

PROPOSED OVERALL ACDBE NON-CAR RENTAL CONCESSION GOALS

Federal Fiscal Years 2021 - 2023

**John Wayne Airport
Orange County, California**

Airport Sponsor: Orange County, CA
Name of Preparer: Cindy Olivares/Nick Dinger
Goal Period: From: October 1, 2020
Thru: September 30, 2023

ACDBE Goal for Terminal Concessions: (excluding rental cars)	27.7%
Race-Conscious:	0.0%
Race-Neutral:	27.7%
ACDBE Goal for Car Rental Concessions:	0.7%
Race-Conscious:	0.0%
Race-Neutral:	0.7%

**Section 23.45: Separate Overall Goal Calculation for Concessions
Other Than Car Rentals**

Amount of Goal

John Wayne Airport's overall goal for concessions other than car rental during the period beginning October 1, 2020 and ending September 30, 2023 is 27.7%. The goal is expressed as a percentage of the total estimated gross receipts for concessions at John Wayne Airport ("SNA").

The following are not included in the total gross receipts for concessions: (a) the gross receipts of car rental operations, (b) the dollar amount of a management contract or subcontract with a non-ACDBE, (c) the gross receipts of business activities to which a management contract or subcontract with a non-ACDBE pertains, and (d) any portion of a firm's estimated gross receipts that will not be generated from a concession.

John Wayne Airport determines the market area for each concession opportunity as it arises. The market area is defined as the geographical area in which the substantial majority of firms which seek to do the specific 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.

Federal Fiscal Years 2021 – 2023

Total estimated gross receipts for all concessions excluding car rentals = \$108,124,589
Estimated ACDBE gross receipts as adjusted = \$29,950,511
 $\$29,950,511 / \$108,124,589 = 27.7\%$

Methodology used to Calculate Overall Goal

Overall goals have been determined by consolidating and weighting the total estimated gross revenues and estimated ACDBE gross revenues for each concession category. Goals for anticipated new concession are determined through an analysis of the opportunity, potential for ACDBE participation and the relative availability of ACDBE firms who are ready, willing and able to perform under the agreement.

Step 1: 23.51(c)

SNA determines the base figure for the relative availability of ACDBEs for the specific opportunity. The base figure may be calculated in a number of ways, depending upon what is most appropriate for the specific opportunity.

Examples are as follows:

Option 1: Ready, willing, and able ACDBEs in the appropriate trade in the determined market area ÷ All ready, willing and able companies in the appropriate trade in the determined market area.

The data source or demonstrable evidence used to derive the numerator may be either the DBE directory (23.51(c)(1)) or an active participant list (23.51(c)(2)).

If SNA uses ACDBE directories, which directories and which NAICS codes were used will be identified. SNA may also augment available ACDBEs with firms in local MBE/WBE directories or trade association

lists. If SNA uses these sources to augment the numerator, the sources used and the number of firms added to the numerator will be identified.

If SNA uses an Active Participant List, where the information was obtained will be identified. Such information may come from past experience with firms that have operated concessions or sought concession contracts or leases, knowledge about the universe of firms in certain concession services that tend to be interested in participating, and attendance lists from informational and outreach meetings about upcoming concession opportunities.

Option 2: Disparity Study – There are no relevant disparity studies from SNA's geographic area at this time. In the future, SNA may elect to utilize a disparity study should one become available.

Option 3: Goal of another sponsor – SNA may use the goal of another airport or DOT sponsor in the same, or substantially similar market if their overall goal is in compliance with 49 CFR part 23. Should SNA elect to do so, SNA will include information as to why the airport concession opportunities have the same or substantially similar market.

Option 4: Alternative Methods – SNA may elect to use other methods to determine the base figure, however it must be based on demonstrable evidence of local market conditions and be designed to arrive at a goal that is rationally related to the relative availability of ACDBEs in the market area.

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, SNA will examine evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal.

In accordance with 23.51(d), any adjustment will be designed to reflect as accurately as possible the ACDBE participation SNA would expect in the absence of discrimination. In addition, SNA will document the basis on which it adjusted the base figure using the specific data.

OVERALL GOAL METHODOLOGY

John Wayne Airport's ACDBE Overall Goal for fiscal years 2021-2023 has been set by consolidating contract goals for each concession category as described below.

Food/Beverage/Retail - All concessions are planned for replacement on a phased basis during the three year goal period. An ACDBE goal analysis has been conducted to determine the appropriate ACDBE goal for the new concessions (Attachment 1). The goal analysis resulted in a base goal of 27.7% for food/beverage concessions and 31.6% for gift/news/specialty retail concessions. This goal will continue throughout the three-year goal period. Gross revenues for food/beverage have been projected at 35% of FFY 2019 levels for FFY 2021, 50% of FFY 2019 levels for FFY 2022, and 90% of FFY 2019 levels for FFY 2023. Gross revenues for retail have been projected at 50% of FFY 2019 levels for FFY 2021, 70% of FFY 2019 levels for FFY 2022, and 90% of FFY 2019 levels for FFY 2023.

Advertising – The advertising contract was awarded in 2017 and expires in January 2027. A goal analysis was conducted when the contract was solicited and resulted in no goal being set for the contract. We will conduct a new analysis prior to any new solicitation. Gross revenues for retail have been projected at 40% of FFY 2019 levels for FFY 2021, 50% of FFY 2019 levels for FFY 2022, and 90% of FFY 2019 levels for FFY 2023.

Luggage Carts – The luggage cart contract is not operating and is not expected to resume.

Concession gross revenues have been impacted by the devastating effect of SARS_ CoV_2 (COVID-19) on air travel and are not projected to fully recover until after the current goal period. We have estimated gross revenues for the three-year period as described above. Projected gross revenues for the three-year goal period are shown in Table 1 below:

Table 1 PROJECTED GROSS REVENUES GOAL PERIOD: FROM 10/01/2020 to 9/30/2023 (FFY 2021 – 2023)				
Concession	FFY 2021	FFY 2022	FFY 2023	Total
Food/Beverage	\$14,162,203	\$20,231,719	\$36,417,093	\$70,811,015
Gift/News/Specialty Retail	\$7,930,963	\$11,103,348	\$14,275,733	\$33,310,045
Advertising	\$889,673	\$1,112,092	\$2,001,765	\$4,003,529
Total	\$22,982,839	\$32,447,158	\$52,694,591	\$108,124,589

Applying the ACDBE goals for each concession category as described above results in the base goal shown in Table 2 below.

Table 2 THREE-YEAR CONCESSION GOALS GOAL PERIOD: FROM 10/01/2020 to 9/30/2023			
Concession	Estimated Gross Revenues	Estimated ACDBE Gross Revenues	ACDBE % Goal
Food/Beverage	\$70,811,015	\$19,614,651	27.7%
Gift/News/Specialty Retail	\$33,310,045	\$10,525,974	31.6%
Advertising	\$4,003,529	\$0	0.0%
Total	\$108,124,589	\$30,140,625	27.9%

The base goal as calculated above is 27.9%.

Step 2 – Adjustments

The ACDBE regulation (49 CFR part 23) provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. We have reviewed the ACDBE achievement for the most recent three-year period (the last goal cycle) to provide for an adjustment of the base goal as follows:

Actual Past History of ACDBE Participation			
YEAR	TOTAL GROSS REVENUES	ACDBE GROSS REVENUES	ACDBE %
2019	\$59,814,782	\$16,470,167	27.5%
2018	\$58,831,640	\$16,058,662	27.3%
2017	\$55,031,483	\$15,718,867	28.6%

$$\begin{aligned} \text{Adjusted ACDBE Goal} &= [\text{ACDBE Base goal} + \text{Median ACDBE Participation (2017-2019)}] \div 2 = \\ &= (27.9\% + 27.5\%) \div 2 = 55.4\% \div 2 \\ &= \mathbf{27.7\%} \end{aligned}$$

There are no other relevant data to support an adjustment to the base goal. Therefore, the proposed overall ACDBE goal for the three-year period commencing October 1, 2020 and ending September 30, 2023 (FFY 2021 – 2023) is 27.7%.

RACE-NEUTRAL/ RACE-CONSCIOUS GOAL

Non-car rental ACDBE goals set forth in this document were set as race neutral goals. For concession opportunities, not the subject of an agreement in force as of the date of this document for which a goal is established, SNA will meet the maximum feasible portion of each contract goal by using race-neutral means of facilitating ACDBE participation as determined at the time the concession specific goal is established. SNA may use the following race-neutral measures to facilitate ACDBE participation.

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
7. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.

New Opportunities

If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, SNA will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval prior to executing the new concession agreement. (23.45(i)).

SNA determines the market area for each concession opportunity separately since the market area may vary depending upon the size and nature of the specific opportunity. For example, the geographical area in which the substantial majority of firms which seek 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 may be national for large contracts and local or regional for smaller contracts. The market area is defined for each concession opportunity as it arises and as SNA undertakes the goal-setting process.

Goods and Services

SNA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the Airport. The Airport, 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 from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

Management Contract or Subcontract

SNA can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The Airport will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the airport's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

Joint Venture Agreements

SNA can also meet the percentage goal by including any business operated through a joint venture agreement that includes a certified ACDBE as one of the participants. The FAA has issued guidance for counting ACDBE participation in joint venture agreements. SNA will count such participation in strict accordance with the Guidance.

Consultation with Stakeholders (23.43)

Comments and input have been solicited from the following list of organizations as well as current concessionaires and ACDBEs through emails and follow-up calls. As of this date, no comments have been received. In addition, airport staff will conduct meetings with stakeholders, including trade and minority/women business organizations, ACDBE firms and current concessionaires in conjunction with soliciting any new opportunity.

Organizations

Airport Minority Advisory Council

Asian Business Association of Orange County

Black Chamber of Commerce of Orange County

Hispanic Chamber of Commerce of Orange County

The National Minority Business Council

Vietnamese American Chamber of Commerce, Orange County

Attachment 1
ACDBE GOAL and METHODOLOGY
Food/Beverage and Retail Concessions
John Wayne Airport
December 1, 2020

Background

John Wayne Airport (the "Airport") will be resoliciting all of its food/beverage and retail concessions during the FFY 2021-2023 goal period.

In accordance with 49 CFR Part 23 we have conducted research to determine an appropriate ACDBE goal for the concessions to be developed under the new agreements. The methodology for setting the goal for the agreement is included in this report.

49 CFR Part 23 provides the following guidance for establishing concession goals:

§ 23.51(a) Your objective in setting a goal is to estimate the percentage of the base calculated under §§23.47–23.49 that would be performed by ACDBEs in the absence of discrimination and its effects.

(1) This percentage is the estimated ACDBE participation that would occur if there were a "level playing field" for firms to work as concessionaires for your airport.

(2) In conducting this goal setting process, you are determining the extent, if any, to which the firms in your market area have suffered discrimination or its effects in connection with concession opportunities or related business opportunities.

(3) You must complete the goal-setting process separately for each of the two overall goals identified in §23.41 of this part.

(b) (1) Each overall concessions goal must be based on demonstrable evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in your ACDBE program (hereafter, the "relative availability of ACDBEs").

(2) You cannot simply rely on the 10 percent national aspirational goal, your previous overall goal, or past ACDBE participation rates in your program without reference to the relative availability of ACDBEs in your market.

(3) Your market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located. Your market area may be different for different types of concessions.

Market Area

There are eleven (11) companies currently involved in operating food/beverage and retail contracts at the airport. Five are national companies with a presence in California outside of SNA. Five of the participating firms are small businesses based in California. One firm is based in Georgia. Given this, we believe that the appropriate market area for potential concessionaires for this opportunity is the State of California since 90% of the participating firms are either based in California or national firms with a significant presence in California.

Goal-Setting Step I

The regulation provides the following examples of potential approaches for accomplishing Step 1, determining the base figure, as follows:

23.51(c) Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs. The following are examples of approaches that you may take toward determining a base figure. These examples are provided as a starting point for your goal setting process. Any percentage figure derived from one of these examples should be considered a basis from which you begin when examining the evidence available to you. These examples are not intended as an exhaustive list. Other methods or combinations of methods to determine a base figure may be used, subject to approval by the FAA.

(1) Use DBE Directories and Census Bureau Data. Determine the number of ready, willing and able ACDBEs in your market area from your ACDBE directory. Using the Census Bureau's County Business Pattern (CBP) data base, determine the number of all ready, willing and able businesses available in your market area that perform work in the same NAICS codes. Divide the number of ACDBEs by the number of all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

2) Use an Active Participants List. Determine the number of ACDBEs that have participated or attempted to participate in your airport concessions program in previous years. Determine the number of all businesses that have participated or attempted to participate in your airport concession program in previous years. Divide the number of ACDBEs who have participated or attempted to participate by the number for all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study.

(4) Use the goal of another recipient. If another airport or other DOT recipient in the same, or substantially similar, market has set an overall goal in compliance with this rule, you may use that goal as a base figure for your goal.

(5) Alternative methods. (i) You may use other methods to determine a base figure for your overall goal. Any methodology you choose must be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of ACDBEs in your market area.

We have examined each alternative. Our findings for each are as follows:

1) The utilization of DBE Directories and data from the census bureau yields the following results:

The most recent available census bureau data is for 2018. There are no codes for airport concessions, therefore we have utilized the codes listed in the chart below as they are potential specialties for concession services at the airport. NAICS codes for each concession are as listed in the chart below.

The California Unified Certification Program (CUCP) directory lists DBE/ACDBE certified firms with the various NAICS codes as shown on the chart below.

The result obtained by dividing the number of DBE/ACDBE firms in the CUCP directory by the census data for each code is as shown below.

ACDBE Availability (CUCP Directory ACDBE/DBE/2018 Census)				
Trade Description	NAICS	Census	CUCP	% DBE/ACDBE
Clothing Stores	448100	11,236	16	0.14%
Shoe Stores	448210	2,802	3	0.11%
Jewelry Stores	448310	2,614	2	0.08%
Luggage and Leather Stores	448320	165	2	1.21%
Book Stores	451211	605	8	1.32%
Newsstands	451212	87	14	16.09%
Gift, Novelty, and Souvenir Stores	453220	2,204	36	1.63%
Total Retail		19,713	81	0.41%
Food Service Contractors	722310	2,315	21	0.91%
Drinking Places	722410	3,328	9	0.27%
Restaurants and Other Eating Places	722500	76,226	41	0.05%
Total Food/Beverage		81,869	71	0.09%

In addition, we looked at information from the 2017 Annual Business Survey which includes data for minority- and women-owned firms. The results are as follows:

2017 Annual Business Survey - California (Firms With Paid Employees)			
Trade Description	TL CA	Minority/Women	
Clothing Stores	7546	5072	67.2%
Shoe Stores	678	184	27.1%
Jewelry Stores	2002	1186	59.2%
Luggage and Leather Stores	97	71	73.2%
Book Stores/Newsstands	451	212	47.0%
Gift, Novelty, and Souvenir Stores	1555	1006	64.7%
Total Retail	12329	7731	62.7%
Food Service Contractors	496	175	35.3%
Drinking Places	3173	691	21.8%
Restaurants and Other Eating Places	55324	31755	57.4%
Total Food/Beverage	58993	32621	55.3%

The 2017 Annual Business Survey provides data for the number of firms that are owned by minorities and women at a broad level. We have elected not to use this data for a number of reasons, including the fact that not all minority- or women-owned firms will qualify as ACDBE firms.

- 2) The second example provided is the use of an active participants list. Since there are currently only eleven (11) participants in the program, we believe the number is too small to be relevant.

- 3) The third example provided by the regulation is to use data from a disparity study. There is currently no disparity study for the geographic region.
- 4) The fourth example provided is to use the goal of another DOT recipient. We have elected not to use the goal of another recipient as circumstances at the nearest two airports, Los Angeles International and San Diego International, are not comparable to the circumstances at John Wayne Airport.
- 5) The fifth example is to use an alternative method. We propose to average the Directory/Census data with the Annual Business Survey as an alternative method to consider in setting the goal for the food/beverage and retail concessions.

Summary of Data to Be Considered

Methodology	Result	Comments
Directory/Census	Retail - 0.4%	Directory data is not comprehensive. Census data is over-inclusive, containing all firms operating in the NAICS code, not necessarily ready, willing and able to perform the contract.
	Food/Beverage - 0.1%	
Annual Business Survey	Retail - 62.7%	Not all firms are ready, willing, and able to perform in airport concessions as the actual number of participants is much smaller than the total number of firms in the state.
	Food/Beverage - 55.3%	

As shown above, each of the potential methodologies has drawbacks and issues. Averaging the above results in the following:

$$\text{Retail: } 0.4\% + 62.7\% = 63.1\% \div 2 = 31.6\%$$

$$\text{Food/Beverage: } 0.1\% + 55.3\% = 55.4\% \div 2 = 27.7\%$$

We therefore propose the base goal for retail at 31.6% and for food/beverage at 27.7%.

The base goal will be adjusted as described in the adjustment section of the overall goal document.

ACDBE GOAL and METHODOLOGY
Car Rental Concessions
John Wayne Airport
December 1, 2020

Background

John Wayne Airport (“SNA”) currently has seven (7) different on-airport car rental brands. Car rental concession revenues were approximately \$130 million annually pre-COVID-19 and purchases were approximately \$128 million annually.

In accordance with the regulation regarding ACDBE participation in Airport Concessions, we have conducted research to determine an appropriate ACDBE goal for car rental concessions at the airport. The methodology for setting the goals is included in this report.

49 CFR Part 23 provides the following guidance for establishing concession goals:

§ 23.51(a) Your objective in setting a goal is to estimate the percentage of the base calculated under §§23.47–23.49 that would be performed by ACDBEs in the absence of discrimination and its effects.

(1) This percentage is the estimated ACDBE participation that would occur if there were a “level playing field” for firms to work as concessionaires for your airport.

(2) In conducting this goal setting process, you are determining the extent, if any, to which the firms in your market area have suffered discrimination or its effects in connection with concession opportunities or related business opportunities.

(3) You must complete the goal-setting process separately for each of the two overall goals identified in §23.41 of this part.

(b) (1) Each overall concessions goal must be based on demonstrable evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in your ACDBE program (hereafter, the “relative availability of ACDBEs”).

(2) You cannot simply rely on the 10 percent national aspirational goal, your previous overall goal, or past ACDBE participation rates in your program without reference to the relative availability of ACDBEs in your market.

(3) Your market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located. Your market area may be different for different types of concessions.

Counting Participation in Car Rentals

As provided and permitted by 49 CFR part 23, we have elected to set the SNA Car Rental concession goal based on the purchase of goods/services. The regulation provides for counting ACDBE participation for car rentals as follows:

§ 23.53 How do car rental companies count ACDBE participation toward their goals?

(a) As a car rental company, you may, in meeting the goal the airport has set for you, include purchases or leases of vehicles from any vendor that is a certified ACDBE.

(b) As a car rental company, if you choose to meet the goal the airport has set for you by including purchases or leases of vehicles from an ACDBE vendor, you must also submit to the recipient documentation of the good faith efforts you have made to obtain ACDBE participation from other ACDBE providers of goods and services.

(c) While this part does not require you to obtain ACDBE participation through direct ownership arrangements, you may count such participation toward the goal the airport has set for you.

(d) The following special rules apply to counting participation related to car rental operations:

(1) Count the entire amount of the cost charged by an ACDBE for repairing vehicles, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.

(2) Count the entire amount of the fee or commission charged by an ACDBE to manage a car rental concession under an agreement with the concessionaire toward ACDBE goals, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.

(3) Do not count any portion of a fee paid by a manufacturer to a car dealership for reimbursement of work performed under the manufacturer's warranty.

(e) For other goods and services, count participation toward ACDBE goals as provided in part 26, §26.55 and §23.55 of this part. In the event of any conflict between these two sections, §23.55 controls.

(f) If you have a national or regional contract, count a pro-rated share of the amount of that contract toward the goals of each airport covered by the contract. Use the proportion of your applicable gross receipts as the basis for making this pro-rated assignment of ACDBE participation.

Example to paragraph (f): Car Rental Company X signs a regional contract with an ACDBE car dealer to supply cars to all five airports in a state. The five airports each account for 20 percent of X's gross receipts in the state. Twenty percent of the value of the cars purchased through the ACDBE car dealer would count toward the goal of each airport.

Market Area

The Car Rental Concessions at SNA are currently operated by seven (7) companies. Based on the types of goods/services purchased by the firms (e.g. auto repair, insurance, fuel, etc.), we have determined that the market area for the purchase of goods and services, with the exception of vehicle purchases, is the State of California. The geographic region for the purchase of vehicles varies depending on the operator with some purchasing from dealerships within the state and others from various areas of the country, including from manufacturers. We will, therefore, use a national geographic region for vehicle purchases.

Goal-Setting Step I

The regulation provides the following examples of potential approaches for accomplishing Step 1, determining the base figure, as follows:

23.51(c) Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs. The following are examples of approaches that you may take toward determining a base figure. These examples are provided as a starting

point for your goal setting process. Any percentage figure derived from one of these examples should be considered a basis from which you begin when examining the evidence available to you. These examples are not intended as an exhaustive list. Other methods or combinations of methods to determine a base figure may be used, subject to approval by the FAA.

(1) Use DBE Directories and Census Bureau Data. Determine the number of ready, willing and able ACDBEs in your market area from your ACDBE directory. Using the Census Bureau's County Business Pattern (CBP) data base, determine the number of all ready, willing and able businesses available in your market area that perform work in the same NAICS codes. Divide the number of ACDBEs by the number of all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

2) Use an Active Participants List. Determine the number of ACDBEs that have participated or attempted to participate in your airport concessions program in previous years. Determine the number of all businesses that have participated or attempted to participate in your airport concession program in previous years. Divide the number of ACDBEs who have participated or attempted to participate by the number for all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study.

(4) Use the goal of another recipient. If another airport or other DOT recipient in the same, or substantially similar, market has set an overall goal in compliance with this rule, you may use that goal as a base figure for your goal.

(5) Alternative methods. (i) You may use other methods to determine a base figure for your overall goal. Any methodology you choose must be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of ACDBEs in your market area.

We have decided to use the DBE Directories and Census Bureau Data method for determining availability as follows:

The most recent available census bureau data is for 2018. The NAICS codes for the various trades typically utilized by car rental concessions was determined through a survey of car rental concessionaires and research and are shown on the chart below.

Table 1 – U.S. Census / California Unified Certification Program Directory				
Description	NAICS	Census	Directory	DBE/ACDBE %
Accounting	541211	7,343	6	0.08%
Asset Recovery	561491	95	0	0.00%
Auto Body Repair	811121	4,246	11	0.26%
Auto Parts	423120	1,992	0	0.00%
Auto Repair	811111	9,549	11	0.12%
Auto Transport	484230	805	14	1.74%
Backflow Testing	238220	10,492	13	0.12%

Table 1 – U.S. Census / California Unified Certification Program Directory				
Description	NAICS	Census	Directory	DBE/ACDBE %
Background Checks	541612	1,300	95	7.31%
Building Security	561621	778	22	2.83%
Car Dealerships ¹	441110	1,918	0	0.00%
Car Wash Maintenance	423850	538	5	0.93%
Cleaning Supplies	423850	538	5	0.93%
Computer Support/Materials	423430	1,533	8	0.52%
Concrete Maintenance	238110	1,840	61	3.32%
Consulting	541611	11,430	130	1.14%
Delivery Svc	492110	1,092	7	0.64%
Device Repair & Maintenance	811211	224	0	0.00%
Door Maintenance/Repair	236220	4,378	48	1.10%
Drug Testing	621999	488	5	1.02%
Electrical	238210	8,824	44	0.50%
Elevator Maintenance	238290	703	7	1.00%
Equipment Rental (GPS)	532210	359	0	0.00%
Fire Safety	423990	1,626	26	1.60%
Fire Suppression	423990	1,626	26	1.60%
First Aid	424210	1,974	1	0.05%
Fuel/Oil/Energy	424720	212	5	2.36%
GPS Devices	334220	167	2	1.20%
HVAC Maintenance	238220	10,492	13	0.12%
Insurance	524210	14,584	6	0.04%
Janitorial Services	561720	5,730	105	1.83%
Keys/Locks	561622	479	1	0.21%
Legal Services	541110	22,334	9	0.04%
Luggage Carts/Wheelchairs	423450	1,407	7	0.50%
Office Expense	424120	533	5	0.94%
Pest Control	561710	1,798	6	0.33%
Plumbing	238220	10,492	13	0.12%
Printing	323111	2,159	2	0.09%
Roadside Assistance	488410	1,158	0	0.00%
Security	561621	778	22	2.83%
Signage	323111	2,159	2	0.09%
Tires	423130	273	0	0.00%
Towing	488410	1,158	0	0.00%
Uniforms	812331	114	1	0.88%
Uniform Cleaning	811122	162	1	0.62%
Windshield Repair	811122	629	1	0.16%

¹Car dealership ACDBE availability is based on a national geographic region using the national DBE-Connect database.

We have weighted the availability calculations based on information obtained from car rental companies as follows:

Table 2 – Weighted ACDBE Availability (Based on Directory/Census)				
Description	NAICS	Total* (A)	DBE/ACDBE % (B) [From Table 1]	DBE/ACDBE \$ (A X B)
Accounting	541211	0.10%	0.08%	0.00%
Asset Recovery	561491	0.00%	0.00%	0.00%
Auto Body Repair	811121	0.70%	0.26%	0.00%
Auto Parts	423120	0.20%	0.00%	0.00%
Auto Repair	811111	4.60%	0.12%	0.01%
Backflow Testing	238220	0.00%	0.12%	0.00%
Background Checks	541612	0.00%	7.31%	0.00%
Building Security	561621	0.00%	2.83%	0.00%
Car Wash Maintenance	423850	0.30%	0.93%	0.00%
Cleaning Supplies	423850	0.00%	0.93%	0.00%
Computer Support/Materials	423430	0.10%	0.52%	0.00%
Concrete Maintenance	238110	0.50%	3.32%	0.02%
Consulting	541611	0.10%	1.14%	0.00%
Delivery Svc	492110	0.00%	0.64%	0.00%
Device Repair & Maintenance	811211	0.00%	0.00%	0.00%
Door Maintenance/Repair	236220	0.10%	1.10%	0.00%
Drug Testing	621999	0.00%	1.02%	0.00%
Electrical	238210	0.10%	0.50%	0.00%
Elevator Maintenance	238290	0.40%	1.00%	0.00%
Equipment Rental (GPS)	532210	0.00%	0.00%	0.00%
Fire Safety	423990	0.00%	1.60%	0.00%
Fire Suppression	423990	0.00%	1.60%	0.00%
First Aid	424210	0.00%	0.05%	0.00%
Fuel/Oil/Energy	424720	12.30%	2.36%	0.29%
GPS Devices	334220	0.10%	1.20%	0.00%
HVAC Maintenance	238220	0.10%	0.12%	0.00%
Insurance	524210	2.10%	0.04%	0.00%
Janitorial Services	561720	1.00%	1.83%	0.02%
Keys/Locks	561622	0.00%	0.21%	0.00%
Legal Services	541110	0.00%	0.04%	0.00%
Luggage Carts/Wheelchairs	423450	0.00%	0.50%	0.00%
Office Expense	424120	0.10%	0.94%	0.00%
Pest Control	561710	0.00%	0.33%	0.00%

Table 2 – Weighted ACDBE Availability (Based on Directory/Census)				
Description	NAICS	Total* (A)	DBE/ACDBE % (B) [From Table 1]	DBE/ACDBE \$ (A X B)
Plumbing	238220	0.00%	0.12%	0.00%
Printing	323111	0.00%	0.09%	0.00%
Roadside Assistance	488410	0.00%	0.00%	0.00%
Security	561621	0.20%	2.83%	0.01%
Signage	323111	0.00%	0.09%	0.00%
Tires	423130	1.60%	0.00%	0.00%
Towing	488410	0.10%	0.00%	0.00%
Transport (Auto)	484230	1.70%	1.74%	0.03%
Uniform Cleaning	812331	0.00%	0.62%	0.00%
Uniforms	812331	0.00%	0.88%	0.00%
Windshield Repair	811122	0.10%	0.16%	0.00%
Total (Excluding Vehicle Purchases)		26.7%	1.43%	0.38%
Vehicle Purchases (Car Dealerships)		73.3%	0.02%	0.15%
Total Purchases		100.0%		0.53%

*Weighting of categories determined by a general ledger analysis of all purchases conducted for San Diego International Airport rental car companies. Information specific to SNA is not available, however the purchases should be comparable at the two airports.

We therefore propose the base goal at 0.53%.

Step 2 - Examine the data to determine what adjustment, if any, is needed to the Base Figure

The ACDBE regulation provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in a concession program, as measured by the volume of work ACDBEs have performed in recent years. We have reviewed the ACDBE achievement for the most recent three-year period for car rental purchases to provide for an adjustment of the base goal as follows. A significant portion of past participation was achieved through the purchase of Vehicles from Ford of Santa Monica (“SM Ford”). SM Ford was sold in FFY 2019 and is no longer a certified ACDBE. We have calculated the accomplishment for each of the three years excluding SM Ford as follows.

Table 3 – Past History of ACDBE Participation				
Year	Total Purchases	ACDBE Purchases	ACDBE %	ACDBE % w/o Car Purchases (SM Ford)
2019	\$136,420,139	\$8,224,768	6.0%	0.9%
2018	\$128,408,389	\$11,501,525	9.0%	0.9%
2017	\$121,872,744	\$21,622,412	17.7%	1.0%

Base goal of 0.5% + Median ACDBE Participation
(2017-2019, excluding SM Ford) of 0.9% = 1.4%
1.4% ÷ 2 = 0.7%

There is no other relevant data to support an adjustment to the base goal. Therefore, the proposed overall ACDBE goal for the three-year period commencing October 1, 2020 and ending September 30, 2023 is 0.7%.

Proposed Overall Three-Year Goal for Car Rental for FFY 2021-2023 = 0.7%

Race-Neutral/Race-Conscious Recommendation

SNA has not completed an Availability and Disparity Study. We do not have sufficient evidence of discrimination to establish a race-conscious goal. We therefore propose the goal as a race-neutral goal.

Consultation with Stakeholders (23.43)

We have solicited comments from the following list of organizations as well as current car rental concessionaires and ACDBE participants through emails and follow-up calls. As of this date, no comments have been received.

Organizations

- Airport Minority Advisory Council
- Asian Business Association of Orange County
- Black Chamber of Commerce of Orange County
- Hispanic Chamber of Commerce of Orange County
- The National Minority Business Council
- Vietnamese American Chamber of Commerce, Orange County