

TRI CITIES AIRPORT (PSC) ACDBE GOAL CALCULATION FOR 2017-2019

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

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

Name of Recipient:

Tri-Cities Airport (PSC)

Goal Period: October 1, 2017 through September 1, 2019

Overall Three-Year Goal:

1.5%, to be accomplished through 0% RC and 100% RN

The Tri-Cities Airport (PSC) has determined the market area is as follows:

The Tri-Cities Airport (PSC) has determined that its market area is gift stores and food and beverage suppliers, advertising support suppliers and parking lot operations suppliers as firms in the State of Washington indicating that the business is ready, willing and able to compete for business opportunities in the Tri-Cities.,

MARKET AREA FOR NON-CAR RENTAL CONCESSIONAIRES

COMPANY	TYPE OF CONCESSION	CITY	STATE	NATIONWIDE
News/Gifts	Retail			nationwide
Food Service	Restaurant			nationwide
Advertising	Advertising			nationwide
Parking Lot	Parking			nationwide

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

Base of Goal

To calculate the base of the goal, the Tri-Cities Airport (PSC) considered the previous 4 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities. These totals include revenue from the parking lot, airport advertising, and the restaurant and gift shop operations inside the terminal building.

Gross Receipts for Previous 4 Years - Non-Car Rental Concessions (Restaurant, Airport Advertising, Parking Lot)

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2014	\$ 3,938,022
2015	\$ 4,077,878
2016	\$ 4,504,669
2017	\$5,401,891
Total	\$17,922,460
Average	\$ 4,480,615

The Tri-Cities Airport (PSC) estimates that revenues to existing concessions will grow by 5% over the next three years due to projected increases in passenger enplanements $\$4,480.615 \times 5\% = \$224,030.75 = \$4,480,615 + \$224,030.75 = \$4,704,645.75$, which is the base of goal.

The Tri-Cities Airport (PSC) anticipates one concession opportunity during this goal period. The current parking lot agreement expires on 1/31/19. PSC will invite current and new businesses to participate through a public RFP/RFQ process prior to the expiration of the agreement. The RFP/RFQ will be open to all business and will encourage ACDBE participation. The new agreement is estimated to have gross sales similar to the current concession, so the projections above should not be impacted. The new agreements will require an ACDBE outreach plan and goal and will require a reporting of a detailed list of goods and services purchased and the firm they are purchased from. This information will be used to reach out to potential firms who may be eligible for ACDBE certification.

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

If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Tri-Cities Airport (PSC) will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

Methodology used to Calculate Overall Goal

Goods and Services

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. We, and the businesses at the airport, shall make good faith efforts to explore all available options to achieve, to the maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator. The Tri-Cities Airport will seek to meet its goal using the participation from the purchasing of goods and services.

Step 1: 23.51(c)

We determined the base figure for the relative availability of ACDBEs other than car rentals that provides goods and services to the airport concessions firms. The list of these goods and services providers are below. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area able to provide goods and services to airport concession operators

18/4998=.003601

Denominator: All ready, willing and able non-car rental concession firms in the market area who can provide goods and services to airport concession operators.

NAICS	Type of Good/Services Offered	Total ACDBE's	Total All Firms
311812	Bakery	1	28
311920	Coffee Roasting/tea	1	42
424120	Office Supplies	1	84
424905	Food Wholesale	1	12
422820	Alcohol	0	16
424130	Paper supplies	2	98
423850	Restaurant supplies	0	81
453220	Gifts and souvenirs	3	494
424920	News, books, periodicals	0	54
454210	Vending	0	43
424490	Packaged goods	1	321
524210	Insurance	1	2710
561439	Business support services	4	433
323111	Printing services	1	399
128001	Toys	0	131
424490	Water/soda	0	37
320055	Digital graphics	2	15
	Parking lots	0	
	advertising	0	
	Restaurant		
	Gift shops		
	Coffee Shops		
	Bar		
TOTAL		18	4998
Base calculation		$18/4998=.0036$	

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

The certification agency for the State of Washington is the Office of Minority and Women Business Enterprises (OMWBE). Certification authority is delegated to OMWBE through an agreement with the State of Washington. OMWBE provides staff to conduct ACDBE certification, recertification, decertification, appeals, challenges, investigations of third party allegations, and public awareness activities pertaining to certification programs. Certifications for ACDBE, WBE, MBE, DBE, and WMBE were included as the numerator, as any of these firms could be certified as an ACDBE, even if they currently are not certified as specifically an ACDBE.

Information regarding the certification process, including applying for certification, can be found at : <https://omwbe.wa.gov>.

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

The American Fact Finder search tool on the census website was used. <http://factfinder.census>. The information was searched for using just the State of Washington.

When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of: $.00360144 = .36\%$

Step 2: 23.51(d)

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

In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 1.14%. Our overall goal for non-car rental concessions is **1.5%**. See below past participation.

The data used to determine the adjustment to the base figure was the results from the average of the 2016 and 2017 participation.

Past History Participation

In 2016 and 2017, the participation goal for PSC was based solely on the purchase of goods and services. In prior years (before 2016), participation was based on a prime concessions revenue, therefore, explains why only two years of past history are listed below. The average for the participation for 2016 and 2017 is 1.5%. This is the amount the new goal will be adjusted to.

The results for 2016 and 2017 are below:

FY	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
16		.14%	.14%		.25%	.25%
17		2.8%	2.8%		2.8%	2.8%
Avg.		1.5%				

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

PUBLIC PARTICIPATION

Consultation: Section 23.43.

The Tri-Cities Airport (PSC) has teamed up with the Tri-Cities Hispanic Chamber of Commerce to engage in outreach efforts to the local community. Information regarding the ACDBE program, opportunities and application information through the State of Washington Office of Minority and Women's Business Enterprises has been and will be disseminated through the airport's website, Hispanic Chamber workshops and events, and to members of the Chamber.

The key in our area would be increasing the number of ACDBE certified firms in our local geographical region. Airport staff will use the information received on the goods and services purchase reports from airport concessions operators to find opportunities to reach out to potential firms eligible for certification.

The Tri-Cities Airport will remind airport tenants and concessions operators to explore opportunities to do business with those certified ACDBE firms. The directory of firms will be disseminated to tenants and concessionaires on a regular basis, during monthly operations meetings.

Prior to submitting this goal to the FAA, the Tri-Cities Airport (PSC) consulted with the following stakeholders:

Tri-Cities Hispanic Chamber of Commerce
Airport Tenants and Concessionaires

No comments have been received, other than an agreement to work with the Hispanic chamber of commerce to increase outreach efforts to increase the number of certified ACDBE firms in our region.

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

The Tri-Cities Airport (PSC) will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Tri-Cities Airport (PSC) uses the following race-neutral measures.

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

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. 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.

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

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

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

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

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

Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

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

Name of Recipient:

Tri-Cities Airport (PSC)

Goal Period: October 1, 2017 through September 30, 2019

Overall Three-Year Goal:

.5% to be accomplished through 0% RC and 100% RN

The Tri-Cities Airport (PSC) has determined its market area as nationwide for car rental operators. The ACDBE goal will be based on goods and services. The certifications of ACDBE, DBE, MBE, WMBE, and WBE were used, as these could potentially all be eligible for ACDBE certification. This was also determined through an evaluation of the reported goods/services purchased last year and through consultation with stakeholders as to the most likely market for each good/service identified.

The market area for car rental concessions is shown in the table below.

Type of Concession	City	State	Nationwide
Car rental operators			nationwide

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

Base of Car Rental Goal

To calculate the base of the goal Tri-Cities Airport (PSC) considered the previous 4 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts (Revenue) for Previous 4 Years - Car Rental Concessions

Fiscal Year	Concessions Revenue (Car Rental)
2014	\$8,478,029
2015	\$9,296,483
2016	\$9,416,189
2017	\$10,372,336
Total	\$37,563,037
Average	\$9,390,759

The Tri-Cities Airport (PSC) estimates that revenues to existing concessions will grow by 5% over the next three years due to increased passenger projections \$9,390,759 x 5% = \$9,390,759 + \$469,538 = \$9,860,297 base of goal.

The current car rental agreements expire on 10/31/2018. There is opportunity for four car rental operators to lease space to operate at PSC. However, at this time, there are no ACDBE car rental companies. The new agreements will require a specific ACDBE outreach plan and participation goal. In addition, it will require the detailed reporting of goods and services purchases on a quarterly basis.

The other possible car rental concession opportunities during this goal period are limited to the purchase of goods and services. A list of potential goods and service providers follows this section. Annual Goods and services purchases for the local locations are estimated to be at about \$12,000 - \$20,000 during the next goal period.

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

Methodology used to Calculate Overall Goal

Goods and Services

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

Step 1: 23.51(c)

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

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

$$13/4851=.27$$

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

NAICS	Type of Good/Services Offered	Total ACDBE's	Total All Firms
524210	Insurance	1	2710
561622	locksmith	1	101
423120	Auto supplies	1	276
424720	gasoline	1	21
811920	Auto detailing	0	358
811122	Glass installation	0	172
811198	Tire repair/other repair	0	44
424120	Office supplies	1	84
424903	Water/soda	0	37
424130	Paper supplies	1	98
424690	Janitorial supplies	1	6
561990	Business support services	4	433
323111	Printing services	1	399
562910	Oil disposal	1	12

For information on the certification process, including the application process, visit <https://omwbe.wa.gov>.

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

The American Fact Finder search tool on the census website was used, <http://factfinder.census.gov> for searching for firms in the state of Washington. When we divided the numerator by the denominator, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of: **.27%**

Step 2: 23.51(d)

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

In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure to .5%. Our overall goal for car rental concessions is .5%.

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

The Tri-Cities Airport (PSC) is about to go through the RFP/RFQ process to enter into new car rental agreements. This will allow the addition of specific ACDBE outreach and goal requirements for the car rental operators that were not there in the past. As a result, PSC would like to reach for a participation goal of .5%, to be reached by the purchase of goods and services, even though the base goal calculation came back at .27%.

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

PUBLIC PARTICIPATION

Consultation: Section 23.43.

The Tri-Cities Airport (PSC) has teamed up with the Tri-Cities Hispanic Chamber of Commerce to engage in outreach efforts to the local community. Information regarding the ACDBE program, opportunities and application information through the State of Washington Office of Minority and Women's Business Enterprises has been and will be disseminated through the airport's website, Hispanic Chamber workshops and events, and to members of the Chamber.

The key in our area would be increasing the number of ACDBE certified firms in our geographical region. Airport staff plans to use the information gathered from concession operators regarding goods/services purchase to perform community outreach to attempt to increase the number of certified firms.

The Tri-Cities Airport will remind airport tenants and concessions operators to explore opportunities to do business with those certified ACDBE firms. The directory of firms will be disseminated to tenants and concessionaires on a regular basis during monthly operations meetings.

Prior to submitting this goal to the FAA, the Tri-Cities Airport (PSC) consulted with the following stakeholders:

Tri-Cities Hispanic Chamber of Commerce
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No comments have been received, other than an agreement to work with the Hispanic chamber of commerce to increase outreach efforts to increase the number of certified ACDBE firms in our region.

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

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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, goals are carried over as there are no new concessions contracts available this goal period;
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.

We estimate that, in meeting our overall goal of .5%, we will obtain 100% from race-neutral participation and 0% through race-conscious measures.

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

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