

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

**AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE  
(ACDBE) FFY 2009-2011 OVERALL THREE-YEAR GOAL AND  
METHODOLOGY REPORT TO THE  
FEDERAL AVIATION ADMINISTRATION**

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. This Goal and Methodology Report should be read in conjunction with the Port’s “Airport Concession Disadvantaged Business Enterprise Program” (the “Program”).

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 on an annual basis as is described in this Goal and Methodology Report under the “Race-Neutral Methods” section (page 6).

The method the Port used to calculate the overall goal is consistent with the Regulations Section 23.51. The first step is determining the ACDBE availability base figure (see Chart 2) derived from the State of California ACDBE database and active participant lists from Oakland, Los Angeles, San Jose, San Diego and Sacramento International Airports (page 5). In step 2, 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 19.8%.**

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 Program Report is to “meet the goals to the maximum extent feasible through the race neutral measures” (See Program Report page 7).

Nonetheless, 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 26.51(c), (see reference in the Regulations Section 23.51(d)(5)).**

**I. PROJECTED CONCESSION OPPORTUNITIES -NON-CAR RENTAL CONCESSIONS**

The Port of Oakland’s FFY 2009-2011 non-car rental concession contracting opportunities is estimated to total **\$94,353,973.75** 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 eighth column represents a percentage of gross receipts estimated by concession opportunity type. **The estimation reflects recent and mounting economical impact. As of October 1, 2008, the Port anticipates a 21% reduction in non-car rental concession revenues during FFY 2008-2009. This revenue decline is projected to remain static for FFY 2009-2010 with an increase of three (3%) percent during FFY 2010 – 2011.**

**CHART 1  
TOTAL CONCESSIONS OPPORTUNITIES BY AREAS OF  
CONCESSION OPPOTUNITIES**

CONCESSION CONTRACT/MANAGEMENT AGREEMENT OPPORTUNITY	ACTUAL			TOTAL ESTIMATED GROSS RECEIPTS OF CONTRACT/TOTAL VALUE OF MANAGEMENT AGREEMENT			PERCENTAGE OF TOTAL GROSS RECEIPTS
	FFY06	FFY 07	FFY 08	FFY 09	FFY 10	FFY 11	
							FFYs 2009-2011
Food and Beverage	25,571,718.00	31,203,444.00	24,136,554.00	19,067,877.66	19,067,877.66	19,639,913.99	0.612
Retail Shops	12,494,507.00	15,432,564.00	14,168,332.00	11,192,982.28	11,192,982.28	11,528,771.75	0.359
Indoor/Display Advertising	1,224,451.00	775,924.00	544,872.00	430,448.88	430,448.88	443,362.35	0.014
Telecommunications	81,181.00	53,430.00	33,141.00	26,181.39	26,181.39	26,966.83	0.001
Business services	70,862.00	386,598.00	213,092.00	168,342.68	168,342.68	173,392.96	0.005
Luggage Carts and Lockers	408,293.00	412,075.00	307,276.00	242,748.04	242,748.04	250,030.48	0.008
Baggage	-	3,378.00	1,228.00	970.12	970.12	999.22	0.000
Personal Services (shoeshine)	17,272.00	17,256.00	13,132.00	10,374.28	10,374.28	10,685.51	0.000
<b>TOTAL</b>	<b>39,868,284.00</b>	<b>48,284,669.00</b>	<b>39,417,627.00</b>	<b>31,139,925.33</b>	<b>31,139,925.33</b>	<b>32,074,123.09</b>	<b>1.000</b>
<b>TOTAL 3 YEARS ESTIMATED GROSS RECEIPTS</b>						<b>94,353,973.75</b>	

## 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 of Oakland has used the following data:

1. California Unified Certification Program ACDBE Database; and
2. Active Participants List for Concession Opportunities from: Oakland International Airport (OAK), Los Angeles World Airport (LAWA), San Jose Airport (SJ), San Diego Airport (SD), and Sacramento Airport (SMF).

The Port is basing the availability of ACDBE concession firms on the Active Participants List for Concession Opportunities from the airports enumerated above because each airport has available data for all of the concession industry types with opportunities for contracting within the FFY 09-11 period.

As noted in the Active Participants List for Concession Opportunities, 282 firms expressed interest in participating in the food and beverage concession opportunities. Of the 282 firms, 39 were specifically identified as ACDBEs. Therefore the ACDBEs willing and able to propose on concession contracts account for approximately **13.8%** of the food and beverage concession firms.

There were 284 firms that expressed interest in participating in the retail concession opportunities. Of the 284 firms, 14 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately **4.9%** of the retail concession firms.

There were 78 firms that expressed interest in participating in the advertising concession opportunities. Of the 78 firms, 5 were specifically identified as an ACDBE. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately **6.4%** of the indoor display advertising concession firms.

There were 437 firms that expressed interest in participating in the telecommunications concession opportunities. Of the 437 firms, 6 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately **1.4%** of the telecommunications concession firms.

There were 411 firms that expressed interest in participating in the business services concession opportunities. Of the 411 firms, 2 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately **0%** of the business services concession firms.

There were 18 firms that expressed interest in participating in the luggage carts and lockers concession opportunities. Of the 18 firms, none were specifically identified as ACDBEs. 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 2 firms that expressed interest in participating in the baggage concession opportunities. Of the 2 firms, 0 was specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on concession contracts account for approximately **0%** of the concession firms.

There were 173 firms that expressed interest in participating in the personal services as it relates to the shoeshine opportunities. Of the 173 firms, 0 were specifically identified as ACDBEs. Therefore, the ACDBEs willing and able to propose on shoeshine/personal services concession contracts account for approximately **0%** of the 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**

<b>ACTIVE PARTICIPANTS LIST (APL)</b>	<b>CONCESSION OPPORTUNITY</b>	<b>CENSUS/ ACTIVE PARTICIPANTS LIST</b>	<b>UCP DATABASE ACDBE</b>	<b>PERCENTAGE ACDBE AVAILABILITY</b>	<b>PERCENTAGE OF ESTIMATED GROSS RECEIPTS PER CONCESSION OPPORTUNITY</b>	<b>WEIGHTED AVAILABILITY</b>
APL	Food and Beverage	282	39	0.138	0.612	0.085
APL	Retail	284	14	0.049	0.359	0.018
APL	Indoor Display Advertising	78	5	0.064	0.014	0.001
APL	Telecommunications	437	6	0.014	0.001	0.000
APL	Business Services	411	2	0.005	0.005	0.000
APL	Luggage Carts and Lockers	18	0	0	0.008	0
APL	Baggage	2	0	0	0	0
APL	Personal Services (Shoeshine)	173	0	0	0	0
<b>TOTAL WEIGHTED AVAILABILITY</b>						<b>0.104</b>

Based on the data above, the Port of Oakland has calculated a **weighted ACDBE availability of 10.4%** 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)(1)).

**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. The Port, for federal fiscal years 06-08 has had concessions that have a higher median ACDBE participation than the base figure of **10.4 %**. 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**

FEDERAL FISCAL YEAR	TOTAL GROSS RECEIPTS/TOTAL VALUE OF MANAGEMENT AGREEMENT	ACDBE GROSS RECEIPTS	PERCENTAGE OF ACDBE PARTICIPATION
FFY 05/06	39,868,284	7,638,864	19.16%
FFY 06/07	48,292,189	9,560,593	19.80%
FFY 07/08	36,133,468	9,350,296	25.88%
<b>MEDIAN PAST ACDBE PARTICIPATION</b>			<b>19.80%</b>

The median ACDBE participation for the past three federal fiscal years in OAK concessions is 19.80%. The average of the sum of the median ACDBE past participation of 19.80% and the current step one ACDBE availability of 10.4% equals 16.63%  $(19.80\%+10.4\%)/2=15.1\%$ . Therefore, the Port proposes an initial adjustment to the base figure to 15.1%.

## 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 Part 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 ACDBE goal of 18.7% through race neutral means.

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

<u>FEDERAL FISCAL YEAR</u>	<u>ACDBE GOAL)</u>	<u>PERCENTAGE ACDBE PARTICIPATION</u>	<u>PERCENTAGE VARIANCE</u>
FFY 05-06	18.7%	19.16%	.5
FFY 06-07	18.7%	22.86%	4.2
FFY 07-08	18.7%	28.14%	9.4
<b>Average Percentage Variance</b>			<b>4.7</b>

Therefore, the Port will further adjust its figure by the average percentage of race-neutral participation achieved over the established goal during the last three FFYs (15.1+ 4.7 = 19.8). **The Port proposes an overall three-year goal of 19.8% for non-car rental concessions for FFYs 2009-2011.**

### III. PUBLIC PARTICIPATION

The Port of Oakland will publicly notice its goal to its stakeholders and the community through a 45-day advertisement period, allowing for inspection and comment.

### 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:

- a. Structuring concession activities so as to encourage and facilitate the participation of ACDBEs when practical;
- b. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Port's ACDBE Program is administered;
- c. Assisting in overcoming limitations in bonding and financing through the Surety Bond and Financing/Loan Guarantee Program;
- d. Providing technical assistance in orienting small businesses to concession and management opportunities at the Airport through the Internet and facilitating introductions to the Port's and other U.S. DOT recipients' contracting activities, through various Small Business Conferences and 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 breakfasts and other outreach activities;
- e. Providing outreach and communications programs on contract procedures and contract opportunities to ensure the inclusion of ACDBEs;
- f. 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/RFQs; and,
- g. Providing business development assistance through the Port's Surety Bond and Financing/Loan Guarantee Program, the Owner Controlled Insurance Program and referrals to the East Bay Small Business Development Center and other assistance agencies.

### **Race Conscious Participation**

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

### **Outreach Efforts**

In order to obtain the maximum amount of participation by ACDBE firms as concessions in race-neutral ACDBE Program efforts, the Port of Oakland's DBE Representative attends, sponsors and coordinates local and regional events for minority, women, small and local businesses. During FFY 2007-2008, the Port of Oakland participated in local small business conferences sponsored by the Hispanic Chamber of Commerce, Oakland African American Chamber, the Bay Area Rapid Transit District, the Department of Transportation, the East Bay Municipal Utility District, City of Oakland and the Port of Oakland. Also, events for minority and women owned businesses in which the DBE Representative participated included the Oakland Inter-Agency Alliance monthly meetings, the Oakland Small Business Summit, the African American Business Summit and the annual Airport Minority Advisory Council.

Lists of ACDBEs are available to potential prime concessionaires, and to Airport properties staff for concession opportunities on the CUCP website. The DBE Representative is available to answer ACDBE program questions.

## **LIST OF ATTACHMENTS**

1. NAICS Codes and Titles
2. CUCP ACDBE Certified Firms
3. Active Participants List inclusive of Oakland, Los Angeles, San Jose  
San Diego and Sacramento International Airports