



COLUMBUS
REGIONAL AIRPORT AUTHORITY

**AIRPORT CONCESSIONS
DISADVANTAGED BUSINESS
ENTERPRISE (ACDBE)
PROGRAM**

**Non-Car Rental
GOAL SETTING METHODOLOGY**

FFY 2021-2022-2023
49 CFR Part 23



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John Glenn Columbus International Airport

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FFY 2021-2022-2023 Airport Concessions Disadvantaged Business Enterprise (ACDBE)

Overall Three-Year Goals Report Non-Rental Car Concessions

In compliance with Subpart D of 49 CFR Part 23, The Authority shall establish separate overall three-year goals for the participation of ACDBEs in rental car and non-rental car concession related contracting opportunities. The Regulations require a two-step process for goal setting. This process intends to provide the maximum flexibility for grant recipients, while ensuring that goals are based on availability of ready, willing and able ACDBEs in each recipient's relevant market.

Section 23.45 Overall Goal Calculation for Non-Car Rental Concessions

The Authority has established an overall ACDBE goal for FFY 2021-2023 of 9.4%, which is applicable to non-car rental concessions contracting opportunities at John Glenn Columbus International Airport. 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.

The Authority is planning to implement a retail kiosk program that will entail one kiosk vendor per Concourse for a total of 3 kiosks. This program will be designed to help small businesses be successful within the larger framework of an airport environment.

If other new concession opportunities arise prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000.00 or greater, the Authority will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

The Authority has determined that the market area it draws from for concessions is the State of Ohio. This 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.

Methodology Used To Calculate Overall Goal

Goods and Services

The Authority may 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.

Management Contract or Subcontract

The Authority may meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. We, 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 airport's percentage goal is calculated. However, the dollar amount of a management subcontract or subcontract with a non-ACDBE and the gross revenues of business activities to which the management contract or

subcontract pertains will not be added to this base in either the numerator or denominator. See table on pages 8 and 9 for the detail on how the base of the goal was calculated.

Base of goal = Avg. 3-yr Projected Concession Revenue (FFY 2021-2023) = **\$31,999,732**

Step One: Relative Availability Base Calculation 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:

A. Base figure = Ready, willing, and able non-car rental ACDBEs in the market area
All ready, willing, and able non-car rental concession firms in the market area

Work Area	NAICS Code(s)	# of ACDBE Firms (OH)	# of Firms in Market Area (OH)	% of ACDBE Firms that may be available
Electronics Stores	443142	3	33	9.1%
Baked Goods Stores/All Other Specialty Food Stores	445291/445299	2	34	5.9%
Family Clothing/Jewelry Stores/Luggage & Leather Goods	448140/448310/448320	3	102	2.9%
News Dealers & Newsstands	451212	7	27	25.9%
All Other General Merchandise	452990	2	39	5.1%
Gifts, Novelty	453220	10	32	31.3%
Vending Machine Operators	454210	2	4	50.0%
Transit & Ground Passenger Transportation	485113/485999	4	40	10.0%
Other Airport Operations	488119	4	9	44.4%
Commodity Contracts Dealing (foreign exchange)	523130	1	0	N/A
Advertising	541810/541850	5	26	19.2%

Hotel	721	0	634	0.0%
Food/Beverage	722	26	2,442	1.1%
Personal Care Services	812199/812990	4	703	0.6%
TOTAL		73	4,125	1.8%

Source: Ohio UCP Directory, U.S. Census Bureau, 2017 County Business Patterns

The data source or demonstrable evidence used to derive the numerator was the Ohio UCP Directory as of July 23, 2020. This represents the universe of minority and women-owned businesses that are certified ACDBEs in the State of Ohio and could potentially participate in our concession program. The website link to the Ohio UCP is <http://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/UCP.aspx>.

The data source or demonstrable evidence used to derive the denominator was Census Bureau data. NAICS codes identified for existing and potential concession opportunities are listed in the above table.

Base figure = $\frac{73}{4,125}$ = 1.8%

When we divided the numerator by the denominator we arrived at the base figure for our overall goal for non-car rental concessions of 1.8%.

Step 2: 23.51(d)

After calculating the base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the 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 +7.6%. Our overall goal for non-car rental concessions is 9.4%. This number is based upon expected revenue from new concepts being added during the goal period and past ACDBE attainment(s).

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

A. Outreach Efforts

In addition to the certified ACDBE firms identified from the Ohio UCP directory, we also looked at other minority owned firms within the market area that are not ACDBE certified. The Authority also engages in several outreach events and efforts to identify vendors that may offer goods and services that can be used in the Authority’s concession program. We also seek firms who have expressed interest in participating in our concession program either through direct contact with concession program staff, purchasing staff and/or the ACDBELO and the Office of Business Diversity. Upon registration as a potential supplier, the firms’ information is stored in an accessible external database, which enables Authority staff to generate automatic e-mail notifications of business opportunities that match their company’s capabilities. Upon receipt, the company will have the opportunity to review the opportunity and given instructions to download any solicitation documents. As a result of these efforts, we have adjusted our base figure accordingly.

B. Past Participation

To determine if our overall goal for non-car rental concessions should be adjusted, we looked at past participation in concessions at John Glenn Columbus International Airport (CMH) for the past 3 years.

Fiscal Year	Past Performance
2017	7.50%
2018	7.84%
2019	9.76%
Average	8.37%
Median	7.84%

The Authority also reviewed projected ACDBE participation based on estimated gross receipts for 2021-2023. See **Exhibit 1**.

Utilizing data based on past performance and anticipated ACDBE participation in Federal Fiscal Years 2021-2023, the projected ACDBE participation in fiscal year 2021-2023 in airport concessions at John Glenn Columbus International Airport estimates an average \$2,997,183 or 9.4% in total gross receipts.

FFY 2021-2023

$$\frac{\text{Average Projected ACDBE Concession Gross Receipts}}{\text{Average of All Projected Concession Gross Receipts}} = \frac{\$2,997,183}{\$31,999,732} = 9.4\%$$

C. Disparity Study

There were no disparity studies conducted within our jurisdiction that relate to concessions. We will continue to contact state and local agencies to determine when a disparity study becomes available.

D. Differences in Market Area and Concessions Program

The Authority did not rely on the goal setting procedures of another sponsor to derive our goal. Therefore, no adjustments for differences in market areas and concessions programs are needed.

E. Available Evidence from Related Fields that Affect Opportunities for ACDBEs to Form, Grow, and Compete

There is no statistical evidence available from concession – related fields that demonstrate, statistically, that ACDBEs face challenges in getting financing, bonding, and insurance or other opportunities that enable them to form, grow and compete. Therefore, no adjustments were made.

Consultation with Stakeholders (23.43)

To solicit consultation regarding our ACDBE Goal, the ACDBE plan and goal are posted on the Columbus Regional Airport Authority's website at www.columbusairports.com, under the "Doing Business/Business Diversity" link. The Authority also held a "Webex Open House" on September 1, 2020 for interested parties to discuss and network about ACDBE availability, how to become a certified ACDBE, and current and future opportunities in the Authority's concession program. Approximately 24

vendors attended, in addition to a representative from Ohio UCP. Additionally, the Authority will solicit comments on the proposed overall FFY 21-23 three year goal by consulting with additional organizations and agencies', including local minority, women, and community organizations.

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

Race-Neutral Methods

The Authority intends to use race-neutral methods to the maximum extent feasible to achieve its overall goal. ACDBE participation that is obtained on contracts that have no specific ACDBE goal or where ACDBEs status in awarding a contract is not considered shall be considered race-neutral ACDBE participation. In addition, the Authority will use the following measures as appropriate:

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires at the Airport;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. Structuring concession activities so as to encourage and facilitate the participation of ACDBEs when practical;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Authority's ACDBE Program will affect the procurement process;
5. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
6. Providing technical assistance and outreach programs to provide information to ACDBEs regarding concession and management opportunities at the Airport through the internet and through various Minority and Small Business Conferences and Outreach Events; and
7. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation;

We estimate that, in meeting our overall goal of 9.4% we will obtain 1.0% from race-neutral participation and 8.4% through race-conscious measures.

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

1. The extent that the Authority met or exceeded our ACDBE goals in the past;
2. ACDBE participation on leases that did not have ACDBE requirements;
3. Extent of the Authority's race-neutral business assistance efforts.

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 establish concession-specific goals for particular concession opportunities.
2. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in operation of the concession.
3. With prior FAA approval, other methods that takes a competitor's ability to provide ACDBE participation into account in awarding a concession.

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 ADCBE participation includes, but is not necessarily limited to the following: ADCBE participation

through a prime contract that an ADCBE obtains through customary competitive procurement procedures; ADCBE participation through a subcontract on a prime contract that does not carry an 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.

EXHIBIT 1 - ESTIMATED GROSS RECEIPTS FOR NON-CAR RENTAL CONCESSIONS AT JOHN GLENN COLUMBUS INTERNATIONAL AIRPORT

NON - CAR RENTAL CONCESSIONS

	<u>FFY 2018</u>	<u>FFY 2019</u>	<u>FFY 2020*</u>	<u>Average 2018-2020*</u>	
Advertising	\$1,551,075	\$1,586,491	\$1,037,042	\$1,391,536	
Baggage Carts	158,070	156,546	89,365	134,660	
TDM, Inc.	141,950	41,409	0	61,120	
Food & Beverage	24,429,878	24,217,319	11,131,206	19,926,134	
Charley's DBE food vendor	541,519	570,378	361,101	490,999	
Donato's **	1,260,450	1,720,258	757,496	1,246,068	**51% ACDBE
Lottery	502,573	560,779	305,341	456,231	
Hotel	10,730,175	10,818,233	9,500,000	10,349,469	
Check Point Mailers	21,519	20,609	11,325	17,818	
VDV Concessions	407,397	1,076,670	997,381	827,150	
Massage Bar	286,408	335,806	137,039	253,085	
Retail ***	10,251,157	10,792,184	5,403,618	8,815,653	*** (2) vendors @ 7.5% ACDBE
Shoe Shine	21,900	28,900	13,419	21,406	
Zoom Shops	551,080	552,188	299,920	467,729	
ATM Machines	102,605	99,939	71,287	91,277	
Parking Concessions	2,541,417	2,408,154	1,097,444	2,015,672	
FuelRod	38,499	31,607	11,510	27,206	
Vending	238,109	233,691	133,690	201,830	
TOTAL	\$53,775,781	\$55,251,163	\$31,358,185	\$46,795,043	
Actual/Projected ACDBE Participation	\$4,213,897	\$5,394,957	\$3,075,070	\$4,227,975	
ACDBE Participation %	7.84%	9.76%	9.81%	9.04%	

**Forecasted amounts
(forecast includes COVID-19 impacts)*

Average

	<u>FFY 2021*</u>	<u>FFY 2022*</u>	<u>FFY 2023*</u>	<u>2021-2023*</u>	
Advertising	\$1,037,042	\$1,057,783	\$1,078,939	\$1,057,921	
Baggage Carts	89,365	91,152	92,975	91,164	
Food & Beverage	11,131,206	11,353,830	11,580,907	11,355,314	
Charley's DBE food vendor	361,101	368,323	375,689	368,371	
Donato's **	757,496	772,646	788,099	772,747	**51% ACDBE
Lottery	305,341	311,448	317,677	311,489	
Hotel	9,500,000	9,690,000	9,883,800	9,691,267	
Check Point Mailers	11,325	11,552	11,783	11,553	
VDV Concessions	997,381	1,017,329	1,037,675	1,017,462	
Retail ***	5,403,618	5,511,691	5,621,925	5,512,411	*** (2) vendors @ 7.5% ACDBE
Shoe Shine	13,419	13,687	13,961	13,689	
Zoom Shops	299,920	305,918	312,036	305,958	
ATM Machines	71,287	72,713	74,167	72,723	
Parking Concessions	1,097,444	1,119,393	1,141,781	1,119,539	
FuelRod	11,510	11,740	11,975	11,742	
Vending	133,690	136,364	139,091	136,382	
Kiosks		200,000	250,000	150,000	
TOTAL	\$31,221,146	\$32,045,569	\$32,732,480	\$31,999,732	
Actual/Projected ACDBE Participation	\$2,938,031	\$2,996,791	\$3,056,727	\$2,997,183	
ACDBE Participation %	9.41%	9.35%	9.34%	9.37%	
*Forecasted amounts (forecast includes COVID-19 impacts)					