

10/2/2018: DRAFT GOAL FOR COMMENT

# Walla Walla Regional Airport Walla Walla, Washington

## FY 2018-2019

### Overall Goal for the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program



**Attachment 5**

**Section 23.45: Overall Goal Calculation for Car Rentals**

**Amount of Goal** *(submit if average annual gross receipts exceed \$200,000)*

**Name of Recipient:** Walla Walla Regional Airport

**Goal Period:** FY 2018-2019 – October 1, 2017 through September 30, 2019

**Overall Three-Year Goal:**

0.10%, to be accomplished through 0% RC and 0.10% RN

**ACDBE CAR RENTAL GOAL METHODOLOGY**

**Market Area**

The Port of Walla Walla has determined that the Walla Walla Regional Airport will look at two market areas for the car rental goods and services. The majority of the goods and services will come from Walla Walla, Columbia, Benton and Franklin Counties in Washington. These are designated in Table 2 with an asterisk. The market area for the remaining goods and services will be the entire state of Washington.

The market area is 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.

**Base of Car Rental Goal**

To calculate the base of the goal, the Port of Walla Walla considered the previous 3 years of gross concession receipts and the projected potential concession review (gross receipts) three years into the future including upcoming new opportunities.

The gross revenues generated by car rental agencies at the Walla Walla Regional Airport over the past three fiscal years are shown in Table 1 below:

**Table 1  
Gross Receipts (Revenue) for Previous 3 Years - Car Rental Concessions**

<b>Fiscal Year</b>	<b>Concessions Revenue</b>
2014	\$681,741
2015	\$720,020
2016	\$725,707

<b>Total</b>	<b>\$2,127,468</b>
<b>Average</b>	<b>\$709,156</b>

The Airport estimates that revenues to existing car rental concessions will grow 4% over the next three years due to projected increase in passenger enplanements.

<b>Fiscal Year</b>	<b>Anticipated Revenue</b>
2016	\$725,707 (actual)
2017 4% Growth	\$754,735
2018 4% Growth	\$784,925
2019 4% Growth	\$816,321
<b>Average</b>	<b>\$785,327</b>

Therefore, the recipient's base of goal is the average car rental revenue of \$785,327.

The current on-site car rental agreements expire on 12/31/2021. The off-site car rental agreement is a month-to-month term. There is opportunity for two car rental operators to lease space to operate at the Walla Walla Regional Airport. However, at this time, there are no ACDBE car rental companies. ACDBE opportunities for goods and services will be available during the goal period. The new agreements will require a specific ACDBE outreach plan and participation goal. In addition, it will require the detailed reporting of goods and services purchases on a quarterly basis.

The other possible car rental concession opportunities during this goal period are limited to the purchase of goods and services. A list of potential goods and service providers follows this section.

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, the Sponsor will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i))

### **Methodology used to Calculate Overall Goal**

#### **Goods and Services**

We will calculate the ACDBE goal by determining the available firms to provide goods and services at the airport. The number of firms providing goods and services from ACDBEs may be added to the numerator, and the number of firms providing goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

#### **Step 1: 23.51(c)**

The methodology used to determine a base figure of ACDBE car rental participation is to obtain the

number of ready, willing and able ACDBE firms that provide goods and services to the car rental agencies and dividing that number by the total number of ready, willing, and able firms in the market area. In some instances, the search for the firms was done in the Walla Walla region. In other instances, it was state-wide. The services believed to be most likely local are noted by an asterisk.

Numerator: Ready, willing, and able car rental ACDBEs in the market area

Denominator: All ready, willing and able car rental concession firms in the market area

**Table 2 – Firms in Market Area**

Description		NAICS	Census	DBE Directory	DBE/ACDBE %
New Car Dealers		441110	429	0	0.00%
Automotive Supply Stores	*	441310	40	0	0.00%
Office Supply and Stationary Stores	*	453210	13	0	0.00%
Insurance Agent Broker	*	524210	103	0	0.00%
Car Rental Companies		532111	188	0	0.00%
Accounting	*	541211	38	0	0.00%
Drug Testing		621999	86	1	1.16%
General Automotive Repairs	*	811111	62	0	0.00%
Automotive Exhaust Repairs	*	811112	5	0	0.00%
Automotive Body, Paint, and Interior Repairs	*	811121	26	0	0.00%
Automotive Glass Replacement	*	811122	14	0	0.00%
Automotive Oil Change	*	811191	11	0	0.00%
Automotive Detailing Services	*	811192	23	0	0.00%
Total:			1038	1	0.10%

\* - Market Area:

WA: Walla Walla County, Columbia County,  
Benton County, Franklin County

**Base Figure:  $1 / 1038 = 0.10\%$** 

The data source or demonstrable evidence used to derive the **numerator** was:

The Washington State OMWNE Directory of Certified Firms, found on <https://omwbe.diversitycompliance.com/>.

The data source or demonstrable evidence used to derive the **denominator** was:

The American Fact Finder tool on [www.factfinder.census.gov](http://www.factfinder.census.gov)

When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for car rental concessions of: 0.10%.

**Step 2: EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE 23.51(d)**

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal. This figure may be adjusted based on local supporting evidence, such as historic participation, disparity study information, and local availability of ACDBE firms.

In order to reflect as accurately as possible, the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 0 %. Our overall goal for car rental concessions is 0.10%

**Past Participation**

The Walla Walla Regional Airport has not been tracking ACDBE participation previously, therefore there is no basis for adjusting the base figure due to past participation.

**Disparity Study**

There are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.

**Goal Adjustment**

Based on the lack of past participation and no disparity study results to date, no adjustment to the base figure found in Step 1 will be considered. The Airport will maintain the goal at 0.10%

## PUBLIC PARTICIPATION

### **Consultation:** Section 23.43.

In accordance with 49 CFR Part 23 requirements, the Port of Walla Walla solicited public input on this proposed ACDBE goal after the final draft was completed. This solicitation included:

1. The proposed ACDBE goal was forwarded to the car rental concessionaires.
2. A notice of the proposed goal was published on the airport's website and the goal was available for inspection for 30 days following the date of the notice. Written comments were also accepted for 45 days after the date of publication. The public notice is shown below.

### **PUBLIC NOTICE**

The Port of Walla Walla hereby announces its FY 2018-2019 Airport Concessions Disadvantaged Business Enterprise (ACDBE) Race-Neutral goal of 0.10%. The proposed goal and rationale are available for inspection between 8:00 a.m. and 4:00 p.m., Monday through Friday at the Walla Walla Regional Airport office, 310 A Street, Walla Walla, WA for 30 days from the date of this publication.

Comments on the overall goal will be accepted for 45 days from the date of this publication and may be sent to:

Port of Walla Walla  
Jennifer Skoglund, Airport Manager  
(509) 525-3100  
310 A Street  
Walla Walla, Washington 99362

or  
Federal Aviation Administration  
Civil Rights Staff, ASW-9  
PO Box 92007  
Los Angeles, CA 90009

The Port of Walla Walla will include a summary of information and comments received and the airport's responses during the public participation process.

### **Breakout of Estimated Race-Neutral & Race Conscious Participation** **Section 23.51**

The Port of Walla Walla will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Port of Walla Walla uses the following race-neutral measures.

We understand that we will be expected to actually take these steps, and this is not merely a paper exercise.

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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process; and
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

We estimate that, in meeting our overall goal of 0.10%, we will obtain 0.10% from race-neutral participation and 0% through race-conscious measures.

If we project that race-neutral measures, standing alone, are not sufficient to meet an overall goal, we will use the following race-conscious measures to meet the overall goal:

1. We will negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use concession specific goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal; ACDBE participation on a prime contract exceeding a concession specific goal; and ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.