

Attachment 3

Section 23.45: Overall Goal Calculation for Non-Car Rental Concessions

ACDBE Participation Goal

The District's overall goal for Non-Car Rental Concessions during the period beginning on October 2022 and ending September 2025 is: **3% of the total gross receipts for non-car rental concessions (see methodology used to calculate the overall goal below).**

Current Non-Car Rental Concessions & Projected Gross Receipts

The Airport currently has seven types of Non-Car Rental Airport Concessions (see ACDBE Program **Attachment 2**). These include the following as provided in Table 1 below. The projected gross receipts for current concessionaires for Federal Fiscal Years 2023-2025 are based on the average gross receipts reported in FY 2020-2023.

Table 1 – Total Projected Gross Receipts FFY 2023-2025

	Concessionaire Type	Projection of Gross Receipts for FFY 2022-2025
1	Gift, Novelty & Souvenir Store	\$233,586.68
2	Full-Service Restaurant/Bar	\$1,101,031.82
3	Limited-Service Restaurant	\$471,870.78
4	Vending Machines	\$15,914.17
5	Advertisement Displays	\$171,866.24
6	Advertisement Stand	\$16,665.66
7	Metered Parking Lots	\$1,021,465.92
	Total Projected Receipts	\$2,032,401.27

Currently, there is one (1) ACDBE (Gift, Novelty & Souvenir Store). When the opportunity arises for a new non-car rental airport concession(s), the District will take good faith efforts to allow for the additional ACDBE(s) to participate in the District's non-car rental airport concession program. If a new concession opportunity arises prior to the end of this goal period and the Airport's estimated average of annual total gross revenues are anticipated to be \$200,000 or greater, the District will submit an appropriate adjustment to the overall goal.

ACDBE Market Area

The District has determined that the non-car rental concessions market area is within the State of California, primarily within/near the regions of Monterey, Santa Cruz, San Benito, Santa Clara, San Francisco and Alameda Counties. This is the geographical area in which the substantial majority of firms seeking to do concessions business with the Airport are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

Methodology used to Calculate Overall ACDBE Goal

Goods and Services from ACDBEs/DBEs

The District can meet the percentage goal by including the purchase of goods and services from DBEs/ACDBEs used for businesses conducted at the Airport. The District and the businesses at the Airport, shall make good faith efforts to explore all available options to achieve, to the maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. The dollar value of goods and services from ACDBEs/DBEs may be added to the numerator, and the dollar value of goods and services from all firms may be added to the denominator (see Step 1 below).

Management Contract or Subcontract with ACDBEs

The District can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The District and non-car rental concession will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation.

Step 1: 23.51(c) – Base Figure Calculation

The base figure for the relative availability of non-car rental ACDBEs is calculated below:

$$\text{Base figure} = \frac{\text{Ready, willing, and able non-car rental ACDBEs in the market area}}{\text{All ready, willing and able non-car rental concession firms in the market area}}$$

The data source or demonstrable evidence used to derive the numerator was: The California ACDBE/DBE Directory as outlined in 23.51(c)(1). The data source or demonstrable evidence used to derive the denominator was: The US Census Bureau Data as outlined in 23.51(c)(1).

**Table 2 – Total ACDBEs & Total Firms for
Each Concession Type in the Market Area**

NAICS	Type of Concession	Total ACDBE's	Total All Firms
453220	Gift, Novelty, and Souvenir Store	51	224
454210	Vending Machine Operator	2	35
541850	Display Advertising	5	36
541870	Advertising Material Distribution Services	1	20
722511	Full-Service Restaurant	41	5,678
722513	Limited-Service Restaurant	54	4,404
812930	Automobile parking garages or lots	11	515
	Total	165	10,912

$$\begin{aligned}\text{Base Figure} &= 102 \text{ ACDBEs} / 10,912 \text{ Total Establishments} \\ &= 1.50\% \\ &= \$30,486.02 \text{ (1.50\% of \$2,032,401.27)} \\ &\quad \text{Total ACDBE Gross Receipts}\end{aligned}$$

Step 2: 23.51(d) – Base Figure Adjustments

After calculating a base figure of the relative availability of ACDBEs, it was determined that based on currently low availability of ACDBEs within the existing market area, 1.44% would have been considered reasonable. **However, one (1) of the non-car rentals concessions is an ACDBE with annual gross receipts ranging from \$10,204.24 to \$235,548.76. The concessionaire's ACDBE certification application was recently approved in 2018 and this will be the first time the ACDBE would be included for the full program. Therefore, the Airport has determined that it is feasible to adjust its non-car rental ACDBE goal to 3% (1.56% increase from the base figure). This increase would account for the ACDBE firm as well as additional growth in ACDBE participation.**

Breakout of Estimated Race-Neutral & Race Conscious Participation (§23.51)

The District has determined that race-neutral means of facilitating ACDBE participation will be sufficient in attaining its ACDBE participation goal. The District will use the following race-neutral measures to increase ACDBE participation and understands that these steps are expected to be taken:

1. Locate and identify ACDBEs and other small businesses that may be interested in participating as airport concessionaires under 49 CFR Part 23;
2. Notify ACDBEs of concession opportunities and encourage them to compete, when appropriate;
3. Ensure competitors for concession opportunities are informed during pre-solicitation meetings about how the ACDBE program will affect the procurement process; and
4. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

If race-neutral measures, standing alone, are not sufficient to meet the overall goal, the following race-conscious measures will be taken:

1. Establish concession-specific goals for concession opportunities.
2. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.
3. With prior FAA approval, other methods taken to ensure bidders/competitors provide ACDBE participation.

Attachment 4

Section 23.45: Overall Goal Calculation for Car Rentals

ACDBE Participation Goal

The District's overall goal for car rental concessions during the period beginning on October 2019 and ending September 2022 is: **.50 % (less than 1%) of the total gross receipts of car rental operations (see methodology used to calculate ACDBE goal below).**

Current Car Rental Concessions & Projected Gross Receipts

The Airport currently has six (6) Car Rental Airport Concessions none of which are ACDBEs (see **ACDBE Program Attachment 2**). Table 1 below represent the Projected Gross Receipts for car rental concessions for Federal Fiscal Years 2023-2025 based on the average gross receipts reported in FY 2020-2022.

Table 1 – Total Projected Gross Receipts FFY 2023-2025

Car Rental Company	Projected Gross Receipts
Avis Car Rental	\$2,332,737.56
Budget Car Rental	\$2,192,785.63
Enterprise Car Rental	\$2,476,581.52
Go Rentals	\$1,233,984.78
Hertz Car Rental	\$2,972,450.63
National Car Rental	\$2,031,510.67
Total Projected Gross Receipts	\$13,240,050.79

ACDBE Market Area

The District has determined that the car rental concessions market area is within the State of California, primarily within/near the regions of Monterey, Santa Cruz, San Benito, Santa Clara, San Francisco and Alameda Counties. This is the geographical area in which the substantial majority of firms which seek to do car rental concessions business with the Airport are located and the geographical area in which the car rental firms receive a substantial majority of concessions related revenues are located.

There is one (1) car-rental ACDBEs out of 199 car-rental businesses within the market area, however, when the opportunity arises for a new car-rental concession(s), the District will take good faith efforts to allow for ACDBEs to participate in the District's car rental concession program. If a new car rental concession opportunity arises prior to the end of this goal period and the Airport's estimated average of annual gross revenues for car rental airport concessions are anticipated to be \$200,000 or greater, the District will submit an appropriate adjustment to the overall goal.

Methodology used to Calculate Overall Goal

Goods and Services from ACDBEs/DBEs

The District can meet the ACDBE participation goal for car rentals entirely in terms of purchases of goods and services. However, the District and the car rental companies, shall make good faith efforts to explore all available options to achieve its ACDBE participation goal. The dollar value of goods and services from an ACDBEs/DBE may be added to the numerator, and the dollar value of goods and services from all similar firms may be added to the denominator (see Step 1 below).

Step 1: 23.51(c) – Base Figure Calculation

The base figure for the relative availability of ACDBEs other than car rentals is calculated below:

$$\text{Base Figure} = \frac{\text{Ready, willing, and able car rental ACDBEs in the market area}}{\text{All ready, willing and able car rental firms in the market area}}$$

The data source or demonstrable evidence used to derive the numerator was: The California DBE Directory as outlined in § 23.51(c)(1). The data source or demonstrable evidence used to derive the denominator was: The US Census Bureau Data as outlined in § 23.51(c)(1).

**Table 2 – Total ACDBEs & All Firms
for Car Rental Concessions in the Market Area**

NAICS	Type of Concession	Total ACDBE's	Total All Firms
532111	Car Rental	1	190

$$\begin{aligned}\text{Base Figure} &= 1 \text{ ACDBEs} / 190 \text{ Total Establishments} \\ &= .50\% \text{ (less than 1\%)} \\ &= \$66,200.25 \text{ in gross receipts (.50\% of \$13,240,050.79)}\end{aligned}$$

Step 2 23.51(d) – Basefigure Calculation Adjustments

After calculating a base figure of the relative availability of ACDBEs, it was determined that based on current availability of ACDBEs within the existing market area and having no past historic participation filed, **.50% is reasonable and no adjustments are necessary at this time.**

Breakout of Estimated Race-Neutral & Race Conscious Participation (§23.51)

The District has determined that race-neutral means of facilitating ACDBE participation will be sufficient in attaining its ACDBE participation goal. The District will use the following race-neutral measures to increase ACDBE participation and understands that these steps are expected to be taken:

5. Locate and identify ACDBEs and other small businesses that may be interested in participating as airport concessionaires under 49 CFR Part 23;
6. Notify ACDBEs of concession opportunities and encourage them to compete, when appropriate;

7. Ensure competitors for concession opportunities are informed during pre-solicitation meetings about how the ACDBE program will affect the procurement process; and
8. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

If race-neutral measures, standing alone, are not sufficient to meet the overall goal, the following race-conscious measures will be taken:

4. Establish concession-specific goals for concession opportunities.
5. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.
6. With prior FAA approval, other methods taken to ensure bidders/competitors provide ACDBE participation.