



YUMA INTERNATIONAL AIRPORT

AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

FY 2017-2019 Goals and Methodology Report

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SECTION 1 - ACDBE POLICY STATEMENT

1.1 INTRODUCTION

The Yuma International Airport has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The Yuma International Airport has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Yuma International Airport has signed an assurance that it will comply with 49 CFR Part 23.

1.2 POLICY STATEMENT

It is the policy of the Yuma International Airport to ensure that DBEs, as defined in part 23, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy to:

1. Ensure nondiscrimination in the award and administration of opportunities for concessions.
2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions.
3. To ensure that the Yuma County Airport Authority's ACDBE program is narrowly tailored in accordance with applicable law.
4. To ensure that only firms which fully meet the requirements of Part 23 eligibility standards are permitted to participate as ACDBEs at our airport.
5. To help remove barriers to the participation of ACDBEs in opportunities for concessions.
6. To provide flexibility to our airports in establishing and providing opportunities for ACDBEs.

Gen Grosse, Corporate Account Manager, has been delegated as the ACDBE Liaison Officer. In that capacity, Gen Grosse is responsible for implementing all aspects of the DBE program. Implementation of the ACDBE program is accorded the same priority as compliance with all other legal obligations incurred by the Yuma International Airport in its financial assistance agreements with the Department of Transportation.

Yuma International Airport has disseminated this policy statement to the Yuma County Airport Authority and all of the components of our organization. We have distributed this statement to ACDBE and non-ACDBE concessionaires in our area by way of the Airport's website.

Gen Grosse, Corporate Account Manager

Date

SECTION 2 - GOALS AND METHODOLOGY

2.1 INTRODUCTION

As the Airport is a recipient of federal funds for projects, it is required under 49 CFR Part 23 (Part 23) to establish an ACDBE program. Under these regulations, recipient airports are required to establish goals for ACDBE participation in airport concessionaire opportunities if concessionaire revenues annually exceed prescribed amounts. The goals are determined for three-year overall periods on an annual basis. This section details the methodologies used to determine ACDBE participation goals. Goals are determined separately for car rental concessionaires and non-car rental concessionaires. The structure for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure in recognition of several factors.

2.2 ACDBE NON-CAR RENTAL GOAL METHODOLOGY

Based on historical data, the Yuma International Airport (the Airport) annually has non-car rental concessionaire revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, the Airport must establish a goal for non-car rental ACDBE participation. The goal is intended to cover the three-year period from 2017 through 2019. The following subsections outline the methodology used to determine the goal for non-car rental ACDBE participation.

2.2.1 CURRENT NON-CAR RENTAL CONCESSIONAIRES

Currently, the Airport has contracts with four non-car rental concessionaires. These include a small video game arcade, a parking management contract, airport advertising, and a restaurant. The concessionaires are listed below in Table 2.1 with Fiscal Year (FY) 2015 gross revenues. Of note, the small video game arcade concession was discontinued in July 2015.

Table 2.1- FY 2015 Non-Car Rental Concessions and Revenues

Concessionaire Type	FY 2015 Gross Receipts	DBE Certified?
Restaurant	\$236,733.37	No
Arcade (through July 2015)	\$1,610	No
Parking Management	\$268,268.18	No
Advertising	\$49,779.15	No
TOTAL	\$556,390.70	

Source: Hapa's – A Taste of Hawaii, AA Amusement, Republic Parking Systems, Clearchannel 2015

2.2.2 STEP ONE – DETERMINATION OF THE BASE FIGURE

The first step in determining the goal for non-car rental ACDBE participation is to obtain a base figure of participation. The base figure is determined by using current and historic concession contracts and concession types, and applying those types to the field of willing and available concession firms. The Arizona Department of Transportation (ADOT) United Certification Program (UCP) was referenced to determine the number of certified ACDBE firms in Arizona that fall into the North American Industrial CS (NAICS) codes listed below. The UCP database includes ACDBE firms that are certified by ADOT, the City of Phoenix, and the City of Tucson. The United States Census Bureau was referenced to determine the statewide total number of firms in the respective NAICS codes.

Table 2.2 below outlines the anticipated non-car rental concessionaire types and the expected availability of all firms and ACDBE firms.

Table 2.2 – Non-Car Rental ACDBE Availability

Concession Type	NAICS Code	Total Arizona Firms	Arizona ACDBE Firms	Percentage ACDBE Availability	Percentage of Concession Type
Restaurant	722511	3882	1	0%	91%
Arcade	713120	28	0	0%	1%
Parking Mgmt	812930	130	0	0%	3%
Advertising	541810	230	8	3%	5%
Total ACDBE %		4270	9	0.21%	

Source: Arizona Department of Transportation UTRACS portal, <http://www.utracs.azdot.gov>
United States Census Bureau, American Fact Finder, <http://factfinder.census.gov>, accessed 07/25/2016

2.2.3 STEP TWO – EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE

According to 49 CFR Part 23, the base figure identified in Step 1 may be adjusted to more accurately reflect the local economic climate of a given market or to take historical ACDBE participation into consideration. Some areas may have more ACDBE firms readily available and willing to participate than others.

2.2.3.1 Disparity Studies

There are not any known recent disparity studies within Yuma County. Arizona Department of Transportation has contracted Keen Independent study team to compile and analyze data on thousands of FHWA-, FTA-, FAA- and state-funded prime contracts and subcontracts that ADOT and local agencies awarded from July 2007 through June 2013. The study team is examining the type of work involved, location, size, timing and funding source for each prime contract and subcontract. The team will then analyze the percentage of contract dollars going to minority- and women-owned firms.

In the availability analysis, the study team is collecting information concerning the qualifications and interest of local construction, engineering and related firms to do business with ADOT and local agencies. Only firms qualified and interested in transportation contracts for state or local transportation agencies in Arizona are included in the availability analysis. In spring 2014 and in early 2015, the study team conducted telephone interviews to collect this information from local businesses. The study team will then analyze the level of minority- and women-owned business participation one might expect from the relative availability of firms for ADOT prime contracts and subcontracts.

Keen Independent compared the utilization of MBEs and WBEs on ADOT contracts with the dollars those firms might be expected to receive based on MBE/WBE availability for those types, locations and sizes of prime contracts and subcontracts.

The study team also analyzed ADOT contracting processes, conditions in the Arizona marketplace and potential business assistance programs. As part of this research, the study team developed statistical models and compiled and analyzed bids and proposals for ADOT planning, construction and engineering-related contracts.

The study team also conducted in-depth interviews with more than 60 representatives of local trade associations, minority- and women-owned firms and other businesses. This research was performed throughout the state.

2.2.3.2 Historical ACDBE Participation

The past Uniform Reports of ACDBE Participation for the Airport were referenced in order to gain an understanding of how much actual non-car rental ACDBE participation occurred. **Table 2.3** below highlights the historic non-car rental ACDBE participation by fiscal year.

Table 2.3 – Historic Non-Car Rental ACDBE Participation 2008-2015

Fiscal Year	Non-Car Rental ACDBE Goal	Non-Car Rental ACDBE Participation
2008	4.9%	0.00%
2009	4.87%	0.00%
2010	N/A	N/A
2011	0.1%	0.00%
2012	0.1%	0.00%
2013	0.1%	0.00%
2014	0.1%	0.00%
2015	0.1%	0.00%

Source: FAA dbE-Connect July 2016

Historically, the Airport has achieved minimal ACDBE participation in non-car rental concessionaires. The Airport is classified as a non-hub Airport according to the National Plan of Integrated Airport Systems (NPIAS), and had approximately 75,000 enplaned passengers in 2015. On average, the airport sees approximately six departures per day with one airline. The regional aircraft used has a seating capacity of 50 seats or less. Based on the relatively low passenger activity, the Airport is not a prime target for a significant airport concessionaire operation.

2.2.3.3 Local Availability of ACDBE Firms and Market Area

According to the ADOT UCP database, there nine ACDBE firms in the state of Arizona which provides any of the concessions services the Airport currently offers or plans to offer. For the purpose of determining an overall non-car rental ACDBE participation goal, the market area for ACDBE firms is the County of Yuma, as it is unlikely that any concessionaire operators further away from the Yuma metropolitan area would provide concession services as it is not a prime target for the traditional concessionaire, and as a non-hub airport, Yuma International Airport has only passengers beginning or ending their journeys passing through the terminal because of flights. The aforementioned ACDBE firms are not located in Yuma County.

2.2.3.4 Resultant Goal Adjustment

Based on the Airport's current and anticipated concession types, and the local availability of ACDBE firms, there is very little evidence supporting an upward adjustment of the base figure for goal non-car rental ACDBE participation. Therefore, the Airport's non-car rental ACDBE goal will be reduced to **0.01%**.

2.2.4 RACE-NEUTRAL VS. RACE-CONSCIOUS METHODS

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE participation goal utilizing race-neutral means. Race-neutral participation includes any instance when an ACDBE firm 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 non-car rental and car rental participation goal of 0.01%, 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. There is very limited opportunity for participation of ACDBE firms in the current and planned airport concessions.

Some race-neutral methods that the Airport will utilize are listed below:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.

- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.

2.3 ACDBE CAR RENTAL GOAL METHODOLOGY

The goal and methodology for car rental ACDBE participation is presented in the following subsections. Since the car rental concessionaires at the Airport have 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.

2.3.1 CURRENT CAR RENTAL CONCESSIONAIRES

The current car rental concessionaires and their FY 2015 revenues are listed in **Table 2.4** below.

Table 2.4 – Car Rental Concessionaire FY 2015 Revenues

Car Rental Concessionaire	FY 2015 Revenues
Enterprise	\$2,025,674.70
Hertz	\$1,764,560.00
Budget	\$1,224,630.45
Avis	\$1,560,864.19
Total	\$6,575,729.20

*Note: Dollar and Thrifty ended operations at Yuma in April 2012
Source: Enterprise, Hertz, Budget, Avis

2.3.2 STEP ONE – DETERMINATION OF THE BASE FIGURE

The methodology used to determine a base figure of ACDBE car 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 market area is considered to be the State of Arizona, as car rental firms generally operate on a regional basis, shifting cars and resources among a region as needs dictate. **Table 2.5** 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 2.5 – Car Rental ACDBE Firm Availability

Concession Type	NAICS Code	Total Arizona Firms	Arizona ACDBE Firms	Location in Yuma County?	Percentage ACDBE Availability
Car Rental Companies	532111	150	0	0%	1%
Printing	323111	336	0	0%	2%
New Car Dealers	441110	319	0	0%	2%
Used Car Dealers	441120	310	0	0%	2%
Automotive Supply Stores	441310	638	0	0%	4%
Insurance Agent/Broker	524210	2602	0	0%	18%
Office Supply and Stationary Stores	453210	152	0	0%	1%
Landscaping Services	561730	1556	1	0%	11%
General Automotive Repairs	811111	1417	2	0%	10%

Automotive Exhaust Repairs	811112	5612	0	0%	39%
Automotive, Body, Paint, and Interior Repair	811121	527	2	0%	4%
Automotive Glass Replacement	811122	214	2	1%	1%
Automotive Oil Change	811191	132	0	0%	1%
Automotive Detailing Services	811192	308	2	1%	2%
Total Percentage/Goal		14273	9	0.06%	

Source: Arizona Department of Transportation UTRACS portal, <http://www.utracs.azdot.gov>
United States Census Bureau, American Fact Finder, <http://factfinder.census.gov/> accessed 07/25/2016

Based on the availability of ACDBE firms in the State of Arizona that could be reasonably expected to provide services to car rental companies, a base figure of participation was determined to be 0.06%.

2.3.3 STEP TWO – EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE

After the determination of a base figure of ACDBE participation, the figure may be adjusted based on local supporting evidence, such as historic participation, disparity study information, and local availability of ACDBE firms.

2.3.3.1 Historical DBE Participation

Table 2.6 below shows the historical car rental ACDBE participation attained by the Airport from FY 2008-2015.

Table 2.6 – Historical Car Rental ACDBE Participation

Fiscal Year	Car Rental ACDBE Goal	Car Rental ACDBE Participation
2011	0.1%	0.00%
2012	0.1%	0.00%
2013	1.71%	0.00%
2014	1.71%	0.00%
2015	1.71%	1.57%

Source: YCAA Historical ACDBE Goals & Methodology Reports

Over the past 5 years, the ACDBE participation has not met the previously established goals, which can be attributed to the general low availability of ACDBE firms to provide goods and services to the car rental agencies, as well as the fact that the Airport's current car rental agencies are all non-ACDBE.

2.3.3.2 Local Availability of ACDBE Firms

According to the Arizona UCP Database, which includes all certified DBE businesses, there are 11 businesses within Yuma County that are certified as DBEs. However, only one firm, which provides janitorial services, can be realistically expected to locally provide goods and services to the car rental agencies.

2.3.3.3 Disparity Studies

There are not any known recent disparity studies within Yuma County. Arizona Department of Transportation has contracted Keen Independent study team to compile and analyze data on thousands of FHWA-, FTA-, FAA- and state-funded prime contracts and subcontracts that ADOT and local agencies awarded from July 2007 through June 2013. The study team is examining the type of work involved, location, size, timing and funding source for each prime contract and subcontract. The team will then analyze the percentage of contract dollars going to minority- and women-owned firms.

In the availability analysis, the study team is collecting information concerning the qualifications and interest of local construction, engineering and related firms to do business with ADOT and local agencies. Only firms qualified and interested in transportation contracts for state or local transportation agencies in

Arizona are included in the availability analysis. In spring 2014 and in early 2015, the study team conducted telephone interviews to collect this information from local businesses. The study team will then analyze the level of minority- and women-owned business participation one might expect from the relative availability of firms for ADOT prime contracts and subcontracts.

Keen Independent compared the utilization of MBEs and WBEs on ADOT contracts with the dollars those firms might be expected to receive based on MBE/WBE availability for those types, locations and sizes of prime contracts and subcontracts.

The study team also analyzed ADOT contracting processes, conditions in the Arizona marketplace and potential business assistance programs. As part of this research, the study team developed statistical models and compiled and analyzed bids and proposals for ADOT planning, construction and engineering-related contracts.

The study team also conducted in-depth interviews with more than 60 representatives of local trade associations, minority- and women-owned firms and other businesses. This research was performed throughout the state.

2.3.3.4 Resultant Goal Adjustment

Based on the preceding evidence of ACDBE availability, disparity studies, and historical participation, the base figure of 0.06 percent will remain as such in recognition of the low availability of ACDBEs to provide goods and services to car rental concessionaires in the Yuma region.

2.3.4 RACE-NEUTRAL VS. RACE-CONSCIOUS METHODS

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 non-car rental and 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 methods the airport will utilize are listed below:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.

2.4 PUBLIC PARTICIPATION

In accordance with 49 CFR Part 23, the Airport will publish a notice in a local newspaper, *The Yuma Sun*, to inform the public that the proposed ACDBE goals and methodology for FAA FY 2017-2019 are available for inspection during normal business hours on the Airport's website for 30 days following the date of notice, and that the Airport will accept comments on the goals for 45 days from the date of the notice. The notice includes addresses to which comments could be sent and addresses where the document could be reviewed. The notice and affidavit of publication are included in **Appendix A**.

Prior to official adoption and submission of ACDBE goals, the Airport also consulted with disadvantaged business groups, current concessionaires, and organizations to determine the availability and opportunities for DBEs in the Yuma area. The following organizations were contacted for their input on the effects of discrimination and DBE opportunities for the Airport:

- Yuma County Chamber of Commerce
- Arizona Hispanic Chamber of Commerce
- National Association of Women Business Owners – Phoenix
- Greater Phoenix Black Chamber of Commerce
- National Center for American Indian Enterprise Development
- Current Car Rental Concessionaires
- Current Non-Car Rental Concessionaires

The outreach message to be distributed to the preceding organizations is included in **Appendix B**. No comments were received during the outreach process.

2.5 SUMMARY

In accordance with the requirements of 49 CFR Part 23, the Airport has established the following goals of ACDBE participation:

For the period of FY 2017-2019, the Airport expects to achieve a goal of 0.01% ACDBE participation in non-car rental concessions, and 0.06% ACDBE participation in car-rental concessions. These goals of ACDBE participation are anticipated to be achieved using race-neutral measures.

APPENDIX A**NOTICE OF AVAILABILITY FOR PUBLIC COMMENT
AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM
YUMA INTERNATIONAL AIRPORT, YUMA, ARIZONA**

The Yuma International Airport has established an Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program in accordance with 49 CFR Part 23. The Airport anticipates receiving Federal financial assistance from the Department of Transportation (DOT) for projects in Fiscal Years 2017-2019, and as a condition of receiving this assistance, must comply with 49 CFR Part 23.

The Airport has established an overall annual goal for non-car rental ACDBE participation at 0.01% of the total dollar amount of annual non-car rental concession revenues. The Airport has also established a car rental ACDBE goal of 0.06% of annual car rental concessionaire revenues. The proposed goals and methodology is available for public review and comment on the Airport's website at www.yumaairport.com.

Comments and questions will be accepted until September 9th, 2016 and may be sent to Gen Grosse, 2191 E. 32nd Street, Suite 218, Yuma, AZ 85365 or gen@yumaairport.com.

APPENDIX B

OUTREACH MESSAGE

Dear Sir or Madam,

Yuma International Airport is reaching out to commerce groups, community organizations, minority and women's groups, and current concessionaires to obtain information concerning disadvantaged and non-disadvantaged business in its efforts to establish Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for the upcoming federal fiscal years 2017-2019.

Based on historic and current non-car rental and car rental concession contracts, potential ACDBE firm opportunities include automotive mechanical repair, automotive glass repair, landscaping services and food and beverage supplies. Considering DBE market availability based upon the Arizona Department of Transportation's UTRACS database, the Airport's non-car rental ACDBE goal has been set at 0.01% and the car rental ACDBE goal has been set at 0.06%. These proposed goals are annual goals of participation for 2017-2019, based upon gross receipts, and include both prime contracts and subcontracts.

We are asking for your organization's input on the issue of business opportunities for ACDBEs. We are requesting if you or any members of your organization know of any barriers or impediments which may impact an ACDBE firm's entry into the Yuma market area. In addition, are there any impediments which may prevent an ACDBE firm from participating in an airport concessions contract?

If you have any comments, please respond to this email by Friday, September 9, 2016. Your input is valued and appreciated. The draft ACDBE goals report is available for review on the Airport's website at www.yumaairport.com.

Thank you for your time.

Sincerely,

Gen Grosse
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