

FRESNO YOSEMITE INTERNATIONAL AIRPORT DISADVANTAGED BUSINESS ENTERPRISE RENTAL CAR ACDBE GOALS FOR FISCAL YEARS 2019-2021

I. INTRODUCTION

The Fresno Yosemite International Airport is required to prepare and submit a Disadvantaged Business Enterprise (DBE) Goal for Rental Car Airport Concession in accordance with the requirements of the U.S. Department of Transportation, 49 CFR parts 23 and 26 as a condition of receiving federal financial assistance. A DBE Goal of 1% for FY 2019-2021 is being submitted for your review and approval.

II. BACKGROUND

Effective March 3, 2010, the United States Department of Transportation (“DOT”) issued a final rule affecting the implementation and management of the DOT’s DBE Program. The final rule requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, the FYIA is still required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE Program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, the FYIA DBE goal and methodology submission is due to FAA on October 1, 2018 for proposed FAA funded contracting activities for Federal Fiscal Years (FFY) 2019/21.

The FYIA herein presents its Proposed Overall Triennial Car Rental Goal Methodology for FFY 2019/21, which resulted in a 1% Overall Race-Neutral DBE Goal

III. FAA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019-2021

Considering that all concession in FFY2019-2021 are currently Race Neutral, DBE goals are not required in individual contracts and the 1% goal is in reality a measure of the available DBE’s in our market area and actual participation for the past five fiscal years. Public participation was not incorporated into the process of determining the availability level however a notice will be published in the Fresno Business Journal and on the City of Fresno and Fresno Yosemite International Airport website. A copy of the goal calculation will also be sent to the various Chambers of Commences.

Table 1 represents the RAC one (1) primary NAIC code for New Car Rental and the other six (6) NAIC codes are for rental car goods & services which are used to prepare the goal calculation methodology.

Table 1

Project Name	Gross Revenue	Estimated Revenue Received
RAC	\$29,927,577.82	\$2,992,757.83
Budget Goods & Services	\$4,046,471.15	\$1,492,113.24
Payless Goods & Services	\$627,056.63	\$272,281.14
Avis Goods & Services	\$3,677,280.05	\$1,434,973.99
Dollar (Hertz) Goods & Services	\$2,276,338.86	\$227,633.88
TOTAL	\$40,554,724.51	\$6,419,760.08

Table 2 provides a summary of the one (1) primary NAICS, for New Car Dealers, using 2012-2016 Census Business Patterns and the other six NAIC codes are utilized for rental car goods & services. **Table 2** serves to identify the Total Estimated Revenue Dollars, as follows:

Table 2

CONTRACT CATEGORY	NAICS CUCP DATABASE	ESTIMATED REVENUE
New Car Dealers	441110	\$8,463,361.05
TOTAL		\$8,463,361.05

**Goal Calculation based on Estimated Revenue Dollars

Table 3 represents the most refined data available and provides a summary of services grouped into scope of categories: utilizing the NAIC categories and comparable 2012-2016 Census Business Patterns NAICS Work Codes. **Table 3** also serves to identify the estimated Percent of FYIA Revenue, as follows:

Table 3

CATEGORY OF WORK	NAICS CODES	ESTIMATED % OF Revenue
New Car Dealers	441110	9.78%
Insurance Agents & Brokers	524210	15.75%
Auto Parts & Accessories	441310	35.36%
General Auto Repair	811111	1.31%3.22%
Fuel	447110	16.96%
Car Washes	811192	
TOTAL		100% (\$8,463,361.05)

IV. FYIA OVERALL DBE GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish the FYIA Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) The CUCP database for Region 6 was utilized for FFY 2019-2021; FYIA followed 1 of the 5 prescribed federal goal-setting methodologies in accordance with 49 CFR Part 23 and 26 regulations. This was accomplished by accessing the **California Unified Certification Program (CUCP) Directory of Certified DBE Firms** and the **2012-2016 U.S. Census Bureau County Business Patterns (CBP) Database**. Comparisons were made within FYIA’s market area (defined as Fresno County) and by specified industries and types of businesses identified in Table 2. As stated earlier the majority of Airport Concessions are large chain firms not in the Fresno surrounding area, who would be ready willing and able to provide a service for FYIA.

The FYIA made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all service, refer to *Table 4*.

- ⇒ **For the numerator: California UCP DBE Database of Certified Firms Region 6**
- ⇒ **For the denominator: 2012-2016 U.S. Census Bureau’s Business Pattern Database (CBP)**

To determine the relative availability of DBEs, FYIA divided the numerator 2 representing the ratio of ready, willing and able DBE firms, by the denominator 3 representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Step 1: Base Figure was further weighted by services performed and corresponding revenue. The Base Figure resulting from this weighted calculation is as follows:

Table 4

441110 New Car Dealers	524210 Insurance Agencies & Brokerages
Base Figure = $\left[\frac{0.33\% \text{ (DBEs in NAICS 441110)}}{\text{(CBPs in NAICS 441110)}} \right]$	Base Figure = $\left[\frac{2.43\% \text{ (DBEs in NAICS 524210)}}{\text{(CBPs in NAICS 524210)}} \right]$
Base Figure = $\left[\frac{0.33\% \cdot 1}{301} \right]$	Base Figure = $\left[\frac{2.43\% \cdot 18}{740} \right]$
Base Figure = (0.33)* (12.89)	Base Figure = (2.43)*(20.77)
Base Figure = 0.0428%	Base Figure= 0.5052%

¹ §23.45 represent Title 49 CFR Part 23 regulatory referenced section.
² Numerator represents all DBE firms established within the FYIA’s market area.
³ Denominator represents all comparable available established firms.

441310 Automotive Parts & Accessories Stores	811111 General Auto Repair
$\text{Base Figure} = \left[\frac{1\% (\text{DBEs in NAICS 441310})}{(\text{CBPs in NAICS 441310})} \right]$ $\text{Base Figure} = \left[\frac{1\% \frac{3}{301}}{\phantom{(\text{CBPs in NAICS 441310})}} \right]$ $\text{Base Figure} = (1.0) * (12.96)$ $\text{Base Figure} = 0.1292\%$	$\text{Base Figure} = \left[\frac{0.37\% (\text{DBEs in NAICS 811111})}{(\text{CBPs in NAICS 811111})} \right]$ $\text{Base Figure} = \left[\frac{0 \frac{2}{546}}{\phantom{(\text{CBPs in NAICS 811111})}} \right]$ $\text{Base Figure} = (0.37) * (3.55)$ $\text{Base Figure} = 0.0130\%$
447110 Fuel	811192 Car Washes
$\text{Base Figure} = \left[\frac{0\% (\text{DBEs in NAICS 447110})}{(\text{CBPs in NAICS 447110})} \right]$ $\text{Base Figure} = \left[\frac{0\% \frac{0}{698}}{\phantom{(\text{CBPs in NAICS 447110})}} \right]$ $\text{Base Figure} = (0) * (22.35)$ $\text{Base Figure} = 0\%$	$\text{Base Figure} = \left[\frac{0\% (\text{DBEs in NAICS 811192})}{(\text{CBPs in NAICS 811192})} \right]$ $\text{Base Figure} = \left[\frac{0\% \frac{0}{192}}{\phantom{(\text{CBPs in NAICS 811192})}} \right]$ $\text{Base Figure} = (0) * (4.24)$ $\text{Base Figure} = 0\%$
532111 Passenger Car Rental	
$\text{Base Figure} = \left[\frac{0\% (\text{DBEs in NAICS 532111})}{(\text{CBPs in NAICS 532111})} \right]$ $\text{Base Figure} = \left[\frac{0\% \frac{0}{51}}{\phantom{(\text{CBPs in NAICS 532111})}} \right]$ $\text{Base Figure} = (0) * (23.24)$ $\text{Base Figure} = 0\%$	
BASE FIGURE	
$\text{Base Figure after weighted} = 0.0428 + 0.5052 + 0.1292 + 0.0130 = 0.68\%$	
Weighted Base Figure = $(0.7) * 100 / 2 = 0.4\%$*	
<i>* Rounded to the nearest whole number</i>	

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, FYIA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the FYIA market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45

Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included FYIA's Past DBE Goals, as follows:

A. Past DBE Goal Attainments

Table 5

<i>Project Years</i>	<i>DBE Contract Goal</i>
2016-2018	1%
2014-2016	0%
2011-2013	0%

FYIA considered an adjustment to the Step 1 Base Figure based on historical past DBE goals for federal FFYs 2019/21.

The formula for adjusting the base figure follows:

Step 1 Base Figure (21.10%) + Average Past Participation (1.3%) = Adjusted Base Figure

Average Past Participation =	0.4%
Average + Step 1 Base Figure =	0.8% + 0.4% = 1.1%
Base Figure Adjusted =	$\frac{1.1\%}{1} = 0.5\%$
Adjusted Base Figure =	1% (Rounded)

Past Participation indicates that Avis/Budget, EHI and Hertz companies utilize out of state firms to provide insurance and some services which is expected to continue. In addition however they have DBE/ACDBE car dealerships in California. Based on this information FYIA had determined an overall goal of 1% for 2019/21.

B. Disparity Study

FYIA did not conduct a disparity study for its FAA financial assistance.

C. Race Neutral ACDBE Program

All contracts for FY2019/21 will be race neutral. The City Rental car agencies will use only race neutral measures to facilitate DBE/ACDBE participation. The City of Fresno does workshops on “How to Do Business with the City of Fresno” and The DBE Program and How it Works”. During the workshops the attendees are encouraged to apply for DBE/ACDBE certification if they own a business that can qualify for the program. In a few of the past workshops, applicants who applied have been certified as DBE’s. The City also participates in training workshops with the Fresno Metro Black Chamber of Commerce and Caltrans.

D. Public Notice

The public notification will be posted in the Fresno Business Journal and sent to various Chambers of Commerce’s, along with being posted on the City of Fresno and FYIA website, publication notice attached.

On November 21, 2018, the goal will be advertised, in the Business Journal, and sent to the business exchanges that cover Fresno, Kings, Madera and Tulare counties.

In order to ensure coverage the following minority and women businesses organizations were also notified:

- Fresno Area Hispanic Foundation
- Minority Business Development Agency Business Center
- Fresno Metro Black Chamber of Commerce

- Central California Builders Exchange
- Kern Black Chamber of Commerce

V. FYIA OVERALL DBE GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION

The Overall DBE Goal for FFY 2019-2021 for FYIA's is 1% race neutral. FYIA will meet the entire portion of this 1% goal using race neutral measures.

The goal further serves to identify the relative availability of DBE's based on evidence of ready willing, and able DBE's to all comparable firms, which are known to be available.

VI. FYIA RACE-NEUTRAL MEASURES/PROGRAM

In conformance with 49 CFR Part 26 and 23; "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs" and in further response to FAA Notices issued to Public Transportation Providers regarding DOT's DBE Program and Race-Neutral Policy Implementation Guidance, the FYIA proposes to implement a **strictly Race-Neutral Overall DBE Goal for FFYs 2019-2021**. The race-neutral positioning is due to the absence of readily available evidence of discrimination and its effects in FYIA's marketplace. In the event FYIA determines at any time during the FFYs that it will not reach the overall DBE goal using race-neutral means, FYIA will consider amending the proposed goal to implement a race-conscious DBE Program and present its amended DBE Program and goal to FAA for approval.

To facilitate the race neutral measures the City will assist DBE's/ACDBE's with bid assistance as necessary, provide plan holder list, direct the DBE's on how to register for the City's electronic bidding (Bids online), direct notices of upcoming projects to DBE's/ACDBE's. The Coordinator will continue to conduct workshops, certifying new applicants and continuing team building with various chambers and minority business development agencies within the City of Fresno.

The FYIA will implement Race-Neutral measures to meet its Overall DBE Goal in accordance with 49 CFR Part 26.51, including but not limited to:

- Arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs and other small business firms' participation.
- Unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own work forces.
- Providing technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.
- Providing assistance to small businesses in overcoming limitations in obtaining bonding, lines of credit and building financing capital.

The FYIA overall DBE Annual Anticipated (AADPL) goal for FFY's 2019 – 2021 is 1% race-neutral and is considered final.