

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)

PORT OF OAKLAND

OAKLAND INTERNATIONAL AIRPORT

GOAL and METHODOLOGY REPORT FOR CAR RENTAL CONCESSIONS

FOR FEDERAL FISCAL YEARS (FFY) 2020-2023

The Port of Oakland, Oakland International Airport (Airport) has car rental concessionaire revenues greater than \$200,000. Because revenues exceed this amount, according to 49 CFR 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 2020-2023. The following subsections outline the methodology used to determine the goal for car rental ACDBE participation.

A. Current Car Rental Concessionaires

The Airport currently has four (4) car rental concessionaire entities. Their FFY 2019 revenues and base for the goal are listed in Table 1 below.

Table 1

Current Car Rental Concessionaires			
Concessionaire	FFY 2019 Gross Revenue	Contract Commencement Date	Contract Expiration Date
Avis Budget Group	\$25,769,549	November 1, 2017	June 30, 2032
Enterprise	\$38,395,805	November 1, 2017	June 30, 2032
Fox	\$4,801,852	November 1, 2017	June 30, 2032
Hertz	\$27,817,650	November 1, 2017	June 30, 2032

All of the Rental Car Concession Agreements commenced on 11/1/2017 and will expire on 6/30/2022. Each car rental concessionaire has two five (5) -year options that could potentially extend out to 2032.

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.

Based on the types of goods/services purchased by the rental car companies (e.g. auto repair, insurance, fuel, etc.), it has been determined that their market area for their purchase of goods and services is the United States. This was determined through an evaluation of purchase of goods and services made by those rental car companies who are operating at the airport and who submitted reports. The geographic region for the purchase of vehicles was largely generated by Santa Monica Ford of California and has since been sold (2019) and no longer a certified ACDBE provider. Santa Monica Ford represented a majority of the ACDBE purchase of goods as shown in Table 3.

B. 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 Port is utilizing the CUCP ACDBE database, as this is the source database containing certified ACDBEs in California, specifically Alameda and Contra Costa Counties. The most recent available census bureau data is for 2018.

Table 2 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 2

<u>U.S. Census/California Unified Certification Program Directory</u>			
Type of Service	NAICS Code	ACDBE Firms	All Firms
Automotive body, paint and interior repair and maintenance	811121	0	316
Accounting	541211	0	422
Asset Recovery	561440	0	14
Automotive exhaust system repair	811112	0	12
Automotive glass replacement shops	811122	0	54
Automotive oil change and lubrication shops	811191	0	43
Automotive parts and accessories stores	441310	0	171
Car washes	811192	0	118
Car dealerships	441110	0	125
Cleaning Supplies	423850	0	42
Computer Support/Materials	423430	0	159
First Aid	424210	0	93
Fuel/Oil/Energy	424720	0	16
General automotive repair	811111	0	691
GPS Devices	334220	0	12
Insurance agencies and brokerages	524210	0	900
Janitorial services	561720	0	440
Keys/Locks	561622	0	38
Luggage Carts/Wheelchairs	423450	0	61
Office Expense	424120	0	31
Motor vehicle parts (used) merchant wholesalers	423140	0	8
Motor vehicle supplies and new parts merchant wholesalers	423120	0	102
New car dealers	441110	0	54
Other miscellaneous durable goods merchant wholesalers	423990	1	76
Pest Control	561710	0	99

Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	424720	0	16
Printing	323111	0	152
Roadside Assistance	488410	0	77
Security	561621	0	74
Signage	323111	0	152
Tire and tube merchant wholesalers	423130	0	12
Tire dealers	441320	0	172
Towing	488410	0	77
Uniform cleaning	812320	0	195
Uniforms	424320	1	62
Used car dealers	441120	0	104
Windshield repair	811122	0	30
Total		2	5220
Base Figure		0.04%	

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

Table 3

Historical ACDBE Participation		
Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation
FFY 2017	3.30%	46.40%
FFY 2018	3.30%	18.24%
FFY 2019	3.30%	8.59%

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 4 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 4

Federal Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation
FFY 2017	3.30%	1.55%
FFY 2018	3.30%	0.92%
FFY 2019	3.30%	0.19%

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

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

Car Rental Median ACDBE

Car Rental ACDBE Base Figure (0.04%)	+	Participation Within the Last Three (3) Years (0.92%)	÷2	=	Car Rental ACDBE FFY 2020-2023 Goal (0.48%)
--------------------------------------	---	---	----	---	---

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.

C. ACDBE Goal For Car Rental Concessions FFY 2020-2023

In accordance with the requirements of 49 CFR Part 23, the Airport has established a Car Rental ACDBE Goal of 0.48% for FFY 2020-2023.

Table 5

Car Rental ACDBE Goal	0.48%
Race-Conscious Projection	0.00%
Race-Neutral projection	0.48%

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

Additionally, we have collected information from other airports that operate consolidated car rental centers similar to the facility at Oakland International Airport and results are shown in Table 6 below.

Table 6

Car Rental Concession Goals at Other airports with a Consolidated Car Rental Facility	
San Jose International Airport	0.4%
San Francisco International Airport	0.6%
Seattle-Tacoma International Airport	1.3%
McCarran International Airport Las Vegas	1.6%
Portland International Airport	1.85%
Los Angeles World Airports	3.1%
Phoenix Sky Harbor International Airport	4.1%

D. 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 and outreach methods the Airport will utilize are listed below:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Maintaining ongoing lists of interested car rental companies, both ACDBEs and non-ACDBEs. These lists are utilized as part of outreach efforts for specific car rental opportunities.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- Utilizing e-mail blasts, aviation trade associations and organizations, and the Port of Oakland/Airport website
- When practical, structuring concession activities to encourage and facilitate the participation of ACDBEs.

- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.

E. Public Participation

A Public Notice was issued on the Port of Oakland and Oakland International Airport websites, publishing the proposed FAA Overall ACDBE Goal and Methodology Report for FFY 2020-2023. 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.

The Port of Oakland/Airport's proposed ACDBE Car Rental Goal and Methodology and its rationale were developed in response to the United States Department of Transportation's Disadvantaged Business Enterprise Program Final Rule 49 Code of Federal Regulations, Part 23, and is available at our principal place of business located at:

Port of Oakland
Attn: Social Responsibility Division
530 Water Street
Oakland, CA 94607

This Goal and Methodology Report for Car Rental Concessions is posted on the Port of Oakland and Oakland International Airport websites at: www.portofoakland.com and www.oaklandairport.com.

Public comment may be submitted at srdadmin@portoakland.com.

List of Attachments

Due to the volume and size of the documents for items listed below, attachments are not included but may be obtained for review by contacting Amy Tharpe, Director Social Responsibility, DBELO at atharpe@portoakland.com, or (510) 627-1302.

1. NAICS Codes and Titles
2. CUCP ACDBE Certified Firms