

**PORT OF OAKLAND
530 WATER STREET,
OAKLAND, CALIFORNIA**

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) FEDERAL FISCAL YEARS (FFY) 2020 -2023 OVERALL THREE-YEAR GOAL AND METHODOLOGY REPORT FOR NON-CAR RENTAL CONCESSIONS TO THE FEDERAL AVIATION ADMINISTRATION (FAA)

The Port of Oakland (the “Port”) is pleased to submit this report outlining the Port’s overall ACDBE goal and the method of calculating the goal (the “Goal and Methodology Report”) in non-car rental airport concessions at Oakland International Airport (“OAK”).

The Port’s objective in setting a goal is to estimate the percentage of the gross receipts of concessions that would be performed by ACDBEs in the absence of discrimination (49 CFR Part 23 (the “Regulations”), Section 23.51). The Port is committed to achieving this goal through a race-neutral program as described in this Goal and Methodology Report under the “Race-Neutral Methods” section (page 7).

The method the Port used to calculate the overall goal is consistent with the Regulations Section 23.51. Step One is determining the ACDBE availability base figure (see Chart 2) derived from the California Unified Certification Program Database for ACDBEs and active participant lists (APL) from Oakland, San Francisco, Los Angeles, San Jose, and San Diego International Airports (page 4). In Step Two, the ACDBE availability base figure is adjusted by the median of OAK’s past three-year history of ACDBE participation level (see Chart 3). Based on the ACDBE availability, adjusted by past achievement of OAK, the Port proposes an overall ACDBE goal of 12.22%.

Finally, Regulation Section 23.51 (d)(5) requires the Port to describe its utilization of a race-neutral program to reach the goal and the degree to which the program must be augmented by project specific race-conscious goals should the overall goal not be reached through race-neutral means alone. The Port’s stated goal in the ACDBE Program Plan is to “meet the goals to the maximum extent feasible through the race neutral measures”.

Port staff will carefully monitor the Port’s progress on a project-by-project basis. Based on the Port’s performance in reaching its overall goal at any time during the effective period of this program or within any particular type of concession opportunities (e.g. business services, etc.), the Port will not require race-conscious methods in any particular contract. This practice is consistent with 49 CFR Part 26, Section 26.51, (see reference in the Regulations Section 23.51(d)(5)).

I. PROJECTED CONCESSION OPPORTUNITIES – NON-CAR RENTAL CONCESSIONS

The Port’s FFY 2021-2023 non-car rental concession contracting opportunities are estimated to total **\$122,526,654** in gross receipts, as shown in Chart 1 by U.S. Census Bureau’s North American Industry Classification System (NAICS) codes. The first column shows each type of concession opportunity of the entire concession program. Please note that security services are not included because the Regulations specifically exclude security contracts from the definition of concession opportunities. The last column represents a percentage of gross receipts estimated by concession opportunity type. The estimate reflects recent and mounting economic impacts including the COVID-19 shut down. As of September 1, 2020, the Port does not anticipate enplanements to increase for FFY 20-21, 21-22, and 22-23 (0.0%). Concessions are estimated accordingly and remain flat as reflected below in Chart 1.

CHART 1

TOTAL CONCESSIONS OPPORTUNITIES BY AREAS OF CONCESSION OPPORTUNITIES

Concession Contract/ Management Agreement Opportunity	Actual			Total Estimated Gross Receipts of Contract/Total Value of Management Agreement			Percentage of Total Gross Receipts
	FFY 18	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	
Food and Beverage	47,140,029	44,948,341	21,203,924	21,203,924	21,203,924	21,203,924	51.90%
Retail Shops	22,113,748	23,001,194	14,300,606	14,300,606	14,300,606	14,300,606	35.02%
Indoor/Display Advertising	1,332,203	2,163,374	1,731,135	1,731,135	1,731,135	1,731,135	4.24%
Telecommunications	966,920	1,042,056	930,429	930,429	930,429	930,429	2.28%
Business Services	3,117,068	3,473,115	1,494,617	1,494,617	1,494,617	1,494,617	3.66%
Luggage Carts & Lockers	305,290	283,037	137,325	137,325	137,325	137,325	0.34%
Parking	899,820	1,110,714	1,044,182	1,044,182	1,044,182	1,044,182	2.56%
Total	75,875,078	76,021,831	40,842,218	40,842,218	40,842,218	40,842,218	100.00%
Total 3 Years Estimated Gross Receipts						122,526,654	

II. GOAL METHODOLOGY – NON-CAR RENTAL CONCESSIONS

Step One: Determining the Base Figure of ACDBE Availability (23.51(c)):

In establishing its base figure for the relative availability of ACDBEs in the Port's market area (which area is determined to be the State of California), the Port has used the following data:

1. California Unified Certification Program ACDBE Database,
2. Available Concessionaries in Alameda and Contra Costa Counties.

The Port is basing the availability of ACDBE concession firms on the Active Participants List (APL) from Concession Opportunities from the airports of Oakland, San Francisco, Los Angeles, San Jose and San Diego because each airport has available data for all of the concession industry types with opportunities for contracting within the FFY 2020-2023 period.

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. It is worth noting that the CUCP has very few ACDBEs certified in its database for these two counties, resulting in some cases where there are no certified ACDBEs listed in certain categories. The Port references these counties because they are directly impacted by the Port. The Port is increasing its outreach to potential ACDBEs as outlined later in the report.

As noted in the Active Participants List for Concession Opportunities (Chart 2), 2,416 firms expressed interest in participating in the food and beverage concession opportunities. Of the 2,416 firms, 7 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately 0.28% of the food and beverage concession firms.

There were 105 firms that expressed interest in participating in the retail concession opportunities. Of the 105 firms, 2 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately 1.90% of the retail concession firms.

There were 90 firms that expressed interest in participating in the advertising concession opportunities. Of the 90 firms, none were specifically identified as an ACDBE. Therefore, the ACDBEs willing and able to propose on cession contracts account for approximately 0% of the indoor display advertising concession firms.

There were 220 firms that expressed interest in participating in the telecommunications concession opportunities. Of the 220 firms, 1 was specifically identified as an ACDBE. Therefore, the ACDBEs willing and able to propose on cession contracts account for approximately 0.45% of telecommunications concession firms.

There were 364 firms that expressed interest in participating in the business services concession opportunities. Of the 364 firms, 2 were specifically identified as an ACDBE. Therefore, the

ACDBEs willing and able to propose on concession contracts account for approximately 0.55% of the business services concession firms.

There were 15 firms that expressed interest in participating in the luggage carts and lockers concession opportunities. Of the 15 firms, none were specifically identified as an ACDBE. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately 0% of the luggage carts and lockers concession firms.

There were 139 firms that expressed interest in participating in the parking concession opportunities. Of the 139 firms, 1 was specifically identified as an ACDBE. Therefore, the ACDBEs willing and able to propose on parking concession contracts account for approximately 0.72% of the parking concession firms.

Chart 2 below shows the ACDBE availability for each concession opportunity type and availability weighted by the percentage that each concession opportunity represents of the entire concession program. From these, a total weighted availability is calculated.

CHART 2
ACDBE AVAILABILITY BY CONCESSION OPPORTUNITY
AND WEIGHTED AVAILABILITY

ACDBE Availability by Concession Opportunity						
Active Participants List (APL)	Concession Opportunity	Census/Active Participants List	UCP Database ACDBE	% ACDBE Availability	% of Estimated Gross Receipts per Concession Opportunity	Weighted Availability
APL	Food and Beverage	2416	7	0.29%	51.91%	0.15%
APL	Retail Stores	105	2	1.90%	35.01%	0.66%
APL	Indoor/Display Advertising	90	0	0%	4.24%	0.00%
APL	Telecommunications	220	1	0.45%	2.28%	0.01%
APL	Business Services	364	2	0.55%	3.66%	0.02%
APL	Luggage Carts & Lockers	15	0	0%	0.34%	0.00%
APL	Parking	139	1	0.72%	2.56%	0.01%
Total Weighted Availability						0.85%

Based on the data above, the Port has calculated a weighted ACDBE availability of 0.85% to establish its base figure applicable to concession contracting opportunities.

Step Two: Adjusting the Base Figure

Section 23.51(d) of the Regulations requires that the base ACDBE availability figure calculated in Step One must be adjusted by all relevant evidence within the Port's jurisdiction of the need for adjustment. Factors for adjustment include (i) the volume of work ACDBEs have performed in recent years in the Port's concessions program, (ii) evidence from disparity studies conducted within the Port's jurisdiction and (iii) data on employment, education, training and union apprenticeship programs related to concessions opportunities (Section 23.51(d)(3)).

Adjustment by Past Port Participation

The Port's historical volume of ACDBE participation based on gross receipts in its concessions program provides relevant evidence for adjusting the base availability. For FFY 2018-2020, the Port had concessions with a higher median ACDBE participation than the base figure of 0.85%. Chart 3 below shows the history of ACDBE participation in the Port's concessions programs for the past three federal fiscal years. The percentage of participation is shown as percentage of gross receipts, as required by the current Regulations.

CHART 3

PORT MEDIAN ACDBE PARTICIPATION FOR PAST THREE FISCAL YEARS

Port Median ACDBE Participation for Past Three Fiscal Years			
Federal Fiscal Year	Total Gross Receipts/Total Value of Management Agreement	ACDBE Gross Receipts	% of ACDBE Participation
FFY 17/18	72,809,014	14,873,910	20.43%
FFY 18/19	73,725,087	16,263,352	22.06%
FFY 19/20	40,842,218	8,767,027	21.46%
Median Past ACDBE Participation			21.46%

The median ACDBE participation for the past three federal fiscal years in OAK concessions is 21.46%. The average of the sum of the median ACDBE past participation of 21.46% and the current step one ACDBE availability of 0.85% equals 11.15% $(21.46 + 0.85\%)/2 = 11.16\%$. Therefore, the Port proposes an initial adjustment to the base figure to 11.16%.

Other Factors

There has been no disparity study completed within the Port's jurisdiction relevant to the airport concessions. Nor has there been data on employment or training programs relevant to the OAK concessions that may be a factor in adjusting the base ACDBE availability at this time.

Consistent with methods approved by the FAA and used by the Port in past ACDBE programs under both Parts 23 and 26 of the Regulations, the Port determines whether race-conscious measures will be adopted to augment its race-neutral program based on past performance in achieving the overall goals. Chart 4 below shows the Port's performance measured against the adopted goals in each of the past three federal fiscal years. The Port has consistently met and exceeded its prior ACDBE goal of 20.26% through race neutral means for the last three federal fiscal years.

CHART 4
PORT HISTORICAL ACDBE PARTICIPATION COMPARED TO GOAL FOR
PAST THREE FISCAL YEARS

Port Historical ACDBE Participation Compared to Goal for			
PAST THREE FISCAL YEARS			
Federal Fiscal Year	ACDBE (Goal)	Percentage ACDBE Participation	Percentage Variance
FFY 17-18	20.26%	20.43%	0.17%
FFY 18-19	20.26%	22.06%	1.80%
FFY 19-20	20.26%	21.46%	1.20%
Average Percentage Variance			1.06%

Therefore, the Port will further adjust its figure by adding the average percentage of race-neutral participation achieved over the established goal during the last three federal fiscal years and the adjusted base figure ($1.06\% + 11.16\% = 12.22\%$). **The Port Proposes an overall three-year goal of 12.22% for non-car rental concessions for FFYs 2020-2023.**

III. PUBLIC PARTICIPATION

The Port will publicly notice its goal to its stakeholders and the community through a 30 day advertisement period, allowing for inspection and comment, in addition to an email address where comments may be left.

IV. UTILIZATION OF RACE-NEUTRAL AND RACE CONSCIOUS METHODS – NON-CAR RENTAL CONCESSIONS

Consistent with the Port's policy, as stated in the Program Report, the Port intends to meet ACDBE participation goals entirely through race-neutral means.

Race-Neutral Methods

The Port has consistently implemented a race-neutral program to achieve ACDBE participation goals. The program consists of:

1. Structuring concession activities so as to encourage and facilitate the participation of ACDBEs when practical;
2. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Port's ACDBE Program is administered;
3. Providing technical assistance in orienting small businesses to concession and management opportunities at OAK through the internet and facilitating introductions to the Port's and other U.S. DOT recipients' contracting activities, through various small business conferences, local chambers and trade associations (i.e. Hispanic Chamber, Black Caucus, Black Board of Trade and Commerce, and Asian Business Chamber), sponsored events and conferences, as well as monthly breakfast and other outreach activities;
4. Providing outreach and communications programs on contract procedures and contract opportunities to ensure the inclusion of ACDBEs;
5. Ensuring the distribution of the California UCP Database to the widest feasible universe of potential concessionaires and management services contractors by listing the Caltrans website location in the RFPs and RFQs; and
6. Providing business development assistance by way of referrals to other agencies' Owner Controlled Insurance Program, and other assistance agencies.

Race Conscious Participation

The Port will not utilize any race conscious means of participation in achieving its goal.

Outreach Efforts

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

1. Lists of ACDBEs are available to potential prime concessionaires and provided at the time concession opportunities are identified and intended for bid.
2. Airport Properties staff maintain ongoing lists of interested concessionaires, both ACDBEs and non ACDBEs. These lists are utilized as part of outreach efforts for specific

- concession opportunities, i.e., food and beverage, retail, advertising, etc., and also provided to prime concessionaries seeking sub concessionaires.
3. Airport Properties staff advertise upcoming concession opportunities through aviation trade associations and organizations, i.e., AMCA, ACI, etc.
 4. Social Responsibility Division (SRD) staff conducts e-mail blasts to potential ACDBEs of upcoming concession opportunities as opportunities arise and encourages them to compete.
 5. Airport Properties and SRD staff make themselves available to respond to parties from interested parties.
 6. The Director of Aviation and the ACDBE Liaison Officer promote ACDBE participation through regular community-based organizations, trade associations and other relevant meetings throughout the year.
 7. The ACDBE Liaison Officer participates in ACDBE CUCP Cluster meetings once a month to discuss resolution of potential ACDBE certification issues, regulatory changes and best practices (data gathering methodologies, reporting).

List of Attachments

Due to 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