

## **Port of Portland – Concessions DBE Goals**

### **Retail, Food & Beverage, Service Concessions**

The Port of Portland's overall goal for Retail, Food & Beverage, and Service Concessions during the period beginning October 1, 2011 and ending 9/30/2014 is: 23% of the total gross receipts for concessions at Portland 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 concession opportunities anticipated during this goal period are: Retail, Services, Food & Beverage, and defined Services with estimated gross receipts of \$250,000,000 over the 3 year goal period. This projection includes the addition of 5 news and gift stores operated by Paradies, 5 news and gift stores operated by Host International, 1 Pendleton Woolen Mills concession, Sound Balance, InMotion, Shoe Shine, and 2 hamburger locations (currently out for solicitation) in FY12.

At this point in time, the Port has the following ACDBE ventures; Paradies/My Reo (ACDBE) joint venture (JV), APW Holdings and Sound Balance (ACDBE) JV. Host is subleasing to Stephanie Jewell (ACDBE). In addition, we have ccMcKenzie that has been certified as an ACDBE, and TravelEx. Stephanie Inc has received their recertification as an ACDBE. If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, Port of Portland will submit an appropriate adjustment to the overall goal.

The Port of Portland has determined that its market area is businesses that register certified by the State of Oregon, Office of Minority, Women and Emerging Small Businesses suppliers and concessionaires. The State of Oregon OMWESB office certifies businesses and verifies that registered, certified firms are ready, willing, and able to compete for business opportunities.

## **Methodology used to Calculate Overall Goal**

### **Step 1:**

We determined the base figure for the relative availability of ACDBEs other than car rentals. The base figure was calculated as follows:

Concession ACDBEs registered on the State of Oregon website  
Base figure = \_\_\_\_\_

All concessionaires registered on the State of Oregon website

The data source or demonstrable evidence used to derive the numerator was the State of Oregon OMWESB office.

The Port of Portland has updated our internal online supplier registration system since the last ACDBE goal was submitted. In its place, we now have online data base called Planet Bids in which all suppliers can register with the Port of Portland just as before. When a company registers as a potential supplier, it becomes eligible to receive automatic e-mail notifications of business opportunities that match the company's capabilities. E-mail notices will be sent as soon as an opportunity is posted to the Port's Web site. The company can then review the opportunity and, in most cases, immediately download the solicitation document. Port staff routinely advises individuals who inquire about potential retail, food and beverage, or service concession opportunities at PDX to register on the Port's web site so that when an opportunity does become available, they will be among the first group automatically notified of the opportunity.

The data source or demonstrable evidence used to derive the denominator was the State of Oregon Small Business Profile.

When we divided the numerator by the denominator we arrived at a base figure for our overall goal for retail, food & beverage and service concessions of:  
8.98%

$$14 \text{ ACDBE} / 14 \text{ ACDBE} + 142 \text{ Non-ACDBE} = 14 / 156 = 8.98\%$$

Currently at PDX, 65 concessions are operated. Nine ACDBE businesses are involved in 25 current concession operations. One ACDBE operates 10 food and beverage concessions. One ACDBE operates 2 food and beverage operations. One ACDBE is a 33% joint venture partner in a retail operation and another is 15% in news and gift operation. This equates to 36% based on the number of individual locations operated at PDX.

Projected gross sales for all concessions at PDX for FY 2012-2014 (October 2011-September 2014) is \$242,708,000.

Projected gross sales for ACDBE concessions at PDX for fiscal year 2012-2014 (October 2011-September 2014) is \$79,827,570. (Since the fiscal year differs from our fiscal year (July-June) defining it eliminates any confusion)

Projected ACDBE participation, based on gross sales is 32%.

## Step 2:

After calculating a base figure of the relative availability of ACDBEs, and a base figure in terms of projected gross sales, we examined evidence to determine what adjustment was needed to the selected base figure in order to arrive at the overall goal.

To determine if our overall goal for retail, food & beverage and service concessions should be adjusted we looked at past performance in concessions at Portland International Airport for the past 4 years.

Fiscal Year	Past Performance
2008	15.60%
2009	14.35%
2010	13.6%
2011	20.5%

The next step taken was to calculate the mean past performance. To do this, the past performance for fiscal years 2008, 2009, and 2010 are placed in numerical order and the middle number is selected.

2008	2009	2010	2011
15.60%	14.35%	13.6%	20.5%

$$14.35 + 13.6 / 2 = 13.98\%$$

To determine the adjusted ACDBE goal for retail, food & beverage and service concessions at the Port of Portland, the mean for past performance and the projected participation for fiscal year 12 were averaged.

$$(13.98 + 32 / 2) = 45.98 / 2 = 23\%$$

The ACDBE base projection will be adjusted based on past performance because this number reflects ACDBE participation based on gross receipts which is the basis of the Port ACDBE goal. Over the 3 year period the Port aspires to achieve an average of 23% ACDBE utilization overall.

The ACDBE concession goal other than car rental for Portland International Airport is 23%.

We anticipate potentially major changes to our ACDBE participation that will significantly affect our FY 2015 ACDBE goal. In FY 2014 the following ACDBE leases will expire and go out for solicitation; Stephanie Inc which includes the following concessions: Jamba Juice, Big Town Hero, Baskin Robbins, Pizza Schmizza, and Good Dog Bad Dog all expiring on January 31, 2014. In addition, Alliance Advertising will expire December 31, 2014.

### **Consultation with Stakeholders (23.43)**

To solicit consultation regarding our ACDBE Concession Plan, the goal is posted on the Port of Portland website, [www.portofportland.com](http://www.portofportland.com), Business Opportunities. Interested parties are invited to comment and are provided an email address for submitting comments regarding ACDBE availability, effects of discrimination on ACDBE opportunities, and the Port's efforts to solicit ACDBE participation. The goal will be adjusted if comments that warrant adjustment are received.

### **Breakout of Estimated Race-Neutral & Race Conscious Participation** **Section 23.51**

The Port of Portland will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Port uses the following race-neutral means to increase and support ACDBE participation:

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.
8. Facilitating on site quarterly meetings for existing DBE tenants to encourage sharing of information and resources.

We estimate that, in meeting our overall goal of 23%, we will obtain 23% from race-neutral participation and 0% through race-conscious measures.

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: We will establish concession-specific goals for particular concession opportunities

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 ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry 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.

### **Car Rental Goal**

The Port's overall goal for car rentals during the period beginning October 1, 2011 and ending December 31, 2014 is the following: 2% of the total purchases of goods and services by car rental concessions from DBE firms for use at Portland International Airport.

The opportunities anticipated during this goal period are goods and services purchased by car rental concessionaires with an estimated annual cost of \$138 million. If new goods and services supply opportunities arise prior to the end of this goal period and the estimated purchases are anticipated to be \$200,000 or greater, the Port will submit an appropriate adjustment to the overall goal.

The Port of Portland has determined that the market area of businesses that could provide goods and services to PDX car rental concessionaires is both local and national based on accomplishment reports from car rental concessionaires in the past two years. Local goods and services include HVAC services, car wash, auto body and paint, fuel, paper shredding, and vehicle disposal. National goods and services include automobiles, office supplies, and software. To estimate the availability of goods and service providers to car rental companies, the Port uses the State of Oregon OMWESB Office. The Port owns a significant vehicle fleet therefore the Port purchases the same type of goods and services that are purchased by PDX car rental concessionaires.

## **Methodology used to Calculate Overall Goal**

### Goods and Services

The DBE goal will be met through the purchase from DBEs of goods and services used in car rental businesses at the airport.

#### **Step 1:**

We determined the base figure for the relative availability of DBE good and services suppliers.

The base figure was calculated as follows:

$$\text{Base figure} = \frac{\text{ACDBE Goods and services firms State of Oregon OMWESB Office}}{\text{Non ACDBE Goods and services firms derived from historical data}}$$

The data source or demonstrable evidence used to derive the numerator and the denominator is based on historical information derived from the Port of Portland Supplier Catalog.

When we divided the numerator by the denominator we arrived at the base figure for our overall goal for car rental concessions of: 7.04%

***Show the calculation here.***

$$7.04\% = \frac{10 \text{ DBEs}}{10 \text{ DBEs} + 132 \text{ Non-DBEs}}$$

## Step 2: Goal Adjustment

After calculating a base figure of the relative availability of DBEs, we considered whether an adjustment was needed to the base figure in order to arrive at the overall goal.

Past performance for fiscal years 10 and 11 was 0.5% and 2.06% respectively. The mean of past performance is calculated by taking the average of these 2 accomplishment percents.

$$\text{Mean} = 0.5\% + 2.6\% / 2 = 3.1\% / 2 = 1.55\%$$

To determine if our overall goal for goods and services should be adjusted we looked at past performance in concessions at Portland International Airport for the past 4 years.

Fiscal Year	Past Performance
2008	0%
2009	0.5%
2010	0.5%
2011	2.6%

The next step is to review past performance based upon the historical data the Car Concessions goal will be adjusted to 2%.

### **Consultation with Stakeholders (23.43)**

To solicit consultation regarding our DBE Concession Plan, the goal is posted on the Port of Portland website, [www.portofportland.com](http://www.portofportland.com), Business Opportunities. Interested parties are invited to comment and are provided an email address for submitting comments regarding DBE availability, effects of discrimination on DBE opportunities, and the Port's efforts to solicit DBE participation.

### **Breakout of Estimated Race-Neutral & Race Conscious Participation** **Section 23.51**

The Port of Portland will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The Port uses the following race-neutral means to increase DBE participation:

1. Locating and identifying DBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying DBEs 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 DBEs;

4. Providing technical assistance to DBEs 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 DBE program will affect the procurement process;
6. Providing information concerning the availability of DBE firms to competitors to assist them in obtaining DBE participation; and
7. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster DBE participation in concessions.

We estimate that, in meeting our overall goal of 2% we will obtain 2% from race-neutral participation and 1% through race-conscious measures. The current Port contract with car rental companies aspires for 2% goods and services purchases from DBE providers.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.