



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Aitken

SUBJECT: SEE BELOW

DATE: September 1, 2020

Approved

Date

9/3/2020

SUBJECT: AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM FOR FEDERAL FISCAL YEARS 2021-2023

RECOMMENDATION

Adopt a resolution:

- 1) Approving the proposed Airport Concession Disadvantaged Business Enterprise (ACDBE) program update in accordance with the regulations of the Federal Aviation Administration (FAA) for the Norman Y. Mineta San José International Airport;
- 2) Approve the three-year ACDBE race-neutral goal of 10.10% for all Airport Concessions, other than car rentals, for Federal Fiscal Years 2021-2023;
- 3) Approve the three-year ACDBE race-neutral goal of 0.40% for rental cars for Federal Fiscal Years 2021-2023;
- 4) Authorizing the City Manager to submit the three-year ACDBE program to the FAA;
- 5) Authorizing the City Manager to make revisions to the three-year ACDBE plan as requested by the FAA.

OUTCOME

Approval of the updated ACDBE program and submission to the FAA will result in the City being compliant with ACDBE Program requirements, allowing the City to remain eligible to receive an estimated \$36.3 million in FAA financial assistance for Airport development projects between 2021 and 2023.

BACKGROUND

The ACDBE program was created to minimize concerns related to minority discrimination in the award and administration of concession opportunities at airports. Adherence to ACDBE program regulations is required to remain eligible to receive federal grants for airport development from the FAA's Airport Improvement Program.

Under the FAA regulations, the City is required to submit an updated ACDBE participation plan every three (3) years that identifies new concession opportunities, potential ACDBE participants, and new percentage targets for ACDBE participation. The last ACDBE participation plan submitted to the FAA was for Federal Fiscal Years 2018 through 2020. The Federal Fiscal Year begins on October 1 and ends on September 30 of the following year.

The purpose of the ACDBE program is:

1. To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving FAA financial assistance;
2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions;
3. To ensure that the ACDBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet applicable eligibility standards are permitted to participate as ACDBEs at the Airport;
5. To help remove barriers to the participation of ACDBEs in opportunities for concessions at the Airport; and
6. To provide appropriate flexibility to the City in establishing and providing opportunities for ACDBEs at the Airport.

Definitions

ACDBE

Under the ACDBE regulations, an airport concession disadvantaged business enterprise (ACDBE) means a for-profit small business concern that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals. The ACDBE regulations further require that one or more of the socially and economically disadvantaged individuals who own it must control the management and daily business operations of the company claiming ACDBE status and be independent.

Airport Concessions

ACDBE regulations define concessions to include businesses located on an airport that are engaged in the sale of consumer goods or services to the public under an agreement with the owner of the airport, the non-airport owner or lessee of a terminal on the airport, or another

concessionaire. Covered concessions also include management contracts and subcontracts, web-based or other electronic business in a terminal or which passengers can access at the terminal, an advertising business that provides advertising displays or messages to the public on the airport, or a business that provides goods and services to concessionaires.

Market Area

The ACDBE program regulations define Market Area as the geographical area in which the substantial majority of firms which seek to do concessions business with the Airport are located and where they receive the substantial majority of concessions related revenues.

Quotas or Set-Asides Prohibited

The ACDBE regulations expressly prohibit the use of quotas or set-asides in the ACDBE program.

Race-Conscious Measures

The ACDBE program must provide for the use of race-conscious measures when race-neutral measures, standing alone, are not projected to be sufficient to meet the City's overall ACDBE goal. The City of San José is subject to the rulings of the Ninth Circuit Court of Appeals, which established/identified specific rules and situations before a jurisdiction can utilize race-conscious measures. When a race-conscious measure is adopted, the following are examples of race-conscious measures that are acceptable under the ACDBE regulations:

- Establishing concession-specific goals for particular concession opportunities; or
- Negotiation with a potential concessionaire to include ACDBE participation, through direct ownership arrangements or measures, in the operation of the concession.

Race-Neutral Measures

In implementing its ACDBE program, the City is first required to use race-neutral measures to the maximum extent possible to achieve its ACDBE goals. Examples of race-neutral measures include:

- Locating and identifying ACDBEs and other small businesses that may be interested in participating as Airport concessionaires;
- Structuring concessions so as to encourage and facilitate the participation of ACDBEs;
- Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing; and
- Establishing a business development program, technical assistance program; or taking other steps to foster ACDBE participation in concessions.

Small Business Concern

In order to qualify as an ACDBE, a firm must also qualify as a small business concern. As a general rule, the ACDBE regulations treat a firm as a small business eligible to be certified as an

ACDBE if its gross receipts, averaged over the firm's previous three fiscal years, do not exceed \$56.42 million. The following types of businesses have different ACDBE size standards:

- Banks and financial institutions: \$1 billion in assets;
- Car rental companies: \$75.23 million average annual gross receipts over the firm's three previous fiscal years;
- Automobile dealers: 350 employees

Socially and Economically Disadvantaged

Socially and economically disadvantaged individual means any individual who is a citizen, or lawfully admitted permanent resident, of the United States and who meets one or more of the following conditions and does not have a personal net worth exceeding \$1.32 million:

- Any individual to be a socially and economically disadvantaged individual on a case-by-case basis;
- Any individual in the following groups whose members are presumed to be socially and economically disadvantaged:
 - "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;
 - "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
 - "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kirbati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;
 - "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
 - Women; and
 - Any additional groups whose members are designated as socially and economically disadvantaged by the Small Business Administration (SBA), at such time as the SBA designation becomes effective.

Geographic Preferences

ACDBE regulations prohibit the use of geographic preferences as a factor in obtaining business or doing business as, or with, an Airport concession.

ANALYSIS

The City is required to prepare an ACDBE participation program update for the Airport every three years (Please see Attachment A for the complete program goal updates). Targets are prepared to estimate the percentage of concession revenues that will be performed by ACDBEs in the absence of discrimination. The first target is for all concessions other than rental cars and the second target is for rental cars. The reason for setting separate ACDBE participation targets is that the FAA has determined that there are differences between car rental concessions and other types of concessions. Each target must cover a three-year period, with annual reviews and reporting to the FAA to ensure that the Airport is tracking the ACDBE participation.

Pursuant to FAA regulatory requirements, the proposed ACDBE participation targets were determined based on the marketplace and on demonstrable evidence of the availability of ready, willing, and able ACDBE firms relative to all businesses that were also ready, willing, and able to participate in the Airport's concession opportunities.

The Airport contracted with consultant company, GCAP Services Group LLC to determine ACDBE participation goals for the Airport for Federal Fiscal Years 2021-2023. In determining these overall ACDBE participation goals, the consultants closely followed the U.S. Department of Transportation DBE Program regulations set forth for goal setting in 49 Code of Federal Regulations Part 23 (49 CFR 23) including a two-step goal-setting methodology identified in 49 CFR Section 23.51.

To determine the overall ACDBE participation goal, the Consultants are required to:

- Examine the types of concession opportunities that the Airport anticipates for the plan period;
- Base requirements on the Federal laws, regulations, and guidance set forth by the U.S. DOT;
- Base goals on evidence of ACDBE firms that are “ready, willing, and able”;
- Narrowly tailor the goals to the evidence.

The ACDBE participation targets are based on demonstrable evidence and using formulas approved by the FAA. The Airport's ACDBE concession participation targets for Federal Fiscal Years 2021 through 2023 are 10.10% for concessions other than rental cars and 0.40% for rental cars. Given the lack of ACDBE rental car companies, rental car ACDBE goals rely on the purchases of goods and services from ACDBE businesses, which are often limited given the national and/or regional supply chain of car rental companies.

The City proposes to meet the overall goal by using the race-neutral methods for ACDBE and small business participation in accordance with 49 CFR 23.

The Airport will use the following methods to encourage ACDBE participation:

- Encourage ACDBE participation in all new Airport concession request for proposals (RFPs);
- Prior to granting an extension or option to renew an agreement, assess the potential for new ACDBE participation;
- Require monthly ACDBE participation reporting by concessionaires;
- In the event that opportunities for new entrants arise, identify ACDBEs and other small businesses that may be interested in participating as Airport concessionaires and conduct outreach;
- Encourage ACDBE certification of concessionaires currently operating at the Airport that are ACDBE eligible;
- Encourage prime concessionaires with new opportunities to include ACDBE participation; and
- Request that concessionaires identify ACDBE goods and services providers and report the amount of those transactions.

The City can be penalized or treated as being in noncompliance by the FAA only if the City fails to administer its ACDBE program at the Airport in good faith. If ACDBE participation falls short of the targets, the FAA may require the City to provide a statement explaining why the overall targets were not met and what is being done to improve ACDBE participation in Airport concessions.

The City held a stakeholders meeting on August 13, 2020 to present these proposed goals to the community and to seek input about the availability of disadvantaged and non-disadvantaged opportunities, the effects of discrimination on opportunities for ACDBEs, and the City efforts to establish a level playing field for the participation of ACDBEs.

Following the consultation with stakeholders, notice of the proposed 10.10% goal for concessions other than rental cars and 0.40% goal for rental cars was published by the Airport Minority Advisory Council and on the Airport's websites. Furthermore, the Airport and its consultants conducted additional outreach to eighteen trade organizations, including Airport Minority Advisory Council, Airports Council International - North America, and American Association of Airport Executives.

CONCLUSION

In following the FAA established guidelines as set forth in 49 Code of Federal Regulations Part 23 (49 CFR 23), the Airport proposes adopting a three-year race-neutral ACDBE goal of 10.10% for all Airport Concessions other than car rentals and a three-year race-neutral ACDBE goal of 0.40% for rental cars for the Federal fiscal years of 2021-2023.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVE

Alternative: Forgo federal financial assistance from the FAA.

Pros: None.

Cons: Not conforming to the FAA's requirements for a three-year ACDBE plan by the October 1, 2020 deadline would jeopardize the City's eligibility to receive millions in federal Airport Improvement Program grants.

Reason for not recommending: Staff is confident that the Consultants followed the proper methodology set forth in the DBE regulations of 49 CFR 23. The required two step process takes into account the concession opportunities, availability of ACDBE firms, history of achievement, and other factors.

PUBLIC OUTREACH

The Airport and Public Works held a stakeholder meeting on August 13, 2020 to present the ACDBE goal setting process and subsequent goals and to seek community input. A notice of the proposed goal and methodology was published on July 13, 2020 on the Airport's website, Federal Airport Administration's Airport goal page of the FAA website, and the Airport Minority Advisory Council's Events Page. Additionally, this notice was forwarded out to ACDBE's in our market area, all vendors and parties on our interested party list, that includes primes, small and local businesses and the local Chambers of Commerce.

The notice informed the public of the upcoming ACDBE Federal Fiscal Years 2021-2023 proposed goal for the Norman Y. Mineta Airport. The notice to the public included information on:

- Who to contact about the goal
- How to inspect the details about the goal and methodology
- The Deadline for providing comments
- Notice of the August 13, 2020 Stakeholder meeting

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The Stakeholder meeting that took place on August 13, 2020 was presented by Sarah Mee, our ACDBE consultant from GCAP Services. Sarah presented on the proposed goal and methodology. Below is the list of participants from the Stakeholder Meeting Webinar.

Presenter: Sarah Mee – Main Presenter (GCAP)

City Staff Participants:

Magdalena Nodal – Meeting Host (Airport)

Council Member Chappie Jones

Kevin Hom, Airport

Megan Kennedy, Airport

Participants:

Heather Barry

Ashley Autrey

Sam Sadeddin

No comments have been received as of the writing of this memo.

Once approved by the City, the ACDBE program will be posted to the San José Airport website and submitted to the FAA.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

The Airport Commission was briefed at a public meeting on August 10, 2020 on the ACDBE goal setting process and invited to the stakeholder meeting.

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CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JOHN AITKEN, A.A.E.

Director of Aviation

For questions, please contact Magdalena Nodal, Senior Analyst at 408-392-3673.



NORMAN Y. MINETA
SAN JOSE INTERNATIONAL AIRPORT

Federal Aviation Administration (FAA)
Overall Airport Concessionaire
Disadvantage Business Enterprise (ACDBE)
Goal-Setting Methodology

Fiscal Federal Years (FFY) 2021-2023
Goal Period

Submitted in fulfillment of:
Title 49 Code of Federal Regulations Part 26



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1 INTRODUCTION

The Norman Y. Mineta San Jose International Airport (Airport), as a recipient of federal funds, is required under 49 Code of Federal Regulations (CFR) Part 23 to establish an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) program. Under these regulations, recipient airports are required to establish goals for ACDBE participation in airport concessionaire opportunities if concessionaire revenues annually exceed prescribed amounts. The goals are determined for a three (3) year period on a triennial basis. The following sections detail the methodologies used to determine ACDBE participation goals for car rental concessionaires and non-car rental concessionaires. The methodology for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure, and recognition of several factors.

Due to the COVID-19 pandemic and transportation limitations, the Airport anticipates a decrease in passenger traffic and revenue. This adjustment has been incorporated into the analysis of both the non-car rental and car rental concessions.

1.1 Market Area

The Airport’s market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the Airport and in which the firms receive a substantial majority of concessions related revenues are located. The Airport has defined their market area as the State of California.

2 ACDBE GOAL METHODOLOGY FOR NON-CAR RENTAL CONCESSIONS FOR FFYS 2021-2023

Based on historical data, the Airport annually has non-car rental concession revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, the Airport must establish a goal for non-car rental ACDBE participation. The goal is intended to cover the three (3) year period for Federal Fiscal Years (FFYs) 2021-2023. The following subsections outline the methodology used to determine the goal for non-car rental ACDBE participation.

2.1 Current Non-Car Rental Concessions

Currently the Airport has contracts with forty-nine (49) non-car rental concessionaires. These include retail and food & beverage. The concessionaire categories are listed below in Table 1 with fiscal year gross receipts. The Airport’s current gross receipts for non-car rental concessionaires exceeds \$200,000 as shown in Table 1 below.

Table 1

Non-Car Rental Concessionaire	Gross Receipts for FFY 2019
PGC (Pacific Gateway Concessions)	\$27,210,435
Host (Food and Beverage)	\$23,302,449
AMS-SJC Joint Venture with JR Lester	\$15,640,548
WDFG NA (World Duty Free Goods) Host Retail	\$10,698,450
PRI Provenzano Resources	\$1,999,916
Airport Mailers	\$14,987
Alclear	\$9,734,377
ALD Development Corp	\$5,654,211
Canteen Vending (Drop Water)	\$12,727
Clear Channel Advertising	\$5,133,917
Certified Folder	\$64,065
NewZoom	\$23,913
ReadyCARD	\$20,135



Non-Car Rental Concessionaire	Gross Receipts for FFY 2019
Smarte Carte-Luggage Carts	\$295,563
Smarte Carte-Massage Chairs	\$186,303
OpticWash	\$27,208
Bank of America	\$324,661
Tamalpias	\$17,634
Total	\$100,361,499

Source: Norman Y. Mineta San Jose International Airport Accounting

2.1 Step 1: Determination of the Base Figure

To establish the Base Figure of the relative availability of ACDBEs to all comparable firms (ACDBEs and non-ACDBEs) available to bid or propose on concessions, the Airport followed one of the five prescribed federal goal-setting methodologies in accordance with the 49 CFR Part 23 regulations. This was accomplished by accessing the California Unified Certification Directory of Certified ACDBE Firms and the 2017 U.S. Census Bureau County Business Patterns Database. Comparisons were made within the Airport market area and by the specified industries and types of businesses identified in Table 2.

Table 2 represents the projected gross receipts for each concessionaire type for Federal Fiscal Years 2021-2023. Table 2 also shows the concessionaire type weighting. This percentage is the amount of each concessionaire type divided by the total projected gross receipts for FFY 2021-2023.

Table 2

Concessionaire Type	NAICS Codes	Projection of Gross Receipts for FFY 2021-2023	% by Concessionaire Type
News dealers and newsstands	451212	\$21,710,565	16.3%
Gift, novelty, and souvenir stores	453220	\$6,203,019	4.7%
Vending machine operators	454210	\$2,610,322	2.0%
Other airport operations	488119	\$255,166	0.2%
Other support activities for air transportation	488190	\$12,934,956	9.7%
Financial transactions processing, reserve, and clearinghouse activities	522320	\$25,480	0.0%
Portfolio management	523920	\$2,024,681	1.5%
Outdoor advertising	541850	\$13,045,946	9.8%
Other services related to advertising	541890	\$105,172	0.1%
Food service contractors	722310	\$24,675,081	18.5%
Drinking places (alcoholic beverages)	722410	\$3,525,012	2.6%
Full-service restaurants	722511	\$14,100,047	10.6%
Limited-service restaurants	722513	\$10,575,035	7.9%
Snack and nonalcoholic beverage bars	722515	\$20,836,581	15.7%
Other personal care services	812199	\$402,345	0.3%
Parking lots and garages	812930	\$16,698	0.0%
Total		\$133,046,106	100.00%

Source: Norman Y. Mineta San Jose International Airport Accounting



To determine the base figure for the relative availability of ACDBEs within the market area, the Airport calculated the ratio of ready, willing and able ACDBE firms to all firms (ACDBEs and non-ACDBEs) located in the market area for each of the concessionaire types.

$$\sum \frac{\text{Number of Ready, Willing, and Able ACDBEs}}{\text{Number of All Available Firms}} \times \text{Concessionaire Type \%} = \text{ACDBE Relative Availability}$$

- For the numerator: California Unified Certification Program Directory of Certified ACDBE Firms
- For the denominator: 2017 U.S. Census Bureau's County Business Pattern (CBP) Database

The Base Figure resulting from this weighted calculation is shown in Table 3 below.

Table 3

Concessionaire Type	NAICS Code	ACDBEs ¹	All Firms ²	ACDBE Relative Availability ³	Weighting % ⁴	Adjusted Base Figure
News dealers and newsstands	451212	14	85	16.5%	16.3%	2.7%
Gift, novelty, and souvenir stores	453220	35	2274	1.5%	4.7%	0.1%
Vending machine operators	454210	4	244	1.6%	2.0%	0.0%
Other airport operations	488119	0	184	0.0%	0.2%	0.0%
Other support activities for air transportation	488190	0	428	0.0%	9.7%	0.0%
Financial transactions processing, reserve, and clearinghouse activities	522320	0	641	0.0%	0.0%	0.0%
Portfolio management	523920	0	4536	0.0%	1.5%	0.0%
Outdoor advertising	541850	6	300	2.0%	9.8%	0.2%
Other services related to advertising	541890	4	873	0.5%	0.1%	0.0%
Food service contractors	722310	18	2418	0.7%	18.5%	0.1%
Drinking places (alcoholic beverages)	722410	9	3301	0.3%	2.6%	0.0%
Full-service restaurants	722511	20	31173	0.1%	10.6%	0.0%
Limited-service restaurants	722513	33	31903	0.1%	7.9%	0.0%
Snack and nonalcoholic beverage bars	722515	17	11114	0.2%	15.7%	0.0%
Other personal care services	812199	3	2537	0.1%	0.3%	0.0%
Parking lots and garages	812930	6	2721	0.2%	0.0%	0.0%
Total ACDBE Goal Figure						3.2%

¹ Total ACDBEs located in the market area from the California Unified Certification Program (CUCP) database.

² 2017 U.S. Census Bureau County Business Pattern Database.

³ Percent of Estimated Revenues by Concessionaire Type (Table 2).

⁴ Base Figure = (ACDBE/All Firms) x weighting



2.2 Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, the Airport reviewed and assessed other known evidence potentially impacting the relative availability of ACDBEs within the market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 23.51 Step 2 ACDBE Goal Adjustment guidelines.

Historical Non-Car Rental ACDBE Participation

Past ACDBE participation attainment provides demonstrable evidence of ACDBE availability and capacity to perform on the Airport’s non-car rental concessions. Table 4 shows the ACDBE participation achieved on non-car rental concessionaires for the last three (3) federal fiscal years.

Table 4

	Non-Car Rental ACDBE Goals	Non-Car Rental ACDBE Participation
FFY 17	10.57%	21.32%
FFY 18	10.64%	14.79%
FFY 19	10.64%	16.94%
Median ACDBE Participation Within the Last Three (3) Years		16.94%

Source: Overall ACDBE Triennial Goal Methodologies for FFY 2015-2017 and FFY 2018-2020 and Uniform Reports for FFY 2017-2019.

To arrive at an overall goal, the Airport added the Step 1 ACDBE Base Figure with the Step 2 Adjustment Figure and then averaged the total.

Non-Car Rental ACDBE Base Figure (3.2%)	+	Non-Car Rental Median ACDBE Participation Within the Last Three (3) Years (16.94%)	÷ 2	=	Non-Car Rental ACDBE Triennial Goal (10.1%)
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Disparity Studies

The Airport has not conducted a Disparity Study nor are they aware of any relevant studies of a similar size and location. Therefore, no adjustment was made to the base figure based on disparity study data.

Other Considerations

The Airport is not aware of any other factors or adverse considerations that would have a material effect on ACDBE availability within the Airport marketplace or on ACDBE’s ability to participate (meeting bonding, insurance and financial requirements) in the Airport’s FAA-assisted contracting program. Therefore, no further consideration toward a goal adjustment was made. The Airport will continue to explore and consider all available evidence that materially would affect the opportunities for ACDBEs to form, grow, and compete in the Airport’s concessionaire program.

2.3 ACDBE Triennial Goal for Non-Car Rental Concessions FFY 2021-2023

The Airport Non-Car Rental ACDBE Triennial Goal for FFY 2021-2023 is 10.1%.



The Airport must project the amount of the goal that will be met with both race-conscious and race-neutral means. The Airport operates a strictly race-neutral ACDBE program and will meet all of the goal with race-neutral means, as shown below.

Non-Car Rental ACDBE Goal	10.1%
Race-Conscious Projection	0.0%
Race-Neutral Projection	10.1%

2.4 Race -Neutral Measures

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE goals utilizing race-neutral means. Race-neutral participation includes any time that an ACDBE wins a contract through customary competitive procedures. Race-conscious methods are those that are focused specifically on assisting only ACDBEs, such as establishing a contract goal of ACDBE participation. Although the airport has not achieved its non-car rental participation goals in the past, the Airport will provide greater effort in executing the following race-neutral measures to help achieve the non-car rental ACDBE goal:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Airport’s ACDBE program will affect the procurement process;
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.

3 ACDBE GOAL METHODOLOGY FOR CAR RENTAL CONCESSIONS FOR FFYS 2021-2023

The Airport annually has car rental concessionaire revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, the Airport must establish a goal for car rental ACDBE participation. The goal is intended to cover the three (3) year period for FFY 2021-2023. The following subsections outline the methodology used to determine the goal for non-car rental ACDBE participation.

3.1 Current Car Rental Concessionaires

Current car rental concessionaires and their FFY 2019 revenues are listed in Table 5 below.

Table 5

Concessionaire	FFY 2019 Gross Revenue	Contract Commencement Date	Contract Termination Date
Avis Budget Car Rental, LLC	\$42,453,705	February 18, 2008	June 30, 2030
DTG Operations, Inc.	\$13,204,117	February 19, 2008	June 30, 2030
EAN, LLC dba Enterprise Rent a Car	\$59,984,104	February 19, 2008	June 30, 2030
Fox Rent a Car, Inc.	\$6,420,090	February 19, 2008	June 30, 2030
Hertz Corporation	\$39,931,391	February 19, 2008	June 30, 2030
NOCAL Rentals, Inc. dba Payless Car Rental	\$2,335,888	April 5, 2012	June 30, 2030
Sixt Rent a Car	\$7,798,591	January 31, 2013	June 30, 2030

Source: Norman Y. Mineta San Jose International Airport’s Car Rental Concessionaires’ Contractor Agreements



Since the car rental concessionaires at the Airport has annually seen average revenues in excess of \$200,000 over the past three years, the Airport is required to establish a goal of ACDBE participation for car rental concessions.

3.2 Step 1: Determination of Base Figure

The methodology used to determine a base figure of car ACDBE rental participation is to obtain the number of ready, willing and able ACDBE firms that provide car rental services or provide goods and services to car rental concessionaires and dividing that number by the total number of ready, willing and able firms in the market area. For the purpose of determining this goal, the market area is considered to be the State of California as car rental firms generally operate on a regional basis, shifting cars and resources among a region as needs dictate.

Table 6 below details the types of firms that are expected to be able to provide car rental sales and or goods and services to the Airport.

Table 6

Type of Service	NAICS Code	ACDBE Firms	All Firms
Automotive body, paint, and interior repair and maintenance	811121	1	4,220
Automotive exhaust system repair	811112	0	202
Automotive glass replacement shops	811122	0	607
Automotive oil change and lubrication shops	811191	1	715
Automotive parts and accessories stores	441310	0	3,355
Car washes	811192	3	1,921
General automotive repair	811111	3	9,569
Insurance agencies and brokerages	524210	0	14,530
Motor vehicle parts (used) merchant wholesalers	423140	0	216
Motor vehicle supplies and new parts merchant wholesalers	423120	1	2,016
New car dealers	441110	0	1,940
Other miscellaneous durable goods merchant wholesalers	423990	2	1,611
Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	424720	1	208
Tire and tube merchant wholesalers	423130	0	275
Tire dealers	441320	0	2,263
Used car dealers	441120	0	1,550
Total		12	45,198
Base Figure			0.03%



3.3 Step 2: Adjusting the Base Figure

After determining the base figure of ACDBE participation, the figure may be adjusted based upon local supporting evidence such as historic participation, disparity study information, and local availability of ACDBE firms.

Historical ACDBE Participation

Table 7 below shows the historical car rental ACDBE participation obtained by the Airport for the last three (3) federal fiscal years (FFY).

Table 7

Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation
FFY 2017	3.46%	39.96%
FFY 2018	3.46%	28.02%
FFY 2019	3.46%	19.04%

Source: Overall ACDBE Triennial Goal Methodologies for FFY 2015-2017 and FFY 2018-2020 and Uniform Reports for FFY 2017-2019.

The Airport exceeded ACDBE car rental participation with race-neutral means during the last three (3) federal fiscal years due to the high ACDBE participation of one ACDBE-certified car rental concessionaire, Santa Monica Ford. In FFY 2019, Santa Monica Ford was acquired by a non-ACDBE certified concessionaire. Therefore, their participation will no longer be counted towards the overall ACDBE goal.

The Airport evaluated the ACDBE car rental participation excluding Santa Monica Ford in Table 8 below. These figures more accurately reflect the Airport’s anticipated ACDBE participation for car rental concessions and will be used to adjust the base figure.

Table 8

Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation
FFY 2017	3.46%	0.89%
FFY 2018	3.46%	0.85%
FFY 2019	3.46%	0.85%

An adjustment to the base figure was made based on historical car rental ACDBE participation, excluding Santa Monica Ford, as shown below.

To arrive at an adjusted base figure, the airport added our Step 1 ACDBE Base Figure with our Step 2 Adjustment Figure (the median ACDBE participation) and divided by two (2) to get the average.

Car Rental ACDBE Base Figure	+	Car Rental Median ACDBE Participation Within the Last Three (3) Years	÷ 2	=	Car Rental ACDBE Triennial Goal
(0.03%)		(0.85%)			(0.40%)



Disparity Studies

The Airport has not conducted a Disparity Study nor are they aware of any relevant studies of a similar size and location. Therefore, no adjustment was made to the base figure based on disparity study data.

Other Considerations

The Airport is not aware of any other factors or adverse considerations that would have a material effect on ACDBE availability within the Airport marketplace or on ACDBE’s ability to participate (meeting bonding, insurance and financial requirements) in the Airport’s FAA-assisted contracting program. Therefore, no further consideration toward a goal adjustment was made. The Airport will continue to explore and consider all available evidence that materially would affect the opportunities for ACDBEs to form, grow, and compete in the Airport’s concessionaire program.

3.4 ACDBE TRIENNIAL GOAL FOR CAR RENTAL CONCESSIONS FFY 2021-2023

In accordance with the requirements of 49 CFR Part23, the Airport has established a Car Rental ACDBE Triennial Goal for FFY 2021-2023 of 0.4%.

The Airport must project the amount of the goal that will met with both race-conscious and race-neutral means. As the Airport has exceeded car-rental ACDBE goals in the past, it expects to meet the triennial goal with race-neutral means. Further, the Airport operates a strictly race-neutral ACDBE program all will meet all of the goal with race-neutral means, as shown below.

Car Rental ACDBE Goal	0.4%
Race-Conscious Projection	0.0%
Race-Neutral Projection	0.4%

3.5 Race -Neutral Measures

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE goals utilizing race-neutral means. Race-neutral participation includes any time that an ACDBE wins a contract through customary competitive procedures. Race-conscious methods are those that are focused specifically on assisting only ACDBEs, such as establishing a contract goal of ACDBE participation. The airport expects to solely utilize race neutral methods to achieve its car rental participation goals and does not expect to establish contract goals to achieve this goal. The underlying reason for the use of race-neutral means to achieve the goal is the market availability of ACDBE firms in the Airport’s market area.

Some race-neutral methods the airport will utilize are listed below:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.



4 PUBLIC PARTICIPATION

A Public Notice was issued on the Airport website (Attachment 1), publishing the Draft Proposed FAA Overall ACDBE Goal-Setting Methodology for FFY 2021-2023. The notice informed the public that the proposed goal and rationale were available for inspection at the Airport's principal office during business hours for 30 days following the date of the Public Notice, and that the Airport would accept comments on the goal analysis for 30 days from the date of the Public Notice.

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations within the market area were contacted and provided an opportunity to review the triennial goal analysis and provide input. The Airport reached out to eleven (11) local minority, women, and community business organizations to provide them information on the Airport's ACDBE program and specifically the Draft Proposed FTA Overall ACDBE Goal-Setting Methodology for FFY 2021-2023 and to solicit their comments. Each organization was contacted multiple times by both telephone and email (Attachment 2). The summary of all contact made in an attempt to receive input as part of this process can be found in Attachment 3. The Airport hosted a webinar for public comment and showed a presentation outlining the methodology (Attachment 4) and six (6) people participated.

The following four (4) questions were asked during the webinar with the provided responses:

Question: For non-car rental concessions, based on prior years' attainment, shouldn't there be a higher goal?

Response: The ACDBE goal is based on the type of concessions at the airport, the projected gross receipts, and the relative availability of ACDBE in the market area in accordance with 49 CFR Part 26. Using only past participation to set the triennial ACDBE goal for non-car rental concessions fails to take into account the actual concessionaires and the amount of gross receipts they anticipate.

Question: How is the airport accounting for the downturn with COVID-19 in the goal?

Response: It is difficult to anticipate how COVID-10 will impact the air travel during the triennial period and thus how airport concessions will be impacted as well. The Airport has adjusted the anticipated gross revenues for the triennial period to account for this downturn. The Airport may revise the ACDBE goal methodology during the triennial period if additional information warrants a change.

Question: Are the number of ACDBE number that are identified only certified ACDBEs or does it also include potential ACDBEs?

Response: Only CUCP certified ACDBE firms are included in the goal calculation.

Question: What is the ACDBE calculation based on?

Response: The ACDBE goal calculation is based on the relative availability of ACDBE in the Airport market area. The amount of weighting for each NAICS code is based on the projected gross receipts for each existing concessionaire.

ATTACHMENT 1: WEBSITE NOTIFICATION

[Home](#) / [Standards and Guidelines](#) / Airport Concessions Disadvantaged Business Enterprise Program (ACDBE)

Airport Concessions Disadvantaged Business Enterprise Program (ACDBE)

The Norman Y. Mineta San José International Airport is committed to a Program for the participation of Airport Concession Disadvantaged Business Enterprises (ACDBEs) in airport concession-related contracting opportunities in accordance with U.S. Department of Transportation, 49 Code of Federal Regulations Part 23.

It is the policy of the City of San José (City) to ensure non-discrimination on the basis of race, color, sex, or national origin in the award and administration of its concession-related contracts. It is the intention of the City to create a level playing field on which ACDBEs can compete fairly for contracting opportunities related to the City's concession activities.

- [Norman Y. Mineta San José Int'l Airport FFY 2015-2017 ACDBE Plan](#)
- [Norman Y. Mineta San José Int'l Airport FFY 2018-2020 ACDBE Plan](#)

Notice: FAA Proposed ACDBE Goal

Posted July, 13 2020

[Federal Aviation Administration \(FAA\) Airport Concessions Disadvantaged Business Enterprise \(ACDBE\) Project Goal Federal Fiscal Years 2021-2023](#)

Public Participation Webinar scheduled for **August 13th, 2020 at 10:00 am PST**



**NORMAN Y. MINETA
SAN JOSE INTERNATIONAL AIRPORT**

**FEDERAL AVIATION ADMINISTRATION
ACDBE GOAL FEDERAL FISCAL YEARS 2021 – 2023**

In accordance with 49 CFR Part 26.45(g), the City of San Jose/Norman Y. Mineta International Airport (SJC), as a recipient of U.S. Department of Transportation (DOT) assistance, announces a proposed Federal Aviation Administration (FAA) Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for Non-Car Rental and Car Rental Concessions.

Triennial Period
October 1, 2020 through September 30, 2023

10.1%

RN ACDBE Goal for Non-Car Rental Concessions

0.4%

RN ACDBE Goal for Car Rental Concessions

These race-neutral goals represent the percentage of work to be performed by certified ACDBE firms on SJC's FAA-assisted projects during each federal fiscal year of the project period.

We will be hosting a webinar for public participation on
Thursday, August 13, 2020 at 10:00 a.m.

The methodology used to determine the proposed goal will be available for public inspection for thirty (30) days from the date of this notice, Monday through Friday from 8:00 a.m. to 4:00 p.m. at the following location:

City of San Jose/ Norman Y. Mineta San Jose International Airport
1701 Airport Blvd. Ste B-1130
San José, CA 95110
Tel: (408) 392-3673

The U.S. DOT and SJC will accept comments on this proposed goal for 30 days from the date of this notice.

Written comments to the SJC DBE Liaison Officer, Christopher Hickey, may be sent to the address above and/or emailed to Christopher.Hickey@sanjoseca.gov. Written comments can also be sent directly to the FAA, DBE/ACDBE Compliance Specialist for the Western Pacific Region, P.O. Box 920078, Los Angeles, CA 90009-2007. Written comments at both locations will be accepted until May 30, 2019.



ATTACHMENT 2: SAMPLE E-BLAST



Norman Y. Mineta
San Jose International
Airport

Triennial ACDBE Goal
FFY 2021-2023

In accordance with 49 CFR Part 26.45(g), the City of San Jose/Norman Y. Mineta International Airport (SJC), as a recipient of U.S. Department of Transportation (DOT) assistance, announces a proposed Federal Aviation Administration (FAA) Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for Non-Car Rental and Car Rental Concessions. These race-neutral goals represent the percentage of work to be performed by certified ACDBE firms on SJC's FAA-assisted projects during each federal fiscal year of the project period.



10.1%
Non-Car Rental
ACDBE Goal

0.4%
Car Rental
ACDBE Goal

[View Public Notice](#)

Upcoming Webinar

SJC will be hosting a webinar for public participation on:
TOMORROW, August 13th
at 10:00 a.m.

[Register Here](#)

Join Microsoft Teams Meeting

+1 805-319-4492 United States, Santa Barbara (Toll)
Conference ID: 820 250 713#

Agenda

Introduction

- Title 49 CRF Part 23
- Triennial Goal Period

ACDBE Goal Methodology

Market Area

Non-Car Rental Concessions Goal Development

- Current Non-Car Rental Concessionaires
- Categories of Work
- Base Figure
- Adjusted Goal

Car Rental Concessions Goal Development

- Current Car-Rental Concessionaires
- Base Figure
- Adjusted Goal

Next Steps

Unable to Attend?

Comments Accepted through August 14, 2020

SJC will be accepting comments to the overall ACDBE Goal-Setting Methodology for FFY 2021-2023 until August 14, 2020. Written comments to the SJC DBE Liaison Officer, Christopher Hickey at Christopher.Hickey@sanjoseca.gov. Written comments can also be sent directly to the FAA, DBE/ACDBE Compliance Specialist for the Western Pacific Region, P.O. Box 920078, Los Angeles, CA 90009-2007.

ATTACHMENT 3: CONSULTATIVE PROCESS SUMMARY




Organization	Contact Efforts	Comments
<p>Building & Construction Trades Council 408-265-7643 Josué García josue@scbtc.org Norene Sakazaki, Office Manager norene@scbtc.org david@scbtc.org</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and spoke with Norene. Notified her that an email was sent with information regarding the ACDBE Triennial Goal Methodology for FFY 21-23. Sent email with requested information for review with Executive Director. 8/7 left voicemail message. 	None received
<p>Chinese American Chamber of Commerce Santa Clara Valley 408-615-7300 cacc_sc@yahoo.com www.cacc-sc.org</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 attempted to call organization; number disconnected. 	None received
<p>Filipino American Chamber of Commerce of Silicon Valley 408-283-0833 info@filamchamber.org</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	None received
<p>Hispanic Chamber of Alameda County 415-572-3568 510-536-4477 info@achcc.org www.hccac.com</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	None received
<p>Hispanic Chamber of Commerce Silicon Valley 408-248-4800 Dennis King dennisk@hccsv.org connie@sbdchc.org http://www.hccsv.com/staff.asp</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and spoke with Connie at the chamber. Connie stated that their priority is focusing on assisting small business in the area as many are being impacted by COVID-19. SJC notified Connie of the email for reference. 8/11 left voicemail message. 	None received
<p>Silicon Valley Minority Business Consortium 408-660-9171 Walter Wilson walter@minoritybusinessconsortium.com</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	None received



Organization	Contact Efforts	Comments
<p>San Jose MBDA Business Center 408-998-8058 x 139 Paula Tran Raymond Au Yeong Tony Tang ptran@sanjosembdacenter.com; rauyeong@sanjosembdacenter.com ttang@sanjosembdacenter.com mbda.gov/businesscenters/sanjose</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	<p>None received</p>
<p>National Association of Women Business Owners Silicon Valley 408-657-7190 info@nawbo-sv.org</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	<p>None received</p>
<p>Oakland African American Chamber of Commerce 510-268-1600 communityengagement@oaacc.org office@oaacc.org http://www.oakaacc.org/</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 attempted call; however, call could not be completed 	<p>None received</p>
<p>Silicon Valley Vietnamese American Chamber of Commerce 408-673-7181 408-658-7785 Nancy Kieu Nga Avila info@svvacoc.org knabila@svvacoc.org http://www.svvacoc.org/</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	<p>None received</p>
<p>The Silicon Valley Black Chamber of Commerce 408-288-8806 Carl Davis pres@blackchamber.com www.blackchamber.com</p>	<ul style="list-style-type: none"> • Sent e-blasts on 7/15/20, 7/21/20, 7/23/20, 7/28/20, 7/30/20, 8/4/20, 8/6/20, 8/10/20, and 8/12/20 • 7/29 called and left voicemail notifying them of the public consultative process for the ACDBE Triennial Goal Methodology for FFY 2021-2023 as well as providing contact information for follow-up questions and comments. 8/7 left voicemail message. 	<p>None received</p>

	<p>Norman Y. Mineta San Jose International Airport</p>		
<p>Federal Aviation Administration (FAA)</p> <p>Triennial Airport Concessions Disadvantaged Business Enterprise (ACDBE) Goal Setting Methodology</p> <p>Federal Fiscal Years (FFY 2021-2023)</p>		<p>Public Comment Webinar August 13, 2020</p>	

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<p>AGENDA</p>		<p>ACDBE Program Introduction</p>
		<p>ACDBE Goal Development: Non-Car Rental and Car Rental</p>
		<p>Next Steps</p>


2

INTRODUCTION

- Title 49 CFR Part 23**
Participation of DBEs Airport Concessions
- Title 49 CFR Part 26**
 - Participation by DBEs in U.S. Department of Transportation Programs
- Triennial Goal Period**
Goal Setting Methodology FFY 2021-2023
(October 1, 2020 - September 30, 2023)

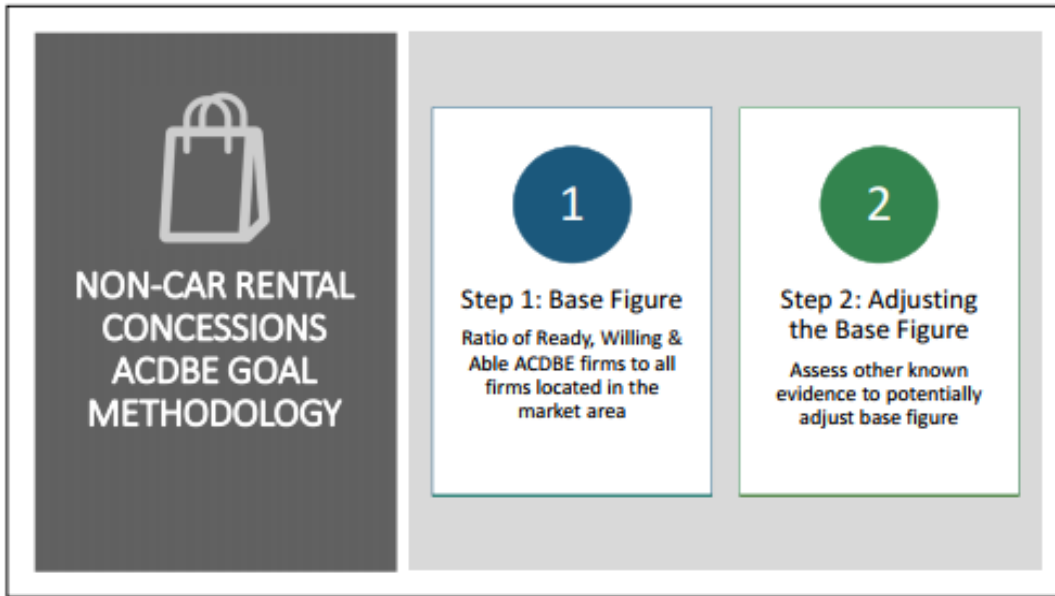
3

MARKET AREA



- The market area is the State of California**
 - Area where the substantial majority of firms seek to do concessions
 - Required to evaluate the availability of ACDBEs

4



5

**NON-CAR RENTAL
CONCESSIONAIRE
GROSS RECEIPTS**

Non-Car Rental Concessionaire	FFY 2019
Airport Mallers	\$14,987
Alclear	\$9,734,377
ALD Development Corp	\$5,654,211
AMS-SJC Joint Venture with JR Lester	\$15,640,548
Bank of America	\$324,661
Canteen Vending (Drop Water)	\$12,727
Certified Folder	\$64,065
Clear Channel Advertising	\$5,133,917
Host Food and Beverage	\$23,302,449
NewZoom	\$23,913
OpticWash	\$27,208
Pacific Gateway Concessions	\$27,210,435
PRI Provenzano Resources	\$1,999,916
ReadyCARD	\$20,135
Smarte Carte-Luggage Carts	\$295,563
Smarte Carte-Massage Chairs	\$186,303
Tamalpas	\$17,634
World Duty Free Goods NA Host Retail	\$10,698,450
TOTAL	\$100,361,499

6

NON-CAR RENTAL CONCESSIONAIRE CATEGORIZATION OF WORK

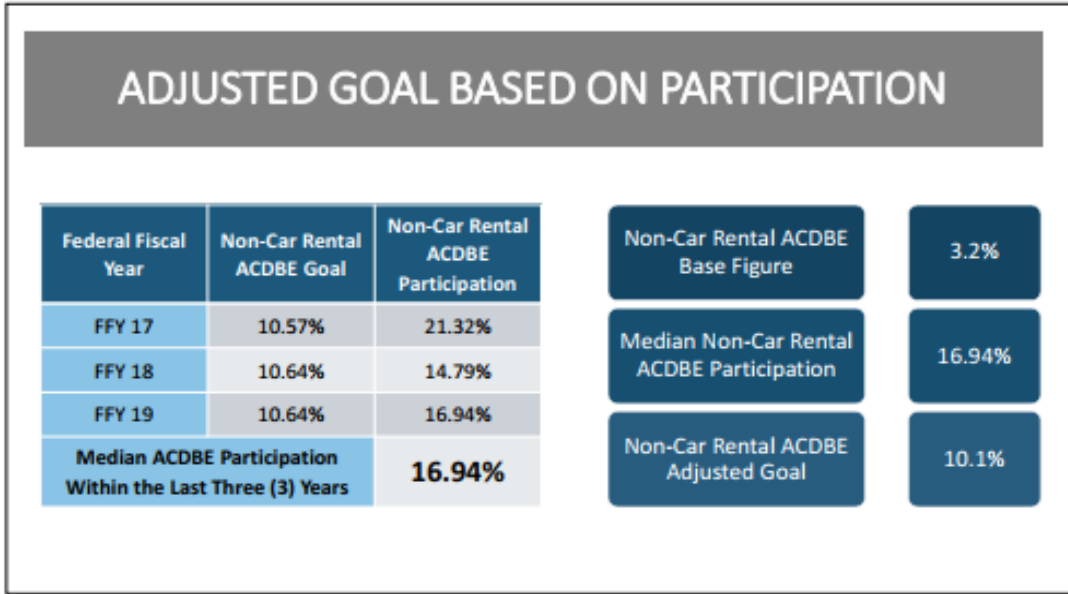
Concession Type	Projected Gross Receipt FFY 2021-2023	Concession % by Type
Drinking places (alcoholic beverages) (722410)	\$3,525,012	2.60%
Financial transactions processing, reserve, and clearinghouse activities (522320)	\$25,480	0.00%
Food service contractors (722310)	\$24,675,081	18.50%
Full-service restaurants (722511)	\$14,100,047	10.60%
Gift, novelty, and souvenir stores (453220)	\$6,203,019	4.70%
Limited-service restaurants (722513)	\$10,575,035	7.90%
News dealers and newsstands (451212)	\$21,710,565	16.30%
Other airport operations (488119)	\$255,166	0.20%
Other personal care services (812199)	\$402,345	0.30%
Other services related to advertising (541890)	\$105,172	0.10%
Other support activities for air transportation (488190)	\$12,934,956	9.70%
Outdoor advertising (541850)	\$13,045,946	9.80%
Parking lots and garages (812930)	\$16,698	0.00%
Portfolio management (523920)	\$2,024,681	1.50%
Snack and nonalcoholic beverage bars (722515)	\$20,836,581	15.70%
Vending machine operators (454210)	\$2,610,322	2.00%
Total	\$133,046,106	100.00%

7

$$\sum \frac{\text{Number of Ready, Willing, and Able ACDBEs}}{\text{Number of All Available Firms}} \times \frac{\text{Weighting Type \%}}{\text{Type \%}} = \text{ACDBE Base Figure}$$

Concessionaire Type	ACDBEs	All Firms	ACDBE Relative Availability	NAICS %	ACDBE Base Figure
Drinking places (alcoholic beverages) (722410)	9	3,301	0.30%	2.60%	0.00%
Financial transactions processing, reserve, and clearinghouse activities (522320)	0	641	0.00%	0.00%	0.00%
Food service contractors (722310)	18	2,418	0.70%	18.50%	0.10%
Full-service restaurants (722511)	20	31,173	0.10%	10.60%	0.00%
Gift, novelty, and souvenir stores (453220)	35	2,274	1.50%	4.70%	0.10%
Limited-service restaurants (722513)	33	31,903	0.10%	7.90%	0.00%
News dealers and newsstands (451212)	14	85	16.50%	16.30%	2.70%
Other airport operations (488119)	0	184	0.00%	0.20%	0.00%
Other personal care services (812199)	3	2,537	0.10%	0.30%	0.00%
Other services related to advertising (541890)	4	873	0.50%	0.10%	0.00%
Other support activities for air transportation (488190)	0	428	0.00%	9.70%	0.00%
Outdoor advertising (541850)	6	300	2.00%	9.80%	0.20%
Parking lots and garages (812930)	6	2,721	0.20%	0.00%	0.00%
Portfolio management (523920)	0	4,536	0.00%	1.50%	0.00%
Snack and nonalcoholic beverage bars (722515)	17	11,114	0.20%	15.70%	0.00%
Vending machine operators (454210)	4	244	1.60%	2.00%	0.00%
ACDBE Base Figure					3.2%

8



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CAR RENTAL CONCESSIONAIRE GROSS RECEIPTS	
Car Rental Concessionaire	FFY 2019
Avis Budget Car Rental, LLC	\$42,453,705
DTG Operations, Inc.	\$13,204,117
EAN, LLC dba Enterprise Rent a Car	\$59,984,104
Fox Rent A Car, Inc.	\$6,420,090
Hertz Corporation	\$39,931,391
NOCAL Rentals, Inc. dba Payless Car Rental	\$2,335,888
Sixt Rent a Car	\$7,798,591
TOTAL	\$172,127,885

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Σ BASE FIGURE FOR CAR RENTAL CONCESSIONS																																																							
Number of ACDBEs Number of All Available Firms	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4CAF50; color: white;">Concessionaire Type</th> <th style="background-color: #4CAF50; color: white;">ACDBEs</th> <th style="background-color: #4CAF50; color: white;">All Firms</th> </tr> </thead> <tbody> <tr><td>Automotive body, paint, and interior repair and maintenance (811121)</td><td style="text-align: center;">1</td><td style="text-align: center;">4,220</td></tr> <tr><td>Automotive exhaust system repair (811112)</td><td style="text-align: center;">0</td><td style="text-align: center;">202</td></tr> <tr><td>Automotive glass replacement shops (811122)</td><td style="text-align: center;">0</td><td style="text-align: center;">607</td></tr> <tr><td>Automotive oil change and lubrication shops (811191)</td><td style="text-align: center;">1</td><td style="text-align: center;">715</td></tr> <tr><td>Automotive parts and accessories stores (441310)</td><td style="text-align: center;">0</td><td style="text-align: center;">3,355</td></tr> <tr><td>Car washes (811192)</td><td style="text-align: center;">3</td><td style="text-align: center;">1,921</td></tr> <tr><td>General automotive repair (811111)</td><td style="text-align: center;">3</td><td style="text-align: center;">9,569</td></tr> <tr><td>Insurance agencies and brokerages (524210)</td><td style="text-align: center;">0</td><td style="text-align: center;">14,530</td></tr> <tr><td>Motor vehicle parts (used) merchant wholesalers (423140)</td><td style="text-align: center;">0</td><td style="text-align: center;">216</td></tr> <tr><td>Motor vehicle supplies and new parts merchant wholesalers (423120)</td><td style="text-align: center;">1</td><td style="text-align: center;">2,016</td></tr> <tr><td>New car dealers (441110)</td><td style="text-align: center;">0</td><td style="text-align: center;">1,940</td></tr> <tr><td>Other miscellaneous durable goods merchant wholesalers (423990)</td><td style="text-align: center;">2</td><td style="text-align: center;">1,611</td></tr> <tr><td>Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals) (424720)</td><td style="text-align: center;">1</td><td style="text-align: center;">208</td></tr> <tr><td>Tire and tube merchant wholesalers (423130)</td><td style="text-align: center;">0</td><td style="text-align: center;">275</td></tr> <tr><td>Tire dealers (441320)</td><td style="text-align: center;">0</td><td style="text-align: center;">2,263</td></tr> <tr><td>Used car dealers (441120)</td><td style="text-align: center;">0</td><td style="text-align: center;">1,550</td></tr> <tr> <td style="text-align: right;">ACDBE Base Figure (12 + 45,198)</td> <td style="text-align: center;">0.03%</td> <td></td> </tr> </tbody> </table>	Concessionaire Type	ACDBEs	All Firms	Automotive body, paint, and interior repair and maintenance (811121)	1	4,220	Automotive exhaust system repair (811112)	0	202	Automotive glass replacement shops (811122)	0	607	Automotive oil change and lubrication shops (811191)	1	715	Automotive parts and accessories stores (441310)	0	3,355	Car washes (811192)	3	1,921	General automotive repair (811111)	3	9,569	Insurance agencies and brokerages (524210)	0	14,530	Motor vehicle parts (used) merchant wholesalers (423140)	0	216	Motor vehicle supplies and new parts merchant wholesalers (423120)	1	2,016	New car dealers (441110)	0	1,940	Other miscellaneous durable goods merchant wholesalers (423990)	2	1,611	Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals) (424720)	1	208	Tire and tube merchant wholesalers (423130)	0	275	Tire dealers (441320)	0	2,263	Used car dealers (441120)	0	1,550	ACDBE Base Figure (12 + 45,198)	0.03%	
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ADJUSTED GOAL BASED ON PARTICIPATION

Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation (including Santa Monica Ford)	Santa Monica Ford acquired by non-ACDBE in FFY 2019	Car Rental ACDBE Participation Adjusted (excluding Santa Monica Ford)
FFY 17	3.46%	39.96%		0.89%
FFY 18	3.46%	28.02%		0.85%
FFY 19	3.46%	19.04%		0.85%
Median ACDBE Participation				0.85%


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ADJUSTED GOAL BASED ON PARTICIPATION

Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation (excluding Santa Monica Ford)	Car Rental ACDBE Base Figure	0.03%
FFY 17	3.46%	0.89%	Median Car Rental ACDBE Participation	0.85%
FFY 18	3.46%	0.85%	Car Rental ACDBE Adjusted Goal	0.40%
FFY 19	3.46%	0.85%		
Median ACDBE Participation		0.85%		

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FINAL DBE GOAL


10.1%
Non-Car Rental
ACDBE Goal


0.4%
Car Rental
ACDBE Goal

Next Steps:

- Accept Comments
- Analyze Responses
- Revise Goal, as needed
- Finalize Goal
- Submit Final Goal to FAA

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Norman Y. Mineta
San Jose International Airport

QUESTIONS?

Public Comment
Webinar
August 13, 2020

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