

Overall Goal Calculation for Non-Car Rental Concessions FY 2024-2026

Name of Recipient: **County of Sacramento, Department of Airports**

Name of Airport(s): **Sacramento International Airport (Airport)**

Goal Period: **FY 2024-26 (10/1/2023 through 9/30/2026)**

Overall Three-Year Goal: **15%, to be accomplished through 15% Race and Gender Neutral (RN) and 0% Race and Gender Conscious (RC) participation.**

Market Area

The Airport has determined that the market area is the State of California. The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the Airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located.

The concession opportunities anticipated during this goal period for this market area are: Food and Beverage (F&B), Retail, Advertising, Taxi Services, and Vending.

Base of the goal

To calculate the base of the goal, the Airport considered the most recent previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Year	Non-Car Rental Concessions Gross Receipts
2020	\$45,627,146
2021	\$46,035,809
2022	\$73,341,882

The Airport estimates that revenues from existing concessions will grow by an average of 4% each year over the next three years due to increased passenger traffic and terminal expansions.

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2024	4%	\$76,275,557
2025	4%	\$79,326,580
2026	4%	\$82,377,602
Three-Year Total Gross Receipts		\$237,979,739
Average Annual Growth Rate		4%

\$73,275,557 + \$79,326,580 + \$82,377,602 = **\$237,979,739** which is the recipient's base of goal for non-car rental concessions.

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.

If a new concession opportunity arises prior to the end of this goal period, The Airport will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity.

Methodology used to Calculate Overall Goal

The Airport can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The Airport, 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 recipient's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

The Airport, 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 Airport will include goods and services purchases from ACDBEs toward meeting the goal.

Step 1 - Actual Relative Availability of ACDBEs - §23.51 (c)

We determined the base figure for the relative availability of non-car rental ACDBEs. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs for each upcoming opportunity in the market area.

Denominator: All ready, willing, and able non-car rental concession firms for each upcoming opportunity in the market area.

The data source(s) used in the calculation included:

1. State UCP Data showing the number of ACDBEs that are certified within the market area California Unified Certification Program (dbesystem.com)
2. Census Bureau Data showing the number of all firms within the market area (<https://data.census.gov/cedsci/>)

The calculation and explanation for this is as follows:

Concession Opportunity	NAICS	# ACDBE Firms	# Total Firms	% Availability
Advertising	541810	89	2,320	3.8%
Average Advertising ACDBE Availability				4%
Automated Vending	454210	2	223	.90%
Average Automated Vending ACDBE Availability				1%
Taxi Services	485310	1	167	0.6%
Average Taxi Services ACDBE Availability				1%
F&B – Food Service Contractors	722310	27	2,504	1.1%
F&B – Snack & Nonalcoholic Beverage	722515	22	11,707	0.2%
F&B – Mobile Food Service	722330	9	883	1.0%
F&B – Drinking Places (Alcoholic Bev)	722410	9	3,166	0.3%
F&B – Full-Service Restaurants	722511	23	31,036	0.1%
F&B – Limited-Service Restaurants	722513	40	31,771	0.1%
Average F&B ACDBE Availability				1%

Retail – Gift, Novelty, & Souvenirs	459420	1	2,042	.05%
Retail – Hobby, Toy, & Games	451120	1	819	0.1%
Retail – Book Retailers & News Dealers	459210	3	601	0.5%
Retail – Baked Good Retailers	445291	3	366	0.8%
Retail – Confectionery & Nut	445292	3	561	0.5%
Retail – Clothing & Clothing Accessories	458110	4	3,830	0.1%
Retail – Luggage & Leather Goods	448320	5	160	3.1%
Average Retail ACDBE Availability				1%
Total Average ACDBE Availability				2%

When we calculated the average availability, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of **2%**.

Step 2 Adjustment

From Step 1, base figure averaged with historical median:

$$(2\% + 8\%)/2 = 5\%$$

Median Past Participation (MPP) 6%, 6%, **8%**, 11%, 13%

Year	Goal	Achieved	MPP	% Variance
FY 2018	4%	6%		2%
FY 2019	4%	13%		9%
FY 2020	5%	8%	8%	3%
FY 2021	5%	11%		6%
FY 2022	5%	6%		1%
Average Percentage Variance				4%

The Airport has consistently met and exceeded its prior ACDBE goals through RN means. Therefore, the Airport will further adjust its figure by adding the average percentage variance of RN participation achieved over the established goals during the last five federal fiscal years.

$$\text{The adjusted base figure } 5\% + 4\% = 9\%$$

The Airport is committed to increasing non-car rental ACDBE participation and is confident in the ability to achieve a higher goal than 9%. As such, the Airport proposes an overall three-year goal of **15%** for FFYs 2024-2026. The Airport believes this is an attainable goal based on the achievements of other airports in Northern California that have reached similar or higher levels of non-car rental ACDBE participation. The Airport hopes that by setting this ambitious goal, it will encourage more diversity and inclusion in its operations and benefit the local community.

Breakout of Estimated RN and RC Participation

The Airport will make every reasonable effort to meet the maximum feasible portion of its overall goal by using RN means of facilitating ACDBE participation. The Airport will use the following RN measures.

We understand that we will be expected to actually take these steps, and this is not merely a paper exercise.

The data source(s) used in the calculation included:

1. Notify ACDBEs of concession opportunities and encouraging them to compete, when appropriate; and
2. When practical, structure concession activities so as to encourage and facilitate the participation of ACDBEs; and
3. Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process; and
4. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

The Airport estimates that, in meeting the overall goal of 15%, it will obtain 100% from RN participation and 0% through RC measures. The County of Sacramento is race and gender neutral.