



**Port of Portland FY 15-17  
Airport Concessions Disadvantaged Business Enterprise Goal  
Portland International Airport**

**Name of Recipient:** Port of Portland

**Airport:** Portland International Airport

**Goal Period:** FY 2015, 2016, 2017

**Overall Three-Year Goal for Non-Car Rental Concessions:**

*12.9%, to be accomplished through 7.5% RC and 5.4% RN*

**Overall Three-Year Goal for Car Rental Concessions:** 1.3% to be accomplished through 0% RC and 1.3% RN

The Port has determined that its market area is the State of Oregon

## Overall Goal Calculations for Non-Car Rental Concessions

### Market Area for Non-Car Rental Concessionaires

The Port has determined that its market area are businesses and concessionaires that register as potential vendors, suppliers or concessionaires on the Port's vendor registration located on the Port's website. The Port requires businesses interested in competing for Port business opportunities to register on the Port's Planet Bids vendor registration website as an indication that the businesses are ready, willing and able to compete for Port business opportunities. Once registered, the businesses are identifiable in an online data base.

### Base of Goal

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

**Table 1:**  
**Gross Receipts for Previous 3 Years - Non-Car Rental Concessions**

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2011	\$80,990,664.00
2012	\$87,610,591.00
2013	\$95,872,955.00
<b>Total</b>	<b>\$264,474,210.00</b>
<b>Average</b>	<b>\$88,158,070.00</b>
<b>5.13%</b>	<b>3 year Estimated Growth</b>
<b>Base Goal</b>	<b>\$92,679,482.03</b>

The Port estimates that revenues to existing concessions will grow by 5% over the next three years due to inflation, increased passenger activity.

The concession opportunities anticipated during this goal period are:

**Table 2: Concession Opportunities FY 15-17**

Category	Type	Number	Est. Gross Receipts
Food and Beverage	Coffee	10	\$33,153,216.15
Food and Beverage	Restaurant & Bar	9	\$18,230,633.93
News & Gifts	Retail	12	\$21,308,807.39
Food & Beverage	Food Carts	36	\$9,000,000.00
Services	Spa	1	\$103,152.08
Specialty	Advertising	1	\$1,033,090.20
Specialty	Banking Services	1	\$212,283.00
	<b>Total</b>		<b>\$83,041,182.76</b>

With estimated gross receipts of \$83,084,182.76

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.

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 Port will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to 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**

The Port may meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. The Port, 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**

The Port may meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The Port, and the businesses at 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. *While the we understand this appears to go against the normal rationale for goal-setting, this method is required by goal setting guidelines set forth in CFR 49 Part 23.47.*

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

The Port determined the base figure for the relative availability of ACDBEs other than car rentals. The base figure was calculated as follows:

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

\_\_\_\_\_ divided by \_\_\_\_\_

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

Table: 3

**Determination of Relative Availability of ACDBEs (Non-Car Rental)**

Concession Activity	NAICS codes	ACDBE Firms	All Firms	Relative Availability
Advertising	541850	3	46	6.52%
Food & Beverage	722310, 722330	15	239	6.28%
Passenger Services (Spa)	812199	1	3	33.33%
News & Gifts	451212, 453220, 452990	11	104	10.58%
Banking Services	522110, 522120	0	4	0.00%
		30	396	
<b>Step One Base Figure =</b>				<b>7.58%</b>

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

The ACDBE certified firms listed online with the state certification office; the Office of Minority, Women and Emerging Small Business; the directory can be located online at [www.oregon4biz.com/certification](http://www.oregon4biz.com/certification)

A list of the NAICS Codes used in determining the availability of ACDBE firms can be located in table 3 of the goal methodology.

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

The Ports vendor registration database, Planet Bids. The database was used to indicate which registered vendors indicated “Concessions Opportunities” as one of their business functions.

The numerator was divided by the denominator to attain the Step 1 base figure for the Port’s overall goal for non-car rental concessions of: 7.58%

## Step 2:

After calculating a base figure of the relative availability of ACDBEs, the Port examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible the ACDBE participation the Port would expect in the absence of discrimination, the Port has adjusted its base figure by 5.32%. The Port's overall goal for non-car rental concessions is 12.9%

The data used to determine the adjustment to the base figure was:

### **Past History Participation**

*Data used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments*

FY	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
9	3.40%	8.30%	11.70%	3.40%	12.43%	15.59%
10	0.00%	13.00%	13.00%	0.00%	12.00%	12.05%
11	0.00%	13.00%	13.00%	0.00%	21.86%	21.86%
12	0.00%	23.50%	23.50%	0.00%	18.18%	18.18%
13	0.00%	23.50%	23.50%	0.00%	20.11%	20.11%

Arranging this historical data from low to high, (12.05%, 15.59%, 18.18%, 20.11%, 21.86%) the median is 18.18%.

To arrive at an overall goal, the Step 1 base figure of 7.58% was added to the Step 2 adjustment figure of 18.18% and then averaged the total arriving at an overall goal of 12.9%. The Port believes this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 3-year period.

## **Public Participation**

To solicit consultation regarding the Port's ACDBE program, the goal has been posted on the Port's website [http://www.portofportland.com/SROS\\_SB\\_Home.aspx](http://www.portofportland.com/SROS_SB_Home.aspx). Interested parties are invited to comment regarding ACDBE availability, effects of discrimination on ACDBE opportunities, and the Port's efforts to solicit ACDBE participation.

In addition, the ACDBE Program and goal methodology was disseminated to the following organizations:

- Metropolitan Hispanic Chamber of Commerce
- Philippine American Chamber of Commerce
- African American Chamber of Commerce
- Oregon Association of Minority Entrepreneurs
- Oregon Governor's Office of Economic and Business Equity
- Astra Women's Business Alliance
- Portland Business Alliance
- Native American Chamber of Commerce Oregon
- Asian Pacific American Chamber of Commerce

No comments have been received.

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

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

The Port understands that it 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. 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.

Past participation indicated solicitations without race-conscious goals had zero ACDBE participation in goods and services or management contracts indicating race-conscious efforts are still needed to increase ACDBE participation in these areas. For this reason the Port has set the RC/RN breakout as follows:

The Port estimates that, in meeting its overall goal of 12.9%, it will obtain 5.4% from race-neutral participation and 7.5% through race-conscious measures.

The following is a summary of the basis of

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

1. Establish concession-specific goals for particular concession opportunities.
2. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.
3. Negotiate with potential concessionaires to meet goals using ACDBE certified goods and service providers in their concession business.

In order to ensure that the Port's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, the Port will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and 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 an 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.

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

## Overall Goal Calculation for Car Rentals

### Base of Car Rental Goal

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

<b>Gross Receipts (Revenue) for Previous 3 Years - Car Rental Concessions</b>	
<b>Federal Fiscal Year</b>	<b>Car Rental Gross Receipts</b>
2011	\$102,348,537.62
2012	\$144,122,713.00
2013	\$177,229,639.00
<b>Total</b>	<b>\$423,700,889.62</b>
<b>Average</b>	<b>\$141,233,629.87</b>

The Port does not anticipate any major changes that would increase or decrease concession revenues over next three years. Therefore, the recipient's base of goal is the average car rental revenue of \$141,233,629.87.

The car rental concession opportunities anticipated during this goal period are:

*Good and Services such as Insurance, Automobiles, Automobile Repairs, with estimated gross receipts of \$187,692,059.00*

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 Port will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to 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 can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. 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.

**Step 1: 23.51(c)**

We determined the Step 1 base figure for the relative availability of ACDBEs for car rentals. The base figure was calculated as follows:

We looked at past participation for goods and service purchases used in business conducted at the airport for car rentals and used the average ACDBE participation for FY 11-13 as the numerator. We then looked at car rental goods and services opportunities for 2015-2017 and used that number as the denominator.

<b>Federal Fiscal Year</b>	<b>Amount spent on Goods &amp; Services</b>	<b>Amount spent on ACDBE Goods &amp; Services Providers</b>
2011	\$56,147,181.00	\$1,155,554.00
2012	\$78,276,407.00	\$1,206,538.00
2013	\$53,268,471.00	\$1,308,992.00
<b>Total</b>	<b>\$187,692,059.00</b>	<b>\$3,671,084.00</b>
	<b>All Goods &amp; Services Purchases</b>	\$187,692,059.00
	<b>ACDBE Goods and Services Purchases</b>	\$3,671,084.00
	<b>Base Goal (All divided by ACDBE)</b>	<b>1.96%</b>

**Step 2: 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.

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 0.76%. Our overall goal for non-car rental concessions is 2.72%

The data used to determine the adjustment to the base figure was:

**Past History Participation**

*Data used to determine the adjustment to the base figure was the median of historical Car Rental ACDBE accomplishments*

FY	Car Rental ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
11	0.00%	15.00%	15.00%	0.00%	2.06%	2.06%
12	0.00%	2.00%	2.00%	0.00%	0.5%	0.5%
13	0.00%	2.00%	2.00%	0.00%	0.6%	0.6%

Arranging this historical data from low to high (0.5%, 0.6%, 2.06%) the median is 0.6%

To arrive at an overall goal, we added our Step 1 base figure of 1.96% with our Step 2 adjustment figure of 0.6% and then averaged the total arriving at an overall goal of 1.3%. We feel this adjusted goal figure will accurately reflect ACDBE car rental concession participation that can be achieved during this 3-year period.

## PUBLIC PARTICIPATION

**Consultation:** Section 23.43.

To solicit consultation regarding our Car Rental ACDBE program, the goal has been posted on the Port's website [http://www.portofportland.com/SROS\\_SB\\_Home.aspx](http://www.portofportland.com/SROS_SB_Home.aspx). Interested parties are invited to comment and regarding ACDBE availability, effects of discrimination on ACDBE opportunities, and the Port's efforts to solicit ACDBE participation.

In addition, the ACDBE Program and goal methodology was disseminated to the following organizations:

- Metropolitan Hispanic Chamber of Commerce
- Philippine American Chamber of Commerce
- African American Chamber of Commerce
- Oregon Association of Minority Entrepreneurs
- Oregon Governor's Office of Economic and Business Equity
- Astra Women's Business Alliance
- Portland Business Alliance
- Native American Chamber of Commerce Oregon
- Asian Pacific American Chamber of Commerce

No comments have been received.

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

The Port will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Port 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 goods and service providers under 49 CFR Part 23;
2. Identifying current small business goods and service providers and notifying them of ACDBE opportunities and encouraging ACDBE certification as appropriate.
3. Notifying ACDBEs of car rental concession opportunities and encouraging them to compete, when appropriate;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Port's ACDBE car rental program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to car rental concessionaires at the port to assist them in obtaining ACDBE participation.
6. Establish a business development program (see 49 CFR Part 26.35); technical assistance program to foster ACDBE participation in concessions.

We estimate that, in meeting our overall goal of 1.3% we will obtain 1.3% from race-neutral participation and 0% through race-conscious measures.

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious ACDBE participation:

1. A small number of ACDBE firms who provide goods and/or services are available in our area making it difficult to set race-conscious goals on car-rental contracts.
2. Past ACDBE participation for car rentals have been achieved through race neutral measures.