

**FRESNO YOSEMITE INTERNATIONAL AIRPORT (FYIA)
DISADVANTAGED BUSINESS ENTERPRISE NON RENTAL CAR OVERALL
ANNUAL ANTICIPATED (AADPL) DBE GOAL AND METHODOLOGY
FOR FEDERAL FISCAL YEARS 2019-2021**

I. INTRODUCTION

The Fresno Yosemite International Airport is required to prepare and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation 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.

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 Non-Car Rental Goal Methodology for FFY 2019/21, which resulted in a 2% Overall Race-Neutral DBE Goal

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

There are no DBE/ACDBE firms in Fresno and the surrounding areas who are ready, willing and able to provide a service at FYIA. The majority of the Airport concessions are large chain firms such as Hudson News, HMS, Host/Anton Airfoods, FS&S and Clear Channel Advertising. The only local concessionaire was a barber, who passed away in 2018.

Table 1 represents the five (5) concessions at the FYIA for non-rental services which is used to prepare the goal calculation methodology.

Table 1

Project Name	Actual Gross Receipts	Total Revenue Dollars	Contract Commencement Date	Contract Termination Date
Anton Airfoods (Restaurants)	\$4,620,129.80	\$268,259.32	1/3/2003	4/1/2022
Hudson News (News/Gifts)	\$2,489,395.35	\$157,196.69	9/1/2002	1/1/2023
FS & S (Baggage Cart)	\$1,418.25	\$141.85	7/1/2003	6/30/18
Clear Channel Advertising (Advertising)	\$399,048.45	\$187,120.75	8/1/15	7/31/22
SP Management (Parking)	\$6,177,206.00	\$6,064,598.00	10/01/17	09/30/18
Barbara Shop	\$0	\$1372.80	7/1/92	2018 (Deceased)
TOTAL	\$13,687,197.85	\$6,678,689.41		

Table 2 provides a summary of the five (5) NAIC code categories are: Restaurant, Advertising, News stands, Parking Lots, Vending machine and the Barber Shop. The 2012-2016 Census Business Pattern NAICS Work Codes are used. **Table 2** also serves to identify the Total Estimated Revenue Dollars, as follows:

Table 2

CONTRACT CATEGORY	NAICS CUCP DATABASE	ESTIMATED REVENUE
Limited Service Restaurant	722513	\$268,259.32
Advertising Agencies	541810	\$187,120.75
News Dealers & News Stands	451212	\$157,196.69
Parking Lots Garages	812930	\$6,064,598.00
Vending Machine Operators	454210	\$141.85
TOTAL		\$6,677,316.61

**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
Limited Service Restaurants	722513	4.02%
Parking Lots	812930	90.81%
News Stand	451212	2.35%
Baggage Carts	454210	0%
Advertising	541810	2.80%
TOTAL		99.98% (\$6,677,316.61)

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:

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

¹ §23.45 represent Title 49 CFR Part 23 regulatory referenced section.

² Numerator represents all DBE firms established within the FAX’s market area.

³ Denominator represents all comparable available established firms.

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

722513 Limited Service Restaurants	812930 Parking Lots & Garages
Base Figure = $0.65\% \frac{\text{DBEs in NAICS 722513}}{\text{CBPs in NAICS 722513}}$	Base Figure = $0.65\% \frac{\text{DBEs in NAICS 812930}}{\text{CBPs in NAICS 812930}}$
Base Figure = $0.65\% \frac{10}{1527}$	Base Figure = $0.33.33\% \frac{8}{24}$
Base Figure = $(268,259.32/6,678,689.41=4.02\%$	Base Figure = $(6,6064,598./6,678,689.41=90.81\%$
Base % after Weighted $\frac{4.02\%}{1527} = \mathbf{0.0026\%}$	Base % after Weighted $\frac{90.81\%}{24} = \mathbf{3.7836\%}$
News D	
Base Figure = $80\% \frac{\text{DBEs in NAICS 451212}}{\text{CBPs in NAICS 451212}}$	Base Figure = $75\% \frac{\text{DBEs in NAICS 454210}}{\text{CBPs in NAICS 454210}}$
Base Figure = $80\% \frac{8}{10}$	Base Figure = $75 \frac{3}{4}$
Base Figure = $(157,196.69./6,678,689. =2.35\%$	Base Figure = $(157,196.69/6,678,689. =2.35\%$
Base % after Weighted $\frac{2.35\%}{10} = \mathbf{0.2354\%}$	Base % after Weighted $\frac{2.35\%}{10} = \mathbf{0.2354\%}$
Base Figure = $580\% \frac{\text{DBEs in NAICS 541810}}{\text{CBPs in NAICS 541810}}$	
Base Figure = $580\% \frac{58}{68}$	
Base Figure = $(18712.75/6,678,689. =2.80\%$	
Base % after Weighted $\frac{2.80\%}{10} = \mathbf{0.2802\%}$	
Base Figure after weighted = $0.0026+3.7836+0.2354+0.0002+0.2802 = 4.30$	
Weighted Base Figure= $(4.30)*100/2= 2\%*$	
* Rounded to the nearest whole number	

Step 2: Adjusting the Base Figure

Upon establishing the Weighted 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 participation goals, as follows:

A. Past DBE Goal Attainments

Table 5

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

FYIA considered an adjustment to the Step 1 Base Figure based on historical past DBE goals.

The formula for adjusting the base figure follows:

Step 1 Weighted Base Figure (4.3%) + Average Past Participation (0%) = Weighted Adjusted Base Figure

Average Past Participation =	0%
Average + Step 1 Base Figure =	4.3% + 0% = 4.3%
Base Figure Adjusted =	$\frac{4.3\%}{2} = 2.2\%$
Weighted Adjusted Base Figure =	2% (Rounded)

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 will use race neutral measures to facilitate DBE/ACDBE participation. The City of Fresno also does workshops on "How to Do Business with the City of Fresno" and The DBE Program and How it Works". 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, and 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 Airport Concession Disadvantaged Business Enterprises" 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 ACDBE's and other business firms' participation.
- Providing information and communications programs on contracting procedures and specific contract opportunities.

The FYIA overall DBE Annual Anticipated (AADPL) goal for FFY's 2019 – 2021 is 2% race-neutral and is considered final.

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