remedy for businesses, small size, is the way many minority and female business owners in Hawaii perceive their own disadvantage, which could encourage participation in an ACSBE program. The minority- and women-owned firms attracted to a new ACSBE certification would also be certified as ACDBEs. This would increase reported ACDBE participation as many of these minority- and women-owned firms already participate in HDOT contracts.

- White men comprise about 12% of the workforce in Hawaii. The concept of “social disadvantage” for people who are not white differs in a state that has a workforce that is almost 90% people of color and women.

Keen Independent found evidence of social disadvantages for women and minorities compared with men and nonminorities, but those disadvantages may occur in different ways than on the Mainland.

Social disadvantages associated with race and ethnicity also occur within Hawaii’s majority population of Asian Pacific Americans, Native Hawaiians and Pacific Islanders. An ACSBE Program might better tailor operation of the Federal ACDBE Program to achieve success in removing barriers for socially and economically disadvantaged businesses in this demographically unique state.

HDOT has considered all of the information in the 2019 Availability and Disparity Study report and other sources when reaching its decision on any use of race- and gender-conscious programs (such as ACDBE contract goals).

The balance of this section summarizes proposed ACDBE goals for FFYs 2021–2023 and race-neutral and -conscious projections for each airport, which are compared with the same figures for the previous three fiscal years.

Honolulu International Airport. As shown below, the first column of Figure 11 presents neutral and race-conscious projections when HDOT prepared its overall ACDBE goal for Honolulu International Airport for FFY 2018 through FFY 2020.

The second column of numbers in Figure 11 illustrates projections using the proposed overall ACDBE goal of 7.72%, with all of the overall ACDBE goal to be achieved through an ACSBE Program and other neutral means.

**Figure 11. Honolulu International Airport — Current HDOT Overall ACDBE Goal and Race-Neutral Projections for Non-Car Rental Airport Concessions, FFY 2021 through FFY 2023**

Component of overall DBE goal	FFY 2018- FFY 2020	FFY 2021- FFY 2023
Overall goal	7.00 %	7.72 %
Neutral projection	- <u>1.00</u>	- <u>7.72</u>
Race-conscious projection	6.00 %	0.00 %

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 32).

Kahului Airport. As shown below, the first column of Figure 12 presents HDOT’s projections for a neutral and race-conscious split when HDOT prepared its overall ACDBE goal for FFY 2017 through FFY 2019.

HDOT proposes an overall ACDBE goal for Kahului Airport for FFY 2021 through FFY 2023 of 12.25%, using the base figure. HDOT proposes that it will attempt to meet all of this goal through neutral means, including the creation of an ACSBE contract goals program. The second column of Figure 12 shows this neutral projection.

**Figure 12. Kahului Airport — Current HDOT Overall ACDBE Goal and Projections of Race-Neutral Participation for Non-Car Rental Airport Concessions, FFY 2021–FFY 2023**

Component of overall DBE goal	FFY 2018- FFY 2020	FFY 2021- FFY 2023
Overall goal	13.00 %	12.25 %
Neutral projection	- <u>1.00</u>	- <u>12.25</u>
Race-conscious projection	12.00 %	0.00 %

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 13, page 32).

## V. Establishing ACDBE Goals and Projections for Airport Car Rental Concessions

Because HDOT reported that there are no ACDBEs available to perform car rental concessions in Hawaii, it has set goals of 1% or less for each airport for each of the years studied. HDOT’s current overall goals for ACDBE participation in airport car rental concessions are 1.00% each for Honolulu International Airport and Kahului Airport.

Figure 13 provides historical information on car rental concession revenue for each of the airports.

**Figure 13. Annual Car Rental Concession Revenue by Airport, FFY 2014–FFY 2018**

Federal fiscal year	Revenue from car rental concessions (\$1,000s)	
	Honolulu International Airport	Kahului Airport
2014	\$ 106,853	\$ 214,174
2015	113,144	218,519
2016	106,109	210,961
2017	143,309	222,088
2018	162,608	257,488

Source: HDOT Uniform Reports of ACDBE Participation.

**Base figure analysis.** There are no ACDBEs that provide airport car rental services in Hawaii, so HDOT has attempted to reach these goals through purchases of goods and services from DBEs. HDOT typically sets overall goals of 1% for car rental concessions.

Comprehensive data on all the goods and service purchases made by airport car rental concessions did not appear to be producible from HDOT records, so there is no additional information in this disparity study to fine-tune HDOT’s goals for goods and services purchases from car rental concessions. Other research in this study documented that there is availability of minority- and women-owned firms for many types of goods and services in Hawaii, so there is support for HDOT’s goals of at least 1% for car rental concessions.

**Potential step 2 adjustments.** HDOT has reported no ACDBE or DBE participation related to airport car rental concessions in recent years and HDOT reports no ACDBE availability for airport car rental concessions in the state. There is no information in the Availability and Disparity Study that would indicate any step 2 adjustment for HDOT’s ACDBE goals for car rental concessions at HDOT airports.

Keen Independent did identify availability of small minority- and women-owned businesses that supply a wide range of goods and services in Hawaii. There is information from the study to expect some level of participation of DBEs in supplying those goods and services to car rental concessions at HDOT airports. However, comprehensive data is not currently available for goods and services purchases by airport car rental concessions that would allow quantification of these goals.

**Projection of neutral attainment.** If HDOT strongly encouraged car rental concessions to reach out to DBEs and encourage their current minority- and women-owned suppliers and service providers to become DBE-certified, it could likely achieve goals in the range of 1% solely through neutral participation.

## **VI. Public Participation — 49 CFR Section 23.43 and 23.13(d)(1)**

HDOT and Keen Independent implemented an extensive public participation process as part of the 2019 Availability and Disparity Study.

**Opportunity to Comment.** During the Availability and Disparity Study, HDOT and the study team provided substantial opportunities for the public to provide information that might contribute to the Study's findings. These activities include:

- An External Stakeholder Group that met with HDOT and the study team at key junctures of the study process.
- A study website that posted information from the beginning of the study.
- A telephone hotline and dedicated email address for anyone wishing to comment.
- Opportunities for company owners and managers to provide information about their businesses and any perceived barriers in the marketplace. Keen Independent reached thousands of businesses through online surveys and telephone surveys conducted in 2018.
- In-depth personal interviews and focus groups with business owners, trade associations and others throughout the state.

Through these methods, Keen Independent reviewed input from more than 190 businesses and other groups across Hawaii, which is summarized in the 2019 Availability and Disparity Study.

**Public Comment Process for the Draft 2019 Availability and Disparity Study Report and Proposed HDOT ACDBE Goals.** Before finalizing the Availability and Disparity Study report, Keen Independent published a draft report for public comment. The study team distributed the draft report and HDOT published its proposed overall ACDBE goals in early February 2020. The public was able to provide input through the following means:

- a. In person at the meeting;
- b. Online at [www.keenindependent.com/hdotdisparitystudy2019](http://www.keenindependent.com/hdotdisparitystudy2019);
- c. Via email at [HDOTdisparitystudy2019@keenindependent.com](mailto:HDOTdisparitystudy2019@keenindependent.com); or
- d. Through regular mail to HDOT Office of Civil Rights, 200 Rodgers Boulevard, Honolulu, HI 96819.

The February 24, 2020 public meeting concerning the study and HDOT's proposed methods for meeting those goals was held in person in Honolulu and via remote viewing at district offices on Maui, Kauai and Hawaii Island.

Feedback received at the public meeting and through communications in the following weeks was incorporated into the final Availability and Disparity Study report. HDOT also reviewed this additional information before formally submitting its proposed overall ACDBE goal calculations to FAA.

**Notice of Proposed Goal.** HDOT will publish a notice of its proposed overall goal on its [DBE Program](#) web page and [DBE Disparity Study](#) website. The agency will also implement additional methods of publishing its proposed overall goal.