

Portland International Airport
Airport Concession Disadvantaged Business Enterprise
(ACDBE)

Goal-Setting Methodology

Federal Fiscal Years 2021, 2022, and 2023
(Period Covered: October 1, 2020 – September 30, 2023)

Race & Gender-Conscious Goal: 20.48%

Executive Summary

The Port of Portland (Port) submits its triennial Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) goal and goal-setting methodology for Federal Fiscal Year (FFY) period 2021-2023 to the Federal Aviation Administration (FAA) of the United States Department of Transportation (USDOT), in accordance with Title 49 Code of Federal Regulations (CFR) Part 26.

For FFYs 2021-2023, the Port has established an overall ACDBE goal of 20.48% for Non-Car Rental Concessions and a goal of 1.45% for Car Rental Concessions. The Port plans to achieve the overall ACDBE goal through race-neutral (RN) means and race-conscious (RC) means.

To meet the requirements of 49 CFR 23, the Port of Portland (Port) completed a disparity study led by Collette Holt and Associates, a nationally recognized law and consulting firm that specializes in disparity studies.

The disparity study provided a statistical analysis of baseline ACDBE availability which was used to establish the Step 1 base figure of DBE availability in the Port's market area. The disparity study further analyzed Census Bureau and other econometric and social science evidence to determine whether there are disparities between ACDBEs and non-ACDBEs in factors impacting entrepreneurial success on Port contracts and subcontracts. It also provided anecdotal data on ACDBEs' experiences in seeking Port prime contracts and subcontracts, and whether firms owned by minorities or women have equal opportunities to compete.

The Ports goal methodology consists of two steps:

1. Establish the base figure for the relative availability of ACDBEs
2. Adjust the base figure based on analysis of available evidence

The Port used the 2018 Disparity Study to calculate the base figure of the relative availability of ACDBEs. For this methodology, the 2018 Disparity Study is the most up-to-date study conducted for the Port regarding ready, willing, and able minority-and women-owned businesses. We adjusted the base figure after an evaluation of past participation, comments from public consultation forums and one-on-one in person meetings.

Annually, the Port will monitor DBE participation for federal-aid contracts to determine if market conditions warrant adjustments to the overall DBE goal. Additionally, the Port will monitor and make necessary adjustments to the RN and RC measures toward the overall goal.

Portland International Airport
Airport Concession Disadvantaged Business Enterprise
(ACDBE) Program

Overall ACDBE Goal Setting Methodology
FFY 2021-2023

The Portland International Airport hereby submits the three- year Airport Concession Disadvantaged Business Enterprise (ACDBE) goal for Federal Fiscal Years 2021-2023.

The enclosed concession goals are submitted pursuant to 49 Code of Federal Regulations Part 23. This concession report will include the following:

- Overall ACDBE Non-Car Rental Goal for a three-year period commencing October 1, 2020 and ending September 30, 2023 for all concessions excluding car rental
- Overall ACDBE Car Rental Goal for a three-year period commencing October 1, 2020 and ending September 30, 2023 for car rentals

SECTION I OVERALL AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) NON-CAR RENTAL GOAL FOR FFY 2021-2023

A. Amount of Goal

The Port of Portland's (Port) overall Non-Car Rental goal for ACDBE participation in concessions at the Portland International Airport (excluding car rental concessions) during the period beginning October 1, 2020 and ending September 30, 2023 (federal fiscal years 2021, 2022, and 2023) is proposed at 20.48% of the Airport's total concession revenue.

B. Potential Goal Methodologies from 49 CFR Part 23

- 49 CFR Part 23.51 states, in part, as follows:
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.

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.

- 49 CFR Part 23.51 further provides for a two-step process, consisting of:

Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs.

And

Step 2. Once you have calculated a base figure, you must examine all relevant evidence reasonably available in your jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal.

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

- (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.

C. Proposed Goal Methodology

We propose to use a Disparity Study for calculating the ACDBE Non-Car Rental goals on existing and upcoming opportunities for FFY 2021 – 2023. Colette Holt & Associates (CHA) was retained by the Port of Portland to perform the study in conformance with CFR 49 part 23 to determine the availability of ACDBEs in our market area; any disparities in the ACDBE utilization and availability; and evaluate whether the use of race-conscious measures is supported by the results of this analysis. The Disparity Study was conducted in 2018 by CHA and analyzed contract data for FFY 2012 through 2016.

D. Concession Leases Throughout the Three-Year Goal Period

ACDBE goals on new and continuing concession leases through this three-year goal period will be solicited and maintained utilizing data contained in our Disparity Study. Information for each of these contracts is found below.

1. Food/Beverage

- a. **New** - Ten (10) separate Food/Beverage concession leases will be solicited in fiscal year 2023.
- b. **Continuing** - Thirty-Nine (39) Food/Beverage concession leases will continue for

the duration of this three-year goal period. Seven (7) concessionaires will open at the completion of our Concourse E expansion in fiscal year 2021.

- c. **Closure/Relocation** (*due to our Terminal Core Construction Project*). - Nine (9) concession leases will expire and their locations permanently closed (4 in FY21 and 5 FY23). Six (6) concession locations will temporarily close for permanent relocation in FY23.
- d. **Goal** - As described above, a Disparity Study was conducted and an overall race-conscious ACDBE goal of 14.12% was established for Food/Beverage operations at the Airport (see Tables 1-4).

2. **Retail**

- a. **New** – Seventeen (17) Retail concession leases (10 of which are newsstands) will be solicited in fiscal year 2023.
- b. **Continuing** – Thirty (30) Retail concession leases will continue for the duration of this three-year goal period.
- c. **Closure/Relocation** (*due to our Terminal Core Construction Project*). Eight (8) Retail concession leases will expire and permanently close in FY 21. Four (4) concession locations will temporarily close for permanent relocation in FY21.
- d. **Goal** – As described above, a Disparity Study was conducted and an overall race-conscious ACDBE goal of 19.81% was established for Retail operations at the Airport (see Tables 1-4).

3. **Banking Services**

- a. **Continuing** - One (1) Banking lease and One (1) Currency Exchange lease will continue for the duration of this three-year period.
- b. **Goal** - As described above, a Disparity Study was conducted and an overall race-conscious ACDBE goal of 8.29% was established for Banking operations at the Airport (see Tables 1-4).

4. **Personal Services**

- a. **Continuing** - Four (4) Personal Services leases will continue for the duration of this three-year period.
- b. **Goal** - As described above, a Disparity Study was conducted and an overall race-conscious ACDBE goal of 76.49% was established for Personal Services operations at the Airport (see Tables 1-4).

5. Advertising

- a. **Continuing** - One (1) Advertising lease will continue for the duration of this three-year period.
- b. **Goal** - As described above, a Disparity Study was conducted and an overall race-conscious ACDBE goal of 13.26% was established for Advertising operations at the Airport (see Tables 1-4).

E. Step 1 Base Figure for ACDBE Availability over the Three-Year period

Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs. The Port of Portland had decided to use Option 3 of the potential approaches the regulation provides for accomplishing Step 1 as restated below.

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

The following table contains the ACDBE availability for each concession type as provided for in our Disparity Study (Appendix A).

Table 1 - Estimated Concessions Revenues/Goals - FFY 2021

Estimated Concessions Revenues/Goals - FFY 2021				
Naics	Description	Gross Revenue	ACDBE % Goal	ACDBE Goal \$
722511	Full-Service Restaurant	\$37,094,967.00	9.00%	\$3,338,547.03
722513	Limited Service Restaurant	\$39,219,960.00	8.60%	\$3,372,916.56
722515	Snack & Non-Alcoholic Beverage Bar	\$11,327,468.00	50.00%	\$5,663,734.00
	Food & Beverage Availability	\$87,642,395.00	14.12%	\$12,375,197.59
443142	Electronic Stores	\$3,035,978.00	6.70%	\$203,410.53
445310	Beer, Wine, Liquor Stores	\$1,217,502.00	11.30%	\$137,577.73
448120	Women's Clothing Stores	\$4,788,700.00	18.30%	\$876,332.10
448140	Family Clothing Stores	\$6,104,945.00	11.40%	\$695,963.73
448310	Jewelry Stores	\$311,161.00	14.50%	\$45,118.35
451211	Book Stores	\$1,682,157.00	21.40%	\$359,981.60
453220	Gift & Novelty Stores	\$35,986,664.00	22.80%	\$8,204,959.39
	Retail Average Availability	\$53,127,107.00	19.81%	\$10,523,343.42
522110	Commercial Banking	\$199,764.00	0.70%	\$1,398.35
523130	Commodity Contracts Dealing	\$1,362,074.00	9.40%	\$128,034.96
	Banking Services Average Availability	\$1,561,838.00	8.29%	\$129,433.30
812112	Beauty Salons	\$818,476.00	72.90%	\$596,669.00
812199	Other Personal Care Services	\$337,005.00	85.20%	\$287,128.26
	Personal Services Average Availability	\$1,155,481.00	76.49%	\$883,797.26
541810	Advertising	\$1,225,757.00	13.26%	\$162,535.38
	Advertising Services Average Availability	\$1,225,757.00	13.26%	\$162,535.38
	Overall Availability	\$144,712,578.00	16.64%	\$24,074,306.95

Table 2 - Estimated Concessions Revenues/Goals - FFY 2022

Estimated Concessions Revenues/Goals - FFY 2022 - Estimated increase 5% Food/Beverage 3% All Others				
Naics	Description	Gross Revenue	ACDBE % Goal	ACDBE Goal \$
722511	Full-Service Restaurant	\$38,949,715.35	9.00%	\$3,505,474.38
722513	Limited Service Restaurant	\$41,180,958.00	8.60%	\$3,541,562.39
722515	Snack & Non-Alcoholic Beverage Bar	\$11,893,841.40	50.00%	\$5,946,920.70
	Food & Beverage Availability	\$92,024,514.75	14.12%	\$12,993,957.47
443142	Electronic Stores	\$3,127,057.34	6.70%	\$209,512.84
445310	Beer, Wine, Liquor Stores	\$1,254,027.06	11.30%	\$141,705.06
448120	Women's Clothing Stores	\$4,932,361.00	18.30%	\$902,622.06
448140	Family Clothing Stores	\$6,288,093.35	11.40%	\$716,842.64
448310	Jewelry Stores	\$320,495.83	14.50%	\$46,471.90
451211	Book Stores	\$1,732,621.71	21.40%	\$370,781.05
453220	Gift & Novelty Stores	\$37,066,263.92	22.80%	\$8,451,108.17
	Retail Average Availability	\$54,720,920.21	19.81%	\$10,839,043.72
522110	Commercial Banking	\$205,756.92	0.70%	\$1,440.30
523130	Commodity Contracts Dealing	\$1,402,936.22	9.40%	\$131,876.00
	Banking Services Average Availability	\$1,608,693.14	8.29%	\$133,316.30
812112	Beauty Salons	\$843,030.28	72.90%	\$614,569.07
812199	Other Personal Care Services	\$347,115.15	85.20%	\$295,742.11
	Personal Services Average Availability	\$1,190,145.43	76.49%	\$910,311.18
541810	Advertising	\$1,262,529.71	13.26%	\$167,411.44
	Advertising Services Average Availability	\$1,262,529.71	13.26%	\$167,411.44
	Overall Availability	\$150,806,803.24	16.61%	\$25,044,040.11

Table 3 - Estimated Concessions Revenues/Goals - FFY 2023

Estimated Concessions Revenues/Goals - FFY 2023 - Estimated increase 16% Food/Beverage 13% All Others				
Naics	Description	Gross Revenue	ACDBE % Goal	ACDBE Goal \$
722511	Full-Service Restaurant	\$45,181,669.81	9.00%	\$4,066,350.28
722513	Limited Service Restaurant	\$47,769,911.28	8.60%	\$4,108,212.37
722515	Snack & Non-Alcoholic Beverage Bar	\$13,796,856.02	50.00%	\$6,898,428.01
	Food & Beverage Availability	\$106,748,437.11	14.12%	\$15,072,990.66
443142	Electronic Stores	\$3,533,574.79	6.70%	\$236,749.51
445310	Beer, Wine, Liquor Stores	\$1,417,050.58	11.30%	\$160,126.72
448120	Women's Clothing Stores	\$5,573,567.93	18.30%	\$1,019,962.93
448140	Family Clothing Stores	\$7,105,545.49	11.40%	\$810,032.19
448310	Jewelry Stores	\$362,160.29	14.50%	\$52,513.24
451211	Book Stores	\$1,957,862.53	21.40%	\$418,982.58
453220	Gift & Novelty Stores	\$41,884,878.23	22.80%	\$9,549,752.24
	Retail Average Availability	\$61,834,639.84	19.81%	\$12,248,119.40
522110	Commercial Banking	\$232,505.32	0.70%	\$1,627.54
523130	Commodity Contracts Dealing	\$1,585,317.93	9.40%	\$149,019.89
	Banking Services Average Availability	\$1,817,823.25	8.29%	\$150,647.42

812112	Beauty Salons	\$952,624.22	72.90%	\$694,463.05
812199	Other Personal Care Services	\$392,240.12	85.20%	\$334,188.58
	Personal Services Average Availability	\$1,344,864.34	76.49%	\$1,028,651.64
541810	Advertising	\$1,426,658.57	13.26%	\$189,174.93
	Advertising Services Average Availability	\$1,426,658.57	13.26%	\$189,174.93
	Overall Availability	\$173,172,423.10	16.57%	\$28,689,584.05

Table 4 - Estimated Concessions Revenues/Goals - FFY 2021-2023

Estimated Concessions Revenues/Goals - FFY 2021-2023				
Naics	Description	Gross Revenue	ACDBE % Goal	ACDBE Goal \$
722511	Full-Service Restaurant	\$121,226,352.16	9.00%	\$10,910,371.69
722513	Limited Service Restaurant	\$128,170,829.28	8.60%	\$11,022,691.32
722515	Snack & Non-Alcoholic Beverage Bar	\$37,018,165.42	50.00%	\$18,509,082.71
	Food & Beverage Availability	\$286,415,346.86	14.12%	\$40,442,145.72
443142	Electronic Stores	\$9,696,610.13	6.70%	\$649,672.88
445310	Beer, Wine, Liquor Stores	\$3,888,579.64	11.30%	\$439,409.50
448120	Women's Clothing Stores	\$15,294,628.93	18.30%	\$2,798,917.09
448140	Family Clothing Stores	\$19,498,583.84	11.40%	\$2,222,838.56
448310	Jewelry Stores	\$993,817.12	14.50%	\$144,103.48
451211	Book Stores	\$5,372,641.24	21.40%	\$1,149,745.23
453220	Gift & Novelty Stores	\$114,937,806.15	22.80%	\$26,205,819.80
	Retail Average Availability	\$169,682,667.05	19.81%	\$33,610,506.54
522110	Commercial Banking	\$638,026.24	0.70%	\$4,466.18
523130	Commodity Contracts Dealing	\$4,350,328.15	9.40%	\$408,930.85
	Banking Services Average Availability	\$4,988,354.39	8.29%	\$413,397.03
812112	Beauty Salons	\$2,614,130.50	72.90%	\$1,905,701.13
812199	Other Personal Care Services	\$1,076,360.27	85.20%	\$917,058.95
	Personal Services Average Availability	\$3,690,490.77	76.49%	\$2,822,760.08
541810	Advertising	\$3,914,945.28	13.26%	\$519,121.74
	Advertising Services Average Availability	\$3,914,945.28	13.26%	\$519,121.74
	Overall Availability	\$468,691,804.34	16.60%	\$77,807,931.12

Overall Weighted Base ACDBE Goal

Using the above information, the Port has calculated a weighted ACDBE base goal of 16.60% for FFYs 2021-2023. The base figure for the overall ACDBE goal was calculated by taking the ACDBE estimated three-year gross revenues value of \$77.8 million and dividing it by the total estimated three-year gross revenues value of \$468.6 million.

$$\mathbf{\$77,807,931.12 \div \$468,691,804.34 = 16.60\%}$$

F. Step 2: Adjustments

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 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 five years to analyze if there is a need for adjustment:

Table 5 – Past Participation

<u>Year</u>	<u>ACDBE Goals</u>			<u>ACDBE Participation</u>		
	<u>R/N</u>	<u>R/C</u>	<u>Overall</u>	<u>R/N</u>	<u>R/C</u>	<u>Overall</u>
FFY15	5.40%	7.50%	12.90%	16.20%	7.57%	23.70%
FFY16	5.40%	7.50%	12.90%	16.85%	7.50%	24.35%
FFY17	5.40%	7.50%	12.90%	16.51%	7.50%	24.01%
FFY18	5.40%	7.50%	12.90%	18.75%	7.50%	26.25%
FFY19	5.40%	7.50%	12.90%	18.54%	7.50%	26.04%

Past Participation in order: 23.7%, 24.01%, 24.35%, 26.04%, 26.25%

Median Past Participation (MPP): 24.35%
 Base Figure (BF): 16.60%
(MPP 24.35% + BF 16.60) 40.95% / 2 = 20.48%

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 20.48%. 16.60% to be achieved using race-conscious methods and 3.88% to be achieved using race-neutral methods.

G. 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, the Port will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval prior to executing the new concession agreement. (23.45(i)).

SECTION II UTILIZATION OF RACE/GENDER CONSCIOUS & NEUTRAL METHODOLOGIES

The Port currently has a race-conscious and race-neutral ACDBE Program. All goals set for contracts operating during the three-year period covering FFY 2020-2023 have been set as race and gender conscious and neutral goals as the Port has conducted a Disparity Study. As the utilization of ACDBE's is within one percent of the availability of ACDBE's this is a proven effective method. The Port 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.

SECTION III PUBLIC PARTICIPATION AND CONSULTATION

In accordance with the consultation requirements of 49 CFR Part 23 (section 23.43), stakeholders in the Port's market area were consulted to review the ACDBE goal setting methodology prior to submitting it to the FAA for approval. Stakeholders include but were not limited to: minority and women business groups, community organizations, trade associations representing concessionaires currently located at airports, existing concessionaires, including ACDBE concessionaires, and other officials or organizations which could have been expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Port's efforts to increase participation of ACDBEs. A stakeholder's meeting was held on October 29, 2020 and all concessionaires and ACDBE concessionaires as well as organizations listed below will be invited to participate or provide comments. A list of participants in the stakeholder meeting will be attached as Appendix B.

Organizations contacted:

- Oregon Association of Minority Entrepreneurs (OAME)
- Professional Business Development Group
- National Association of Minority Contractors Oregon
- Conference of Minority Transportation Officials
- Portland Business Alliance
- Urban League of Portland
- Hispanic Chamber of Commerce
- Certification Office for Business Inclusion and Diversity
- Airport Minority Advisory Council (AMAC) Airports Council International – North America (ACI-NA)

Invitees to Stakeholder Meeting on October 29, 2020

Portland International Airport
Airport Concession Disadvantaged Business Enterprise
(ACDBE)

Car Rental Goal-Setting Methodology

Federal Fiscal Years 2021, 2022, and 2023
(Period Covered: October 1, 2020 – September 30, 2023)

Race & Gender-Neutral Goal: 1.85%

Portland International Airport

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

ACDBE Car Rental Goal Setting Methodology

FFY 2021-2023

The Port of Portland has completed the review process for the Portland International Airport Concession Disadvantaged Business Enterprise (ACDBE) Car Rental goal for Federal Fiscal Years 2021-2023.

The enclosed concession goals are submitted pursuant to 49 Code of Federal Regulations ("CFR") Part 23. This concession report will include the following:

- Overall ACDBE Car Rental Goal for a three-year period commencing on October 1, 2020 and ending on September 30, 2023 for car rentals
- Utilization of Race/Gender-Neutral and Race/Gender-Conscious Methods
- Public Participation and Consultation

**SECTION I OVERALL AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
CAR RENTAL GOAL FOR FFY 21-23**

A. Amount of Goal

The Port of Portland’s overall car rental goal for ACDBE participation in car rental concessions at the Portland International Airport during the period beginning on October 1, 2020 and ending September 30, 2023 is 1.85% of the total goods and services of car rental concessions at the Airport. The following will provide information regarding how the current goal was set.

B. Potential Goal Methodologies from 49 CFR Part 23

49 FR Part 23.51 states, in part, as follows:

(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.

49 FR Part 23.51 further provides for a two-step process, consisting of:

- (c) Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs.
- (d) Step 2. Once you have calculated a base figure, you must examine all relevant evidence reasonably available in your jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal.

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

C. Goal Methodology

Given the fact that there are no ACDBE car rental companies listed in the Oregon or Washington Unified Certification Programs DBE/ACDBE directory for the relevant geographic region, we have elected to base the Car Rental ACDBE goal on the purchase of goods and services from ACDBE or potential/ACDBE firms. 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 a 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.

D. 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 and the Port of Portland has decided to utilize a combination of both methodologies outlined in options one (1) and three (3).

1) The utilization of data from DBE Directories and the Census Bureau yielded the results found on Table 1. The trades analyzed were determined through a list of services currently used and may be potentially utilized by car rental concessionaires.

Table 1

Description	Naics	Census	Directory	DBE/ACDBE%
*Accounting	541211	1511	2	0.13%
*Asset Recovery	561491	30	0	0.00%
Auto Body Repair	811121	892	3	0.34%
*Auto Parts	423120	366	2	0.55%

Description	Naics	Census	Directory	DBE/ACDBE%
*Auto Repair	811111	3233	0	0.00%
Auto Transport	484230	71	4	5.63%
Background Checks	541612	243	59	24.28%
*Car Dealerships	441110	1640	0	0.00%
Cleaning Supplies	423850	269	4	1.49%
Computer Support/Materials	423430	215	9	4.19%
Consulting	541611	3446	338	9.81%
Delivery Svc	492110	188	3	1.60%
*Device Repair & Maintenance	811211	92	0	0.00%
Drug Testing	621999	3836	6	0.16%
Electrical	238210	1894	60	3.17%
*Equipment Rental (GPS)	532210	134	0	0.00%
First Aid	424210	208	3	1.44%
*Fuel Maintenance	447190	1092	0	0.00%
Fuel/Oil/Energy	424720	188	6	3.19%
GPS Devices	334220	57	3	5.26%
Insurance	524210	3774	4	0.11%
Janitorial Services	561720	3361	44	1.31%
*Keys/Locks	561622	289	2	0.69%
*Legal Services	541110	5605	1	0.02%
*Linen and Uniform Supply	812331	74	1	1.35%
Marketing	541613	1748	98	5.61%
Office Expense	424120	122	5	4.10%
*Pest Control	561710	389	2	0.51%
Printing	323111	920	11	1.20%
*Roadside Assistance/Towing	488410	464	1	0.22%
Signage	339950	453	12	2.65%
*Tires	423130	29	0	0.00%
*Windshield Repair	811122	144	1	0.69%

* Contains categories of purchases not eligible for ACDBE goal setting consideration as there are not three or more DBE's certified in the scope. These categories are listed as a reference to show these scopes were reviewed and we continue to do outreach to encourage certification in these areas.

Summary of Data Collected Per Methodology

Table 2

Methodology	Result	Comments
Directory/Census	3.07% for the purchase of Good and Services	We believe the Census Bureau approach as outlined in the regulation is the best approach for developing a base goal.
Disparity Study	The Disparity Study was utilized to determine the Port's Market area.	The Ports Disparity Study did not include the applicable trades that have been identified for utilization of ACDBE firms for the purchase of Goods and Services.

We therefore propose the base goal at 3.07% for Goods and Services

E. Step 2 – Adjustment of Base Figure utilizing Median Past Participation

Table 3

<u>Year</u>	<u>R/N</u>	<u>R/C</u>	<u>Overall Goal</u>	<u>R/N</u>	<u>R/C</u>	<u>Actual</u>
FFY15	1.30%	0.00%	1.30%	0.63%	0.00%	0.63%
FFY16	1.30%	0.00%	1.30%	0.39%	0.00%	0.39%
FFY17	1.30%	0.00%	1.30%	14.94%	0.00%	14.94%
FFY18	0.00%	0.00%	0.00%	3.50%	0.00%	3.50%
FFY19	0.00%	0.00%	0.00%	0.23%	0.00%	0.23%

Past Participation in order: 14.94%, 3.50%, 0.63%, 0.39%, 0.23%
 Median Past Participation: 0.63%

Adjusting the base goal for past participation results in the following:

(Base Goal 3.07% + Median Past Participation 0.63%) 3.7% ÷ 2 = 1.85%

Based on the above, we propose the ACDBE goal for Car Rental Concessions at 1.85%.

SECTION II UTILIZATION OF RACE/GENDER NEUTRAL METHODOLOGY

The Port of Portland has a race-neutral ACDBE Car Rental Goal at this time. All goals set for contracts operating during the three-year period covering FFY 2021-2023 have been set as race and gender neutral goals. The Port has conducted a Disparity Study for NAICS code 532111 Passenger Car Rental Services. Historically our ACDBE participation has been in the purchase of Goods and Services by our Car Rental companies. As our Disparity Study was not conducted for the purchase of Goods and Services by our Car Rental companies, the Port feels that it does not have enough evidence of discrimination upon which to base race conscious goals. The Port may use the following race-neutral measures to facilitate ACDBE participation.

Outreach Efforts

The following outreach activities are undertaken by specific staff to encourage ACDBE participation in all concession opportunities:

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as a vendor for our concessionaires under 49 CFR Part 23;
2. Small Business Development staff maintain an ongoing list of ACDBE Goods and Services Vendors. This list is provided to car rental companies to encourage the utilization of ACDBE firms.
3. Small Business Development staff advertise upcoming car rental opportunities through e-mail blasts and aviation trade associations and organizations.
4. Airport staff hold various Opportunity Awareness or Outreach events to promote car rental goods and services opportunities throughout the year.
5. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation as a vendor.
6. Small Business Development staff meet with a Nationwide Cohort of AC/DBELO's to address industry wide concerns and collaborate on best practices.

SECTION III PUBLIC PARTICIPATION AND CONSULTATION

In accordance with the consultation requirements of 49 CFR Part 23, stakeholders in the Port of Portland's market area were consulted to review the ACDBE goal setting methodology prior to submitting it to the FAA for approval. Stakeholders include but were not limited to: minority and women business groups, community organizations, trade associations representing concessionaires currently located at airports, existing car rental concessionaires, and other officials or organizations which could have been expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Port's efforts to increase participation of ACDBEs.



PUBLIC NOTICE
Airport Concessionaire Disadvantaged Business Enterprise Program
Proposed Goal FFY 2021-2023

Publication Date:

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 CFR 49 Part 23, the Port of Portland hereby announces its proposed Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) participation triennial overall goal of 20.48% for Non-Car Rental and 1.85% for Car Rental contracts/lease agreements. These goals will be achieved through race-conscious and race-neutral methods. The proposed goals pertain to federal fiscal years 2021 through 2023 (10/1/2020 - 9/30/2023).

Public Information Session

A public information session on the goal and methodology will be held virtually for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process:

Date: October 29, 2020

Time: 10:00am PST

Virtual Meeting Link: [Join Microsoft Teams Meeting](#)

Call-In Number: 971-254-1226

Conference ID: 905 236 269#

Request for Public Comment on Proposed ACDBE Goal

The proposed goal and methodology are available for review on the Ports website www.PortofPortland.com/Business/ACDBE. If you would like to have a copy emailed to you, a virtual meeting or phone call to provide comments on the proposed DBE goal, please contact Kimberly Sutton at the email or phone number below.

The proposed goal and its attendant methodology will be available for inspection for 30 days from the date of this publication.

Comments on the ACDBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

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503-415-6587
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OR

Federal Aviation Administration
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