

PROPOSED ACDBE OVERALL CONCESSION GOALS
Federal Fiscal Years 2019 - 2021
Palm Springs International Airport
Palm Springs, CA

Airport Sponsor: City of Palm Springs

Airport: Palm Springs International Airport

Goal Period: From: October 1, 2018
Thru: September 30, 2021

ACDBE Goal for Non-Car Rental Concessions: 4.6% (Race Conscious)

ACDBE Goal for Car Rental Concessions: 6.8% (Race Neutral)

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

Amount of Goal

Palm Springs International Airport's (the "Airport") overall goal for concessions other than car rental during the period beginning October 1, 2018 and ending September 30, 2021 is 4.6%. The goal is expressed as a percentage of the total estimated gross receipts for concessions at Palm Springs 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 Airport determines the market area for each concession opportunity as it arises. The market area is defined as the geographical area in which the substantial majority of firms that seek to do the specific 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.

The calculation for determining the overall goal for the three-year period is as follows:

Federal Fiscal Years 2019 – 2021

Total estimated gross receipts for all concessions excluding car rentals = \$39,805,474
Estimated ACDBE gross receipts = \$1,816,598
 $\$1,816,598 / \$39,805,474 = 4.6\%$

Methodology used to Calculate Overall Goal

Overall goals have been determined by consolidating the total estimated gross revenues and estimated ACDBE gross revenues for continuing and anticipated new concession agreements that will become effective during the goal period. Goals for each new concession are determined through an analysis of the opportunity, potential for ACDBE participation and the relative availability of ACDBE firms who are ready, willing and able to perform under the agreement.

In accordance with 49 CFR part 23.51(c) ACDBE goals for specific opportunities are determined as follows:

Step 1: 23.51(c)

The Airport determines the base figure for the relative availability of ACDBEs for the specific opportunity. The base figure may be calculated in a number of ways, depending upon what is most appropriate for the specific opportunity.

Examples are as follows:

Option 1: Ready, willing, and able ACDBEs in the appropriate trade in the determined market area ÷ All ready, willing and able companies in the appropriate trade in the determined market area.

The data source or demonstrable evidence used to derive the numerator may be either the DBE/ACDBE directory (23.51(c)(1)) or an active participant list (23.51(c)(2)).

If the Airport uses ACDBE directories, which directories and which NAICS codes were used will be identified. The Airport may also augment available ACDBEs with firms in local MBE/WBE directories or trade association lists. If the Airport uses these sources to augment the numerator, the sources used and the number of firms added to the numerator will be identified.

If the Airport uses an Active Participant List, where the information was obtained will be identified. Such information may come from past experience with firms that have run concessions or sought concession contracts or leases, knowledge about the universe of firms in certain concession services that tend to be interested in participating, and attendance lists from informational and outreach meetings about upcoming concession opportunities.

Option 2: Disparity Study -There are no relevant disparity studies from the Airport's geographic area at this time. In the future, the Airport may elect to utilize a disparity study should one become available.

Option 3: Goal of another sponsor – The Airport may use the goal of another airport or DOT sponsor in the same, or substantially similar market if their overall goal is in compliance with 49 CFR parts 23. Should the Airport elect to do so, the Airport will include information as to why our airport concession opportunity has the same or substantially similar market.

Option 4: Alternative Methods – The Airport may elect to use other methods to determine the base figure, however it must be based on demonstrable evidence of local market conditions and be designed to arrive at a goal that is rationally related to the relative availability of ACDBEs in the market area.

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport will examine evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal.

In accordance with 23.51(d), any adjustment will be designed to reflect as accurately as possible the ACDBE participation the Airport would expect in the absence of discrimination. In addition, the Airport will document the basis on which the base figure was adjusted using the specific data.

Palm Springs International Airport Non-Car Rental Concessions

Palm Springs International Airport ACDBE Goals for federal fiscal years 2019 – 2021 have been set for each concession contract as listed below and shown on the following chart. It should be noted that approximately 93.5% of the non-car rental concession revenue is currently generated by two concessions, food/beverage and gift/news operations. These agreements currently have no participation. Both will be expiring during this goal period and ACDBE goals will be set for both of these operations. All other non-car rental concessions combined generate less than 7% of the total revenue.

Food/Beverage - The food/beverage contract is currently operated by HMS Host and expires in October 2019. The contract does not currently contain an ACDBE goal. A goal analysis has been conducted for this opportunity and is attached hereto as Attachment 1. The overall goal projects that the contract will continue without a goal until its expiration after year one of the goal period. Year two assumes operation under the new lease for 9 months of the year. This assumes that the contract commences in late October and provides for a 60-day transition period. Year 3 assumes that the contract goal of 9.2% as determined by the goal analysis is in place for the full year.

News/Gift - The News/Gift contract is currently operated by Paradies and expires in October 2019. The contract does not currently contain an ACDBE goal. A goal analysis has been conducted for this opportunity and is attached hereto as Attachment 1. The overall goal projects that the contract will continue without a goal until its expiration after year one of the goal period. Year two assumes operation under the new lease for 9 months of the year. This assumes that the contract commences in late October and provides for a 60-day transition period. Year 3 assumes that the contract goal of 6.6% as determined by the goal analysis is in place for the full year.

Specialty Retail – There is currently a specialty retail contract operated by Eva Langstrom. The firm was certified as an ACDBE at the time of contract award but is no longer listed in the CUCP DBE/ACDBE directory. The concession generated \$110,000 in 2017. The contract was re-solicited in August 2018. There were no qualified proposers for the concession. The current operator did not submit a proposal. Because of this, the location will be included in the gift/news solicitation in 2019.

Advertising - The advertising contract is operated by Lamar Advertising and will expire in May 2020. There is currently no ACDBE participation in this contract. A goal analysis will be conducted prior to the contract's expiration; however, it is unlikely that ACDBE gross receipts participation will be viable based the size of the contract and the margins generated for this type of contract. For purposes of this three-year goal, we will assume that the agreement will remain without a goal for the three-year goal period.

ATM Machines - The ATM machine contract is operated by Mobile Money and will expire in January 2019. The contract has no ACDBE goal, as there are no ACDBE ATM concession operators in the California UCP Directory. In addition, the concession generates less than \$20,000 in gross revenues annually. It is anticipated that this concession will continue without ACDBE participation throughout the three-year goal period.

Applying the above assumptions to each of the concessions and assuming a growth rate of 3% each year results in the following annual sales and goals:

City of Palm Springs Palm Springs International Airport ACDBE CONCESSION LEASING GOALS FFY 2019			
Concessionaire	*Projected Annual Gross Revenues	ACDBE Gross Revenues Based on Goal	ACDBE Goal
Food/Beverage	\$7,185,355	\$0	
Gift/News	\$4,996,709	\$0	
Advertising	\$681,641	\$0	
ATM Machines	\$14,575	\$0	
Total Concessions (Excluding Rental Cars)	\$12,878,280	\$0	0.0%

*Assumes 3.0% growth annually

City of Palm Springs Palm Springs International Airport ACDBE CONCESSION LEASING GOALS FFY 2020			
Concessionaire	*Projected Annual Gross Revenues	ACDBE Gross Revenues Based on Goal	ACDBE Goal
Food/Beverage	\$7,400,916	\$510,663	**6.9%
Gift/News	\$5,146,610	\$254,757	**5.0%
Advertising	\$702,090		
ATM Machines	\$15,012		
Total Concessions (Excluding Rental Cars)	\$13,264,628	\$765,420	5.8%

*Assumes 3.0% growth annually

**Annual goal prorated for 10 months of operation under the new lease

City of Palm Springs Palm Springs International Airport ACDBE CONCESSION LEASING GOALS FFY 2021			
Concessionaire	*Projected Annual Gross Revenues	ACDBE Gross Revenues Based on Goal	ACDBE Goal
Food/Beverage	\$7,622,943	\$701,311	9.2%
Gift/News	\$5,301,009	\$349,867	6.6%
Advertising	\$723,153		
ATM Machines	\$15,462		
Total Concessions (Excluding Rental Cars)	\$13,662,567	\$1,051,177	7.6%

*Assumes 3.0% growth annually

City of Palm Springs Palm Springs International Airport ACDBE CONCESSION LEASING GOALS Goal Period: October 1, 2018 - September 30, 2021 FFY 2019, 2020, and 2021			
Concessionaire	*Projected Three-Year Gross Revenues	ACDBE Gross Revenues Based on Goal	ACDBE Goal
Food/Beverage	\$22,209,214	\$1,211,974	5.5%
Gift/News	\$15,444,329	\$604,624	3.9%
Advertising	\$2,106,883		
ATM Machines	\$45,048		
Total Concessions (Excluding Rental Cars)	\$39,805,474	\$1,816,598	4.6%

*Assumes 3.0% growth annually

Given the above, we propose the base ACDBE goal for the three year period beginning October 1, 2018 and ending September 30, 2021 (FFYs 2019, 2020, and 2021) at 4.6%. Please note that the goal will be different for each of the three years in the goal period due to new contracts awarded during FFY 2020.

Step 2 – Adjustments

The ACDBE regulation (49 CFR part 23) provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. Since this adjustment was made in the development of the contract goal, an adjustment based on past history is not warranted.

Breakout of Estimated Race-Neutral & Race Conscious Participation

ACDBE contract goals reflected in this document were originally set as race-neutral goals. The setting of race-neutral goals has resulted in participation of approximately 1% over the past five years. Since the contracts will be long-term and any shortfall will continue for the duration of the contract and since the past solicitations for food/beverage and gift/news resulted in no participation, goals for these contracts will be set as race-conscious in October 2019 when the current contracts expire. The Airport will continue to use race-neutral methods to encourage further participation throughout the goal period, including the following:

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. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
7. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.

Consultation with Stakeholders

In accordance with 49 CFR part 23, §23.43, the airport has sent emails and followed-up with phone calls to the following stakeholders regarding this three-year goal. Each of the stakeholders was sent a copy of the goals and information on who to contact to discuss the goals. Follow-up phone calls were made to all organizations. No comments were received.

ORGANIZATIONS

Airport Minority Advisory Council
100 M St. SE, Suite 917
Washington, DC 20003
(703) 414-2622
info@amac-org.com

Coachella Valley Women's Business Center
77806 Flora Rd., Suite A
Palm Desert, CA 92211
(760) 345-9200
igudino@cvwbc.org

Palm Springs Chamber of Commerce
190 West Amado Rd.
Palm Springs, CA 92262
(760) 325-1577
bwatson@pschamberofcommerce.org

Palm Desert Area Chamber of Commerce
72559 Hwy 111
Palm Desert, CA 92260
(760) 346-6111
info@pdacc.org

The Hispanic Chamber of Commerce
Coachella Valley
45-102 Smurr Street
Indio, CA 92201
(760)342-2565
LAPREHIS@AOL.com

Palm Springs Black Chamber of Commerce
3111 E Tahquitz Canyon Way, #132
Palm Springs, CA 92262
888-466-7408 x-11
info@desertbusinessassociation.org

CalAsian Chamber of Commerce
2331 Alhambra Blvd. Suite 100
Sacramento, CA 95817
(916) 446-7883
kchohon@calasiancc.org

American Indian Chamber of Commerce of
California
633 West Fifth Street
26th Floor
Los Angeles, CA 90071
(213) 440-3232
stateadmin@aicccal.org

CONCESSIONAIRES

HMS Host
Craig Matteo
F&B Operations Director
3400 E Tahquitz Canyon Way, Suite 8
Palm Springs, CA 92262
760-322-3223
725-400-3561 (mobile)

Paradies Ladardere
Rene Ponce
General Manager – Palm Springs
International Airport
3400 E Tahquitz Canyon Way, Suite 13
Palm Springs, CA 92262
760-778-6245
760-412-7611(mobile)
Rene.Ponce@paradies-na.com
paradies-na.com

Lamar Airport Advertising
Sandy Clark
GSM / Market Manager
3201 Airport Way, #280
Boise, ID 83705
208-972-8407
775-232-0910 (mobile)
skclark@lamar.com

Mobile Money
Tom Settles
(253)853-6889
tom.settles@mobilemoney.net

Overall Goal Calculation for Car Rentals (23.45) **FFY 2019-2021**

Background

Palm Springs International Airport currently has eight (8) different on-airport car rental brands owned by three (3) different companies. The current agreements will expire on September 30, 2021; however, the airport has developed an ACDBE car rental goal for the entire three-year goal period at this time based on the purchase of goods/services. Current car rental concession revenues are approximately \$61 million annually.

In accordance with the regulation regarding ACDBE participation in Airport Concessions, we have conducted research to determine an appropriate ACDBE goal for car rental concessions at the Airport. The methodology for setting the goals is included in this report.

49 CFR Part 23 provides the following guidance for establishing concession goals:

- § 23.51(a) Your objective in setting a goal is to estimate the percentage of the base calculated under §§23.47–23.49 that would be performed by ACDBEs in the absence of discrimination and its effects.*
- (1) This percentage is the estimated ACDBE participation that would occur if there were a “level playing field” for firms to work as concessionaires for your airport.*
- (2) In conducting this goal setting process, you are determining the extent, if any, to which the firms in your market area have suffered discrimination or its effects in connection with concession opportunities or related business opportunities.*
- (3) You must complete the goal-setting process separately for each of the two overall goals identified in §23.41 of this part.*
- (b) (1) Each overall concessions goal must be based on demonstrable evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in your ACDBE program (hereafter, the “relative availability of ACDBEs”).*
- (2) You cannot simply rely on the 10 percent national aspirational goal, your previous overall goal, or past ACDBE participation rates in your program without reference to the relative availability of ACDBEs in your market.*
- (3) Your market area is defined by 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 which receive the substantial majority of concessions-related revenues are located. Your market area may be different for different types of concessions.*

Counting Participation in Car Rentals

Given the fact that there are few ACDBE car rental firms operating in airports, we have elected to base the Car Rental ACDBE goal on the purchase of goods and services from ACDBE or potential/ACDBE firms. The regulation provides for counting ACDBE participation for car rentals as follows:

§ 23.53 How do car rental companies count ACDBE participation toward their goals?

- (a) As a car rental company, you may, in meeting the goal the airport has set for you, include purchases or leases of vehicles from any vendor that is a certified ACDBE.
- (b) As a car rental company, if you choose to meet the goal the airport has set for you by including purchases or leases of vehicles from an ACDBE vendor, you must also submit to the recipient documentation of the good faith efforts you have made to obtain ACDBE participation from other ACDBE providers of goods and services.
- (c) While this part does not require you to obtain ACDBE participation through direct ownership arrangements, you may count such participation toward the goal the airport has set for you.
- (d) The following special rules apply to counting participation related to car rental operations:
- (1) Count the entire amount of the cost charged by an ACDBE for repairing vehicles, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.
- (2) Count the entire amount of the fee or commission charged by an ACDBE to manage a car rental concession under an agreement with the concessionaire toward ACDBE goals, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.
- (3) Do not count any portion of a fee paid by a manufacturer to a car dealership for reimbursement of work performed under the manufacturer's warranty.
- (e) For other goods and services, count participation toward ACDBE goals as provided in part 26, §26.55 and §23.55 of this part. In the event of any conflict between these two sections, §23.55 controls.
- (f) If you have a national or regional contract, count a pro-rated share of the amount of that contract toward the goals of each airport covered by the contract. Use the proportion of your applicable gross receipts as the basis for making this pro-rated assignment of ACDBE participation.

Example to paragraph (f): Car Rental Company X signs a regional contract with an ACDBE car dealer to supply cars to all five airports in a state. The five airports each account for 20 percent of X's gross receipts in the state. Twenty percent of the value of the cars purchased through the ACDBE car dealer would count toward the goal of each airport.

Market Area

There are eight (8) Car Rental Concession Brands at the Airport operated by three (3) different companies. Based on the types of goods/services purchased by the firms (e.g. auto repair, insurance, fuel, etc.), the market area for the purchase of goods and services, with the exception of vehicle purchases, as the State of California. Clearly, there are some items that

are purchased either regionally or nationally, however car rental firms have stated that they cannot provide this information at this time. The geographic region for the purchase of vehicles varies depending on the operator with some purchasing from dealerships within the state and others from various areas of the country, including from manufacturers. We will, therefore, use a national geographic region for vehicle purchases.

Goal-Setting Step I

The regulation provides the following examples of potential approaches for accomplishing Step 1, determining the base figure, as follows:

23.51(c) Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs. The following are examples of approaches that you may take toward determining a base figure. These examples are provided as a starting point for your goal setting process. Any percentage figure derived from one of these examples should be considered a basis from which you begin when examining the evidence available to you. These examples are not intended as an exhaustive list. Other methods or combinations of methods to determine a base figure may be used, subject to approval by the FAA.

(1) Use DBE Directories and Census Bureau Data. Determine the number of ready, willing and able ACDBEs in your market area from your ACDBE directory. Using the Census Bureau's County Business Pattern (CBP) data base, determine the number of all ready, willing and able businesses available in your market area that perform work in the same NAICS codes. Divide the number of ACDBEs by the number of all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

2) Use an Active Participants List. Determine the number of ACDBEs that have participated or attempted to participate in your airport concessions program in previous years. Determine the number of all businesses that have participated or attempted to participate in your airport concession program in previous years. Divide the number of ACDBEs who have participated or attempted to participate by the number for all businesses to derive a base figure for the relative availability of ACDBEs in your market area.

(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study.

(4) Use the goal of another recipient. If another airport or other DOT recipient in the same, or substantially similar, market has set an overall goal in compliance with this rule, you may use that goal as a base figure for your goal.

(5) Alternative methods. (i) You may use other methods to determine a base figure for your overall goal. Any methodology you choose must be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of ACDBEs in your market area.

We have decided to use the DBE Directories and Census Bureau Data method for determining availability as follows:

The most recent available census bureau data is for 2016. The NAICS codes for the various trades typically utilized by car rental concessions were determined through a survey of car rental concessionaires and research and are shown on the chart below. Both DBEs and ACDBEs from the California UCP DBE/ACDBE Directory have been included as any firm that meets the DBE eligibility requirements are potential ACDBEs.

Table 1 – U.S. Census / Idaho Unified Certification Program Directory				
Description	NAICS	Census	Directory	DBE/ACDBE %
Door Maintenance/Repair	236220	4,211	220	5.22%
Concrete Maintenance	238110	1,768	159	8.99%
Electrical	238210	8,210	169	2.06%
Backflow Testing	238220	9,735	66	0.68%
HVAC Maintenance	238220	9,735	66	0.68%
Plumbing	238220	9,735	66	0.68%
Elevator Maintenance	238290	618	18	2.91%
Printing	323111	2,211	22	1.00%
Signage	323111	2,211	22	1.00%
Fuel Maintenance	333911	48	0	0.00%
GPS Devices	334220	174	2	1.15%
Auto Parts	423120	2,076	6	0.29%
Tires	423130	281	3	1.07%
Computer Support/Materials	423430	1,617	15	0.93%
Luggage Carts/Wheelchairs	423450	1,319	13	0.99%
Car Wash Maintenance	423850	455	13	2.86%
Cleaning Supplies	423850	455	13	2.86%
Fire Safety/Suppression	423990	1,730	35	2.02%
Office Expense	424120	572	15	2.62%
First Aid	424210	1,911	3	0.16%
Fuel/Oil/Energy	424720	168	6	3.57%
Car Dealerships ¹	441110	21,329	4	0.01%
Auto Transport	484230	758	33	4.35%
Roadside Assistance	488410	1,137	3	0.26%
Towing	488410	1,137	3	0.26%
Delivery Svc	492110	1,070	6	0.56%
Insurance	524210	14,480	20	0.14%

Table 1 – U.S. Census / Idaho Unified Certification Program Directory				
Description	NAICS	Census	Directory	DBE/ACDBE %
Equipment Rental (GPS)	532210	376	0	0.00%
Legal Services	541110	22,034	30	0.14%
Accounting	541211	7,232	23	0.00%
Consulting	541611	9,576	597	6.23%
Background Checks	541612	951	90	9.46%
Asset Recovery	561491	95	0	0.00%
Building Security	561621	764	22	2.88%
Security	561621	764	22	2.88%
Keys/Locks	561622	480	1	0.21%
Pest Control	561710	1,726	5	1.56%
Janitorial Services	561720	5,339	98	1.84%
Drug Testing	621999	386	3	0.78%
Auto Repair	811111	9,263	11	0.12%
Auto Body Repair	811121	3,959	10	0.25%
Uniform Cleaning	811122	594	2	0.34%
Windshield Repair	811122	594	2	0.34%
Device Repair & Maintenance	811211	240	0	0.00%
Uniforms	812331	119	2	1.68%

¹Car dealership ACDBE availability is based on a national geographic region using the DBE-Connect database.

The following contains weighted availability calculations based on information obtained from car rental companies at other Airports surveyed in the past several years as we do not have this information from car rental companies at Palm Springs International Airport:

Table 2 – Weighted ACDBE Availability (Based on Directory/Census)				
Description	NAICS	% of \$ Expenditures (A)	DBE/ACDBE % (B) [From Table 1]	Weighted Availability (A X B)
Door Maintenance/Repair	236220	0.10%	5.22%	0.01%
Concrete Maintenance	238110	0.50%	8.99%	0.04%
Electrical	238210	0.10%	2.06%	0.00%
Backflow Testing	238220	0.00%	0.68%	0.00%
HVAC Maintenance	238220	0.10%	0.68%	0.00%
Plumbing	238220	0.00%	0.68%	0.00%
Elevator Maintenance	238290	0.40%	2.91%	0.01%

Table 2 – Weighted ACDBE Availability (Based on Directory/Census)				
Description	NAICS	% of \$ Expenditures (A)	DBE/ACDBE % (B) [From Table 1]	Weighted Availability (A X B)
Printing	323111	0.00%	1.00%	0.00%
Signage	323111	0.00%	1.00%	0.00%
Fuel Maintenance	333911	0.10%	0.00%	0.00%
GPS Devices	334220	0.10%	1.15%	0.00%
Auto Parts	423120	0.20%	0.29%	0.00%
Tires	423130	1.60%	1.07%	0.02%
Computer Support/Materials	423430	0.10%	0.93%	0.00%
Luggage Carts/Wheelchairs	423450	0.00%	0.99%	0.00%
Car Wash Maintenance	423850	0.30%	2.86%	0.01%
Cleaning Supplies	423850	0.00%	2.86%	0.00%
Fire Safety/Suppression	423990	0.00%	2.02%	0.00%
Office Expense	424120	0.10%	2.62%	0.00%
First Aid	424210	0.00%	0.16%	0.00%
Fuel/Oil/Energy	424720	12.30%	3.57%	0.44%
Transport (Auto)	484230	1.60%	4.35%	0.07%
Roadside Assistance	488410	0.00%	0.26%	0.00%
Towing	488410	0.10%	0.26%	0.00%
Delivery Svc	492110	0.00%	0.56%	0.00%
Insurance	524210	2.10%	0.14%	0.00%
Equipment Rental (GPS)	532210	0.00%	0.00%	0.00%
Legal Services	541110	0.00%	0.14%	0.00%
Accounting	541211	0.10%	0.00%	0.00%
Consulting	541611	0.10%	6.23%	0.01%
Background Checks	541612	0.00%	9.46%	0.00%
Asset Recovery	561491	0.00%	0.00%	0.00%
Building Security	561621	0.00%	2.88%	0.00%
Security	561621	0.20%	2.88%	0.01%
Keys/Locks	561622	0.00%	0.21%	0.00%
Pest Control	561710	0.00%	1.56%	0.00%
Janitorial Services	561720	0.90%	1.84%	0.02%
Drug Testing	621999	0.00%	0.78%	0.00%
Auto Repair	811111	4.60%	0.12%	0.01%

Table 2 – Weighted ACDBE Availability (Based on Directory/Census)				
Description	NAICS	% of \$ Expenditures (A)	DBE/ACDBE % (B) [From Table 1]	Weighted Availability (A X B)
Auto Body Repair	811121	0.70%	0.25%	0.00%
Windshield Repair	811122	0.10%	0.34%	0.00%
Device Repair & Maintenance	811211	0.00%	0.34%	0.00%
Uniform Cleaning	812331	0.00%	0.00%	0.00%
Uniforms	812331	0.00%	1.68%	0.00%
Total (Excluding Vehicle Purchases)		26.70%		0.64%
Vehicle Purchases	441110	73.30%	0.01%	0.01%
Total Purchases		100.00%		0.65%

*Weighting of categories obtained from an analysis of purchases conducted for San Diego International

We therefore propose the base goal at 0.65%.

Step 2 - Examine the data to determine what adjustment, if any, is needed to the Base Figure

The ACDBE regulation (49 CFR part 23) provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. ACDBE achievement for the most recent three-year period is as follows:

Actual Past History of ACDBE Participation			
YEAR	TOTAL Purchases	ACDBE Purchases	ACDBE %
2017	\$75,667,886	\$9,824,531	12.98%
2016	\$40,493,393	\$11,269,346	27.83%
2015	\$18,498,563	\$2,240,033	12.11%

Adjusting the base goal for past history results in the following:

$$\begin{aligned} \text{Base Goal (0.65\%)} + \text{Median Past History (12.98\%)} &= 13.63\% \\ 13.63\% \div 2 &= 6.8\% \end{aligned}$$

We, therefore, propose the adjusted Car Rental ACDBE Goal at 6.8%.

Race-Neutral/Race-Conscious Recommendation

The current car rental agreements do not include a race conscious ACDBE goal, therefore the

goal will be set as race-neutral. The agreements will expire on June 30, 2020. We will conduct a revised goal analysis prior to the solicitation and make any necessary adjustments based on goal performance until that time.

Consultation with Stakeholders

In accordance with 49 CFR part 23, §23.43, the airport has sent emails and followed-up with phone calls to the following stakeholders regarding this three-year goal. Each of the stakeholders was sent a copy of the goals and information on who to contact to discuss the goals. Follow-up phone calls were made to all organizations/firms. No comments were received.

ORGANIZATIONS

Airport Minority Advisory Council
100 M St. SE, Suite 917
Washington, DC 20003
(703) 414-2622
info@amac-org.com

Coachella Valley Women's Business Center
77806 Flora Rd., Suite A
Palm Desert, CA 92211
(760) 345-9200
igudino@cvwbc.org

Palm Springs Chamber of Commerce
190 West Amado Rd.
Palm Springs, CA 92262
(760) 325-1577
bwatson@pschamberofcommerce.org

Palm Desert Area Chamber of Commerce
72559 Hwy 111
Palm Desert, CA 92260
(760) 346-6111
info@pdacc.org

The Hispanic Chamber of Commerce
Coachella Valley
45-102 Smurr Street
Indio, CA 92201
(760)342-2565
LAPREHIS@AOL.com

Palm Springs Black Chamber of Commerce
3111 E Tahquitz Canyon Way, #132
Palm Springs, CA 92262
888-466-7408 x-11
info@desertbusinessassociation.org

CalAsian Chamber of Commerce
2331 Alhambra Blvd. Suite 100
Sacramento, CA 95817
(916) 446-7883
kchohon@calasiancc.org

American Indian Chamber of Commerce of California
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