

Overall Goal Calculation for Car Rental Concessions FY 2022-24

Name of Recipient: **Eugene/Mahlon Sweet Field**

Goal Period: **FY 2022-24 (10/1/2021 through 9/30/2024)**

Overall Three-Year Goal: **0.7%, to be accomplished through 0.0% Race Conscious and 0.7% Race Neutral**

Goal Based on Gross Receipts - Determination

We have the following car rental agencies operating at the airport: Enterprise, Alamo-National, Hertz-Dollar, and Avis-Budget.

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. Car rental company concessionaires at the airport stated that the goods and services they may need in the goal period are: Locksmith, Insurance, Promotional Products, Automobile Supplies, Gasoline, Auto Repair Services, Tires Services.

Market Area

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 in which the firms which receive the substantial majority of concessions-related revenues are located.

Eugene/Mahlon Sweet Field has determined that its market area is: nationwide, statewide or county-wide.

Base of the goal

To calculate the base of the goal, Eugene/Mahlon Sweet Field considered the most recent previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Year	Car Rental Concessions Gross Receipts
2019	\$11,861,106
2020	\$10,228,554
2021	\$10,777,301

Eugene/Mahlon Sweet Field estimates that revenues to existing concessions will remain the same over the next three years. The City of Eugene/Eugene Airport is projecting we will see a 6% increase

in FY22. However, the next few years are still unpredictable with remnants of the pandemic, high inflation rates and workforce challenges, so we are projecting no increase for FY23 and FY24.

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2022	6%	\$11,423,939
2023	0%	\$11,423,939
2024	0%	\$11,423,939
Three-Year Total Gross Receipts:		\$34,271,817
Average Annual Growth Rate:		2%

\$11,423,939 + \$11,423,939 + \$11,423,939 = **\$34,271,817** which is the recipient's base of goal for car rental concessions.

The following are not included in this base: (a) non-car rental operations.

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 Eugene/Mahlon Sweet Field 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))

Step 1 - Actual Relative Availability of ACDBEs - §23.51 (c)

We determined the base figure for the relative availability of ACDBEs for car rental goods and services purchases. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area
1 divided by 172,573

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

The data source(s) used in the calculation included:

- State UCP Data showing the number of ACDBEs that are certified within the market area:
<https://oregon4biz.diversitysoftware.com/FrontEnd/SearchCertifiedDirectory.asp?XID=1761&TN=oregon4biz>
- Census Bureau Data (<https://data.census.gov/cedsci/>)

The calculation and explanation for this is as follows:

Concession Activity	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability
Auto Detailing	811192	0	227	0.0%
Auto Repair	811111	0	1087	0.0%
Auto Supplies	423120	0	12718	0.0%
Gasoline	424720	0	2451	0.0%
Glass Installation	811122	0	10	0.0%

Insurance	524210	1	135077	0.0%
Locksmith	561622	0	3999	0.0%
Promotional Products	323111	0	17000	0.0%
Tire Repair	811198	0	4	0.0%
Average ACDBE Availability:				0.0%

When we calculated the average availability we arrived at the Step 1 base figure for our overall goal for car rental concessions of **0.001%**.

Step 2 Adjustment

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. The data used to determine the adjustment to the base figure was the historic ACDBE Participation achievements.

Past History Participation

FY	Race Conscious (%)	Race Neutral (%)	Total Achievement (%)
FY 19	0.0%	1.2%	1.2%
FY 20	0.0%	1.4%	1.4%
FY 21	0.0%	1.3%	1.3%

Arranging this historical data from low to high (1.2%, 1.3%, 1.4%), the median is **1.3%**, which is our Step 2 figure.

Step 1 Base averaged with historical median: $(0.0\% + 1.3\%) / 2 = 0.7\%$

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of **0.7%**. Eugene/Mahlon Sweet Field believes this adjusted goal accurately reflects ACDBE participation that can be achieved for the types of concession activities at the airport during this three-year goal period (FY 2022-24).

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

Eugene/Mahlon Sweet Field will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The airport will use 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.

- Locate and identify ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
- Notify ACDBEs of concession opportunities and encouraging them to compete, when appropriate

- When practical, structure concession activities so as to encourage and facilitate the participation of ACDBEs
- Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process
- Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation

If race-neutral measures, standing alone, are not sufficient to meet an overall goal, the following race-conscious measures will be used to meet the overall goal:

- 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.

Eugene/Mahlon Sweet Field estimates that, in meeting the overall goal of 0.7%, it will obtain 0.7% from race-neutral participation and 0.0% through race-conscious measures. The reason for the breakout is the small number of ACDBE firms that provide goods and services 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:

- Data provided by State of Oregon COBID System.
- Information obtained through consultation with stakeholders.
- Other Airport Concessions: We reviewed airports that are adjacent to our market area and determined that our goal is similar.

In order to ensure that Eugene/Mahlon Sweet Field's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, Airport will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race conscious participation will be tracked 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.

Eugene/Mahlon Sweet Field will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

Consultation

Patricia Haley, Assistance Airport Director, and Odette Oppe, Financial Compliance Officer, of Eugene/Mahlon Sweet Field consulted with:

City of Eugene's Purchasing Department - Becky Wheeler and Shawn Hubbell
 The Hertz Corporation – Carl Renter, EUG local manager
 EAN Holdings, LLC – Taylor Marsh, Branch Rental Manager
 Avis Budget Car Rental, LLC – Kelley Cassidy, Assistant Airport Manager

Summary of Information provided by stakeholders:

City of Eugene - Purchasing Department (Teams Meeting) - March 17, 2022

The City of Eugene's Purchasing Department does outreach to increase participation of ACDBE firms. Our internal policy requires anyone to include a COBID certified business if possible when requesting quotes. All eligible suppliers are encouraged to gain certification through the State of Oregon Certification Office of Business Inclusion and Diversity (COBID). The Purchasing Office also engages with and attends regular meetings of the Lane County Chapter of OAME (Oregon Association of Minority Entrepreneurs). Businesses are invited to attend the meetings and each meeting's agenda includes an opportunity for COE to provide a list of upcoming projects.

The Hertz Corporation, EAN Holdings, LLC, Avis Budget Car Rental, LLC (In Person) - March 23, 2022

Eugene/Mahlon Sweet Field current contracts with the car rental companies spell out ACDBE requirements and compliance with Part 23. All of the car rental companies mentioned that their corporate offices have contracts with national vendors. They also informed us of the challenges of finding ACDBEs certified in Oregon. They expressed their willingness to partner with ACDBE firms. Odette Oppe sent them the website for ACDBE certified firms.

Overall Goal Calculation for Non-Car Rental Concessions FY 2022-24

Name of Recipient: **Eugene/Mahlon Sweet Field**

Goal Period: **FY 2022-24 (10/1/2021 through 9/30/2024)**

Overall Three-Year Goal: **30.0%, to be accomplished through 0.0% Race Conscious and 30.0% Race Neutral**

Market Area

Eugene/Mahlon Sweet Field has determined that the market area is State of Oregon. 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 in which the firms which receive the substantial majority of concessions-related revenues are located.

The concession opportunities anticipated during this goal period for this market area are: food and beverage, gift stores.

Base of the goal

To calculate the base of the goal, Eugene/Mahlon Sweet Field considered the most recent previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Year	Non-Car Rental Concessions Gross Receipts
2019	\$4,183,190
2020	\$3,490,720
2021	\$2,019,563

Eugene/Mahlon Sweet Field estimates that revenues to existing concessions will grow by an average of 0% each year over the next three years. The City of Eugene/Eugene Airport see recovery numbers in FY22. However, the next few years are still unpredictable with remnants of the pandemic, high inflation rates and workforce challenges.

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2022	1%	\$2,039,759
2023	0%	\$2,039,759
2024	0%	\$2,039,759
Three-Year Total Gross Receipts:		\$6,119,276
Average Annual Growth Rate:		0%

\$2,039,759 + \$2,039,759 + \$2,039,759 = **\$6,119,276** which is the recipient's base of goal for non-car rental concessions.

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.

Methodology used to Calculate Overall Goal

Eugene/Mahlon Sweet Field can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. Eugene/Mahlon Sweet Field, and the businesses at the airport, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the recipients's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

Eugene/Mahlon Sweet Field, 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.

Eugene/Mahlon Sweet Field will include goods and services purchases from ACDBEs toward meeting the goal.

Step 1 - Actual Relative Availability of ACDBEs - \$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
_____ 5 _____ divided by _____ 621 _____

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

The data source(s) used in the calculation included:

- State UCP Data showing the number of ACDBEs that are certified within the market area:
<https://oregon4biz.diversitysoftware.com/FrontEnd/SearchCertifiedDirectory.asp?XID=1761&TN=oregon4biz>
- Census Bureau Data (<https://data.census.gov/cedsci/>)

The calculation and explanation for this is as follows:

Concession Activity	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability
Food Service - Bakery	311812	0	92	0.0%
Food Service - Coffee Roasting	311920	0	55	0.0%
Food Service - Breweries	312120	0	137	0.0%
Gift Shop	459420	3	328	0.9%
Newsstands	459210	2	9	22.2%
Average ACDBE Availability:				4.6%

When we calculated the average availability, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of **4.6%**.

Step 2 Adjustment

City of Eugene/Eugene Airport has a current contract for news/gift operations with an ACDBE certified provider as prime. The contract expires on April 30, 2023 with the option of five year renewal. During the prior 3 fiscal years, retail operations accounted for approximately 30% of the total concession revenue for all concession operations. Therefore, the City of Eugene/Eugene Airport is increasing its Step 1 base figure by 25.4% for a total overall goal of 30% for FY-2022, 2023 and 2024.

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

Eugene/Mahlon Sweet Field will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Eugene/Mahlon Sweet Field will use 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.

- Locate and identify ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
- Notify ACDBEs of concession opportunities and encouraging them to compete, when appropriate
- When practical, structure concession activities so as to encourage and facilitate the participation of ACDBEs
- Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process
- Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation

If race-neutral measures, standing alone, are not sufficient to meet an overall goal, the following race-conscious measures will be used to meet the overall goal:

- Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.
- 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.

Eugene/Mahlon Sweet Field estimates that, in meeting the overall goal of 30.0%, it will obtain 30.0% from race-neutral participation and 0.0% through race-conscious measures.

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 Purchasing Department.

In order to ensure that Eugene/Mahlon Sweet Field's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, Airport will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race-conscious participation will be tracked 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.

Eugene/Mahlon Sweet Field will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

Consultation

Patricia Haley, Assistance Airport Director, and Odette Oppe, Financial Compliance Officer, of Eugene/Mahlon Sweet Field consulted with:

City of Eugene's Purchasing Department - Becky Wheeler and Shawn Hubbell
Airport Concessionaires:
Tailwind EUG, LLC – Jeffery Switzer
Aviano, LLC – ACDBE Certified provider – Carolyn Brawn

City of Eugene - Purchasing Department (Teams Meeting) - March 17, 2022

The City of Eugene's Purchasing Department does outreach to increase participation of ACDBE firms. Our internal policy requires anyone to include a COBID certified business if possible when requesting quotes. All eligible suppliers are encouraged to gain certification through the State of Oregon Certification Office of Business Inclusion and Diversity (COBID). The Purchasing Office also engages with and attends regular meetings of the Lane County Chapter of OAME (Oregon Association of Minority Entrepreneurs). Businesses are invited to attend the meetings and each meeting's agenda includes an opportunity for COE to provide a list of upcoming projects.

Tailwind EUG, LLC – Jeffrey Switzer (In Person) - March 17, 2022

Tailwind EUG verified that the goal would continue to be on goods/services provided by ACDBE firms certified in Oregon. Jeffrey said they are trying to increase ACDBE participations, however, he communicated the challenges of partnering with ACDBE firms, as there are not a lot of ACDBE firms in the nation, especially food vendors. Additionally, most ACDBE firms are not able to handle the volume of goods/services that they need. He also mentioned that ACDBE certification is not easy, and it consists of filling out a 15 page long application, which is a barrier to small businesses. Odette Oppe sent him the website for ACDBE certified firms.

Aviano, Inc – Carolyn Brown (Phone) - March 17, 2022

Eugene/Mahlon Sweet Field has a contract with Aviano, Inc., an ACDBE certified firm, that will expire in April 30, 2023, with the option of five year renewal. She confirmed the company's intent to keep their ACBDE certification, and expressed their interest to continue doing business with Eugene Airport. She also mentioned that they are always looking to partner with ACDBE vendors but there's not a lot in the region.