

Attachment 4

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

Name of Recipient: City of Eugene/Eugene Airport

Goal Period: FY-2016 – FY 2018 – October 1, 2015 through September 30, 2018

Overall Three-Year Goal:

1.04 %, to be accomplished through __0__% RC and _100__% RN

The **City of Eugene/Eugene Airport** has determined that its market area is gift stores and food and beverage suppliers as firms in the State of Oregon indicating that the business is ready, willing, and able to compete for business opportunities in Eugene.

Market Area for Non-Car Rental Concessionaires

Company	Type of Concession	City	State	Nationwide
News/Gifts	Retail		OR	
Food Service	Restaurant		OR	

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, goods, and support services are located.

Base of Goal

To calculate the base of the goal, **City of Eugene/Eugene Airport** considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2013	2,787,071
2014	2,721,002
2015	2,845,824
Total	8,354,527
Average	2,784,842

The City of Eugene/Eugene Airport does not anticipate any changes that will significantly increase or decrease concession revenues over next three years. Therefore, the recipient's base of goal is the average revenue of \$2,784,842

The concession opportunities anticipated during this goal period are:

City of Eugene/Eugene Airport anticipates one News and Gifts concession opportunity during this goal period. The current retail concession lease will expire in April 2018. City of Eugene will invite current and new businesses to participate through public Request for Proposal process prior to the expiration of the lease. The RFQ will be open to all business and encourage ACDBE participation. The new agreement is estimated to have gross sales similar to the current concession, so no impact on the overall average is anticipated.

In addition, City of Eugene/Eugene Airport has an open qualification pool to encourage companies to open micro-business opportunities at the airport. Concession agreements are limited to 1yr in length and are anticipated to generate less than \$100,000 in sales during the short contract terms.

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 any new concession agreements 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 **City of Eugene/Eugene Airport** 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.

Step 1: 23.51(c)

We determined the 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 identified in the table below

_____ 5 _____ divided by _____ 482 _____

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

NAICS	Type of Concession	Total ACDBE's	Total All Firms
311812	Bakery	0	55
311920	Coffee Roasting	1	32
312120	Breweries	0	49
453220	Gift Shops	2	340
451212	Newsstands	2	6
Total		5	482
Step 1 =			1.04%

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

The certification agency for the State of Oregon is the Office of Minority, Women and Emerging Businesses (OMWESB). Certification authority is delegated to OMWESB through an agreement (Attachment 5) with the Department of Consumer and Business Services. OMWESB provides staff to conduct DBE certification, recertification, de-certification, appeals, challenges, investigations of third party allegations, and public awareness activities pertaining to certification programs. The Oregon Department of Justice provides legal counsel for OMWESB.

For information about the certification process or to apply for certification, firms should contact:

State of Oregon Office of Minority, Women and Emerging Businesses
775 Summer St. NE, Suite 200
Salem, OR 97301-1280
<http://www.oregon4biz.com/Contact-us/>

Our certification application forms and documentation requirements are found online at:

<http://www.oregon4biz.com>

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

<http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

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: 1.04 %

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 0%. Our overall goal for non-car rental concessions is 1.04%

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

There is no historical ACDBE data to reference to make an adjustment to the Step 1 base figure therefore the City of Eugene/Eugene Airport is adopting its Step 1 base figure as its overall goal for this 3-year goal period.

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

PUBLIC PARTICIPATION

Consultation: Section 23.43.

Prior to submitting this goal to the FAA, **City of Eugene/Eugene Airport** consulted with the following stakeholders at a face-to face meeting the Eugene Airport Administration Office on January 18, 2017:

Interested Community Organizations/Groups

Business Oregon – Certification Office for Business Inclusion and Diversity

City of Eugene – Equity in Contracting Office

Airport Concessionaires –

EUG Tailwind, LLC

Aviano, LLC – ACDBE Certified provider

A summary of the information these stakeholders provided is as follows:

On January 18, 2017, David Barbero with Eugene Airport met with Business Oregon Certification Specialist Marta Tarantsy, Carolyn Brawn, Aviano, LLC, Claudia Denton and Clay Stilwell with the City of Eugene Office for Equity in Contracting. EUG Tailwind LLC CEO Jeffery Spitzer was invited but did not attend.

The meeting reviewed the intended goal setting process for the Non-Car Rental Concession program. Past participation from Tailwind has shown prior ACDBE suppliers are now registered in Oregon. Aviano, LLC has completed ACDBE certification, and confirmation has been received from the State or Oregon.

Airport and City of Eugene Office of Equity in Contracting (OEC) reviewed efforts through an open qualification pool to generate additional interest with small companies to do business at the airport through a micro-business opportunity. Anyone submitting their qualifications will be assisted by the OEC to complete ACDBE/DBE certification process if appropriate.

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

The **City of Eugene/Eugene Airport** will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The **City of Eugene/Eugene Airport** 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. *Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;*
5. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*

We estimate that, in meeting our overall goal of 1.04%, we will obtain 100% from race-neutral participation and 0% through race-conscious measures.

1. *Information obtained through consultation with stakeholders indicates that there is sufficient support through RN means to meet the goal. Efforts include ACDBE certification of retail concessionaire, implementation of micro-business qualification pool to expand opportunities, and past participation by food/beverage concessionaire. Additional support and outreach is being provided by the City of Eugene's OEC and Business Oregon.*

The following is a summary of the basis of

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.*
2. *With prior FAA approval, we will use other methods that take a competitor's ability to provide ACDBE participation into account in awarding a concession. We will consider negotiation of Long-Term Exclusive Agreements with ACDBE prime concessionaires when new opportunities become available.*

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: City of Eugene/Eugene Airport

Goal Period: FY-2016 – FY 2018 – October 1, 2015 through September 30, 2018

Overall Three-Year Goal:

1 %, to be accomplished through 0% RC and 100% RN

The **City of Eugene/Eugene Airport** has determined the market area based on the types of goods/services purchased by the rental car companies. We have determined the market area for each reported good/service as outline in the table below as either nationwide, statewide, or county-wide. This was determined through an evaluation of the reported goods/services purchased in prior years and through consultation with stakeholders as to the most likely market for each good/service identified.

Market Area for Car Rental Concessionaires

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.

There is very little opportunity to purchase services from DBE's locally. Some services can be purchased from nationwide sources. None of the car rental companies are DBE. They have utilized DBE services for insurance and locksmith services in the past.

Base of Car Rental Goal

To calculate the base of the goal, **City of Eugene/Eugene Airport** considered the previous 3 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 3 Years - Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Non-Car Rental)
2013	6,817,554
2014	7,387,687
2015	8,779,615
Total	22,984,856
Average	7,661,619

The City of Eugene/Eugene Airport estimates that revenues will continue to grow at 5% annually over the next three years due to increased passenger traffic.

Reported Revenue	
2015 Concession Revenue	8,779,615
2016 5% Growth	9,218,596
2017 5% Growth	9,679,525
2018 5% Growth	10,163,502
Average	9,687,208

Therefore, the recipient's base of goal is the average car rental revenue of \$9,687,208

The car rental concession opportunities anticipated during this goal period are limited to the purchase of goods and services from DBE's. Estimated expenditures of for goods and services such as Locksmiths, Insurance, Promotional Products, Gasoline, Auto Detailing, Auto Supplies, Auto Repairs, Glass Installation, and Tire Repair have been determined using past reports from car rental companies to be \$128,700.

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 **City of Eugene/Eugene Airport** 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

$$\frac{6}{163,682}$$

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

NACIS	Type of Concession	Total ACDBE	Total All Firms	Market Area
561622	Locksmith	1	3,808	National
524210	Insurance	4	134,107	National
323111	Promotional Products	0	18,687	National
423120	Auto Supplies	0	5,737	National
424720	Gasoline	0	20	Oregon
811192	Auto Detailing	1	218	Oregon
811111	Auto Repair	0	1,091	Oregon
811122	Glass Installation	0	10	Lane County
811198	Tire Repair	0	4	Lane County
Total		6	163,682	
Step 1 Total			0.004%	

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

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awareness activities pertaining to certification programs. The Oregon Department of Justice provides legal counsel for OMWESB.

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

<http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

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: 0 %

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%. Our overall goal for car rental concessions is 1%

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

Step 1 calculation is adjusted based on prior participation and reported use of national suppliers for goods and services by car rental agencies.

Eugene Airport reviewed the car rental goals from other primary airports in Oregon to confirm local participation is consistent with others in the region.

During consultation, additional areas of potential ACDBE participation were identified and car rental agencies committed efforts to increase opportunities.

Local resources from the City's Office of Equity in Contracting will assist in identifying potential firms that might become certified.

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

PUBLIC PARTICIPATION

Consultation: Section 23.43.

Prior to submitting this goal to the FAA, David Barbero with the **Eugene Airport** consulted with the following stakeholders in a face-to-face meeting at the Eugene Airport Administration office on January 26, 2017:

Avis/Budget
Hertz Car Rentals
Enterprise/Alamo/National (EAN)
City of Eugene Equity in Contracting Office (ECO)
Business Oregon Office for Business Inclusion and Diversity

A summary of the information these stakeholders provided is as follows:

On January 26, 2017, David Barbero and Randi Beganud met with Eugene Airport met with Carl Renter, Hertz Car Rentals; Carlos Sandoval, Avis/Budget Group; and Ava Joubert and Sabrina Rokovitz from EAN.

Business Oregon Certification Specialist Marta Tarantsy, Claudia Denton and Clay Stilwell with the City of Eugene Office for Equity in Contracting were invited but did not attend.

The meeting reviewed the intended goal setting process for the Car Rental Concession program. Representatives from each Concessionaire indicated that primary services for locksmiths, insurance, vehicle repairs, gasoline, and auto accessories are processed through national contracts and are currently routed through each company's Portland Oregon office.

To refine a goal methodology for the Eugene Airport, attendees agreed to supply ACDBE reports by the end of the week on FFY16 ACDBE participation.

The group discussed efforts on a local level to identify goods and services that may be provided by ACDBEs in support of national contracts. These include, window repair, auto body repair, stationery/office supplies, and car wash/car detailing services.

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

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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. *Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;*
5. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*

We estimate that, in meeting our overall goal of 1%, we will obtain 100% from race-neutral participation and 0% through race-conscious measures.

1. *A small number of ACDBE firms who provide goods and services are available in our market area making it difficult to set race-conscious goals on car rental agreements.*

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious ACDBE participation:

1. *Data from private sector MBE/WBE participation;*
2. *Information obtained through consultation with stakeholders;*
3. *Other Airport Concessions: We reviewed airports that are adjacent to our market area and that had similar concession opportunities and determined that our race neutral and race-conscious participation was similar.*

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. *With prior FAA approval, we will use other methods that take a competitor's ability to provide ACDBE participation into account in awarding a concession. We will require new proposals to clearly document ACDBE efforts to meet this goal during new opportunities and weight proposals with higher commitments accordingly.*

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.