



**PROPOSED ACDBE OVERALL GOALS**

**Federal Fiscal Years 2024 - 2026**

**Seattle-Tacoma International Airport**

Airport Sponsor: Port of Seattle, Washington  
Seattle-Tacoma International Airport

Goal Period: FY 2024 – FY 2026  
From: October 1, 2023  
Thru: September 30, 2026

ACDBE Goal for Terminal Concessions: 21.4% (Race Neutral)

ACDBE Goal for Car Rental Concessions: 0.8% (Race Neutral)

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

**Amount of Goal**

The Seattle-Tacoma International Airport (“SEA”) overall goal for concessions other than car rental during the period beginning October 1, 2023 and ending September 30, 2026 is 21.4% of the total gross receipts for concessions at SEA.

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

**Federal Fiscal Years 2024 – 2026**

Total estimated gross receipts for all concessions excluding car rentals = \$877,033,772  
Estimated ACDBE gross receipts as adjusted = \$187,685,227  
 $\$187,685,227 / \$877,033,772 = 21.4\%$

**Methodology used to Calculate Overall Goal**

Overall goals have been determined by consolidating the total estimated gross revenues and estimated ACDBE gross revenues for each concession type to be operational during the three-year goal period. Goals for new or re-solicited concessions 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)**

SEA 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 directory (23.51(c)(1)) or an active participant list (23.51(c)(2)).

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

If SEA uses an Active Participant List, where the information was obtained will be identified. Such information may come from past experience with firms that have operated 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 SEA's geographic area at this time. In the future, SEA may elect to utilize a disparity study should one become available.

Option 3: Goal of another sponsor – SEA 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 part 23. Should SEA elect to do so, SEA will include information as to why the airport concession opportunities have the same or substantially similar market.

Option 4: Alternative Methods – SEA 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, SEA 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 SEA would expect in the absence of discrimination. In addition, SEA will document the basis on which it adjusted the base figure using the specific data.

## **Current Concession Contracts**

The following is a summary of SEA concession contracts included in the three-year goal.

**Food/Beverage.** The Food/Beverage concessions are operated by 27 different operators under various contracts. 73.6% of the food/beverage revenues are generated under contracts will not expire during the goal period. Each contract was solicited using race-neutral goals of 23.1% as established during the previous goal cycle. The proposed three-year goal assumes the consolidation of contracts awarded as direct leases with ACDBEs and those awarded using joint venture arrangements will result in the achievement of the goal as previously calculated (23.1%) for continuing contracts. Goals for the remaining 29.8% of Food/Beverage gross revenues have been set as shown on Attachment 1 (18.6%). It is anticipated that these new contracts will be solicited in 2025 and will be operational in FFY 2026. Gross revenue projections assume 3% growth for each year.

**Retail.** The Retail concessions are operated by 20 different operators under various contracts, 69.7% of which will not expire during the goal period. Each contract was solicited using race-neutral goals for achieving participation and goals established during the previous goal cycle (18.4%) as established during the previous goal cycle. The proposed three-year goal assumes the consolidation of contracts awarded as direct leases with ACDBEs and those awarded using joint venture arrangements will result in the achievement of the goal as previously calculated (18.4%) for continuing contracts. Goals for the remaining 30.3% of Retail gross revenues have been set as shown on Attachment 1 (17.6%). It is anticipated that a portion of these new contracts will be solicited in 2024 and will be operational in FFY 2025 and the remaining new contracts will be solicited in FFY 2025 and be operational in FFY 2026. Gross revenue projections assume 3% growth for each year.

**Duty Free.** There is one Duty Free contract operated by a joint venture comprised of a non-ACDBE (87.5%) and an ACDBE (12.5%). The Duty Free agreement has expired and is being resolicited. However, the new contract will not be in operation until late 2026 as a result of major required build-out. ACDBE participation has been carried at the current 12.5% level for this goal period. The new goal included in Attachment A will become effective in late 2026. Annual growth is assumed at 3% annually.

**Advertising** – In-Terminal advertising at the airport is operated under a single contract. The agreement does not expire until 2031. There is no ACDBE participation in the contract. We anticipate that this contract will continue throughout the three-year goal period without an ACDBE goal. However, we will work with the in-terminal advertising contractor to attempt to implement a program for purchasing from ACDBE sources if possible.

**Foreign Currency** – The Foreign Currency Exchange concession at the airport is operated under a single contract that expires in 2028. There is currently no ACDBE

participation in this contract. We anticipate that this contract will continue throughout the three-year goal period without an ACDBE goal.

**Passenger Services.** Passenger service contracts consist primarily of small service concessions such as luggage carts, advertising brochures, ATMs, vending, and shoeshine. ACDBE goals have not been set for these concessions as the type and nature of the services do not provide for subcontracting opportunities or there are no ACDBE firms listed in the specific trades. While we will conduct a goal analysis whenever one of the opportunities becomes available, we anticipate that these concessions will continue throughout the three-year period without an ACDBE goal.

**Cumulative Estimated Gross Revenues and ACDBE Gross Revenues for Each Year in the Three-Year Goal Period and the Total Three-Year period**

Based on the above detailed description of each non-rental car concession category at the airport, we have estimated gross revenues for each concession type for the three year period and weighted and consolidated the data to develop the overall three-year goal.

Table 1 below provides the estimated gross revenues for each year of the three-year goal period.

<b>TABLE 1 Estimated Gross Revenues FFY 2024 - 2026</b>				
<b>Concession</b>	<b>Projected 2024</b>	<b>Projected 2025</b>	<b>Projected 2026</b>	<b>Total Projected 2024-2026</b>
Food/Beverage Continuing	\$165,965,570	\$170,944,537	\$129,589,634	\$466,499,741
Food/Beverage New			\$46,483,238	\$46,483,238
<b>Total Food Beverage</b>	<b>\$165,965,570</b>	<b>\$170,944,537</b>	<b>\$176,072,873</b>	<b>\$512,982,979</b>
Retail Continuing	\$93,143,331	\$92,353,196	\$67,851,314	\$253,347,842
Retail New		\$3,584,435	\$30,964,446	\$34,548,881
<b>Total Retail</b>	<b>\$93,143,331</b>	<b>\$95,937,631</b>	<b>\$98,815,760</b>	<b>\$287,896,723</b>
Duty Free	\$8,610,191	\$8,868,497	\$9,134,552	\$26,613,240
Foreign Currency	\$5,575,940	\$5,743,218	\$5,915,514	\$17,234,672
Advertising	\$6,471,570	\$6,665,717	\$6,865,688	\$20,002,974
Other Services	\$5,406,647	\$3,397,309	\$3,499,228	\$12,303,184
<b>Total Concessions</b>	<b>\$285,173,248</b>	<b>\$291,556,908</b>	<b>\$300,303,615</b>	<b>\$877,033,772</b>

Table 2 below provides the ACDBE goal for each concession and estimated gross revenues and ACDBE gross revenues for the three-year goal period.

<b>TABLE 2 Weighted ACDBE Base Goal</b>			
<b>Concession</b>	<b>Estimated Gross Revenue</b>	<b>ACDBE % Goal</b>	<b>ACDBE Goal \$</b>
Food/Beverage Continuing	\$466,499,741	23.1%	\$107,761,440
Food/Beverage New	\$46,483,238	18.6%	\$8,645,882
<b>Total Food Beverage</b>	<b>\$512,982,979</b>	<b>22.7%</b>	<b>\$116,407,322</b>
Retail Continuing	\$253,347,842	18.4%	\$46,616,003
Retail New	\$34,548,881	17.6%	\$6,080,603
<b>Total Retail</b>	<b>\$287,896,723</b>	<b>18.3%</b>	<b>\$52,696,606</b>
Duty Free	\$26,613,240	12.5%	\$3,326,655
Foreign Currency	\$17,234,672	0.00%	\$0
Advertising	\$20,002,974	0.00%	\$0
Other Services	\$12,303,184	0.00%	\$0
<b>Total Concessions</b>	<b>\$877,033,772</b>	<b>19.7%</b>	<b>\$172,430,583</b>

**As shown above, the base goal for ACDBE participation for FFY 2024 – 2026 is 19.7%.**

**Step 2 – Adjustments**

The ACDBE regulation 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. We have reviewed the ACDBE achievement for the most recent three-year period to provide for an adjustment of the base goal as follows:

<b>Actual Past History of ACDBE Participation</b>			
<b>YEAR</b>	<b>TOTAL GROSS REVENUES</b>	<b>ACDBE GROSS REVENUES</b>	<b>ACDBE %</b>
2022	\$270,720,968	\$59,867,747	22.1%
2021	\$220,074,414	\$53,370,941	24.3%
2020	\$193,004,986	\$44,628,888	23.1%

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

Base goal of 19.7% + Median ACDBE Participation (2020-2022) of 23.1% = 42.8%

$$42.9\% \div 2 = 21.4\%$$

There is no other relevant data to support an adjustment to the base goal. Therefore, the proposed overall ACDBE goal for the three-year period commencing October 1, 2023 and ending September 30, 2026 is 21.4%.

***Proposed Overall Three-Year Goal for FFY 2024-2026 = 21.4%***

### **RACE-NEUTRAL/ RACE-CONSCIOUS GOAL**

Non-car rental ACDBE goals as set forth in this document were set as race neutral goals prior to the solicitation for each contract. For concession opportunities, not the subject of an agreement in force as of the date of this document for which a goal is established, SEA will meet the maximum feasible portion of each contract go by using race-neutral means of facilitating ACDBE participation as determined at the time the concession specific goal is established. SEA may use the following race-neutral measures to facilitate 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.

### **New Opportunities**

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, SEA will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval prior to executing the new concession agreement. (23.45(i)).

SEA determines the market area for each concession opportunity separately since the market area may vary depending upon the size and nature of the specific opportunity. For example, 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 receive a substantial majority of concessions related revenues are located may be national for large contracts and local or regional for smaller contracts. The market area is defined for each concession opportunity as it arises and as SEA undertakes the goal-setting process.

### **Goods and Services**

SEA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the Airport. SEA, 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 dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

### **Management Contract or Subcontract**

SEA can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. SEA 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 airport'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.

### **Joint Venture Agreements**

We can also meet the percentage goal by including any business operated through a joint venture agreement that includes a certified ACDBE as one of the participants. The FAA has issued guidance for counting ACDBE participation in joint venture agreements. The airport will count such participation in strict accordance with the guidance.

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

We will conduct stakeholder meetings for each concession opportunity during the goal setting process for the specific opportunity. We will invite the current concessionaires, ACDBEs listed in the UCP DBE Directory for the appropriate trades, and members of the trade and minority/women business organizations. A summary of the information provided by the stakeholders will be documented for each contract opportunity. In addition, the goal and methodology has been posted on \_\_\_\_\_ requesting comment from interested parties. We have received the following questions/comments:



## **ATTACHMENT 1**

### **ACDBE GOAL and METHODOLOGY Food/Beverage and Retail – Upcoming Opportunities During Goal Period Seattle-Tacoma International Airport**

#### **Background**

Seattle-Tacoma International Airport (the “Airport” or “SEA”) has upcoming opportunities for food & beverage, retail, duty free and services operations. The opportunities vary in size and scope and will be awarded at varying times over the upcoming three-year goal period.

In accordance with 49 CFR Part 23 we have conducted research to determine appropriate ACDBE goals for the concessions to be awarded. The methodology for setting the goal for the agreement 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.*

## **Market Area**

The type of concessions that will be available include food/beverage, retail, and duty free. These types of concessions are currently operated under numerous agreements with a total of 48 companies. Of 48 companies participating in these concessions, food/beverage contracts, 33 are based in Washington and 6 are national companies. The remaining companies are from various states across the country. Given the size, scope and availability of firms to perform the various agreements, we believe that the appropriate market area for potential concessionaires for this opportunity is the State of Washington since 67.3% of the firms currently performing concession contracts at the airport are based in Washington and another 12.5% are national firms with a national or international.

## **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 examined each alternative. Our findings for each are as follows:

1) The most recent available census bureau data is for 2021. There are no codes for airport concessions, therefore we have utilized the codes listed in the chart below as they are most closely aligned with concession services at the airport. NAICS codes for each concession are as listed in the chart below.

The Washington Unified Certification Program Directory lists certified firms with the various NAICS codes as shown on the chart below.

The result obtained by dividing the number of DBE/ACDBE firms in the UCP DBE/ACDBE Directory by the census data for each code is as shown below.

2021 Census – State of Washington				
Trade Description	NAICS	Census	Directory	%
Clothing and Accessories Stores	448 *(458)	2,036	2	0.10%
**Retail Stores	45	6,742	11	0.16%
<b>TOTAL Retail/Duty Free</b>		<b>8,778</b>	<b>13</b>	<b>0.15%</b>
Food Services and Drinking Places	722	16,453	26	0.16%
<b>TOTAL FOOD</b>		<b>16,453</b>	<b>26</b>	<b>0.16%</b>

\*NAICS Codes updated in 2022. New code in parentheses. Clothing and Accessories listed separately as the Census code was a 44 code as opposed to a 45 code.

\*\*Includes Duty Free

2) The second example provided is the use of active participants list. Current active participants are as follows:

Active Participants (2022)			
	Total	DBE	%
Retail Firms	20	7	35.0%
Food/Beverage Firms	27	10	37.0%

3) The third example provided by the regulation is to use data from a disparity study.

There is currently no applicable disparity study for the relevant geographic region.

- 4) The fourth example provided is to use the goal of another DOT recipient. There is no comparable recipient in our geographic area.
- 5) The fifth example is to use an alternative method. We propose averaging the available information as follows:

**Summary of Data Collected**

Methodology	Result	Comments
Directory/Census	Retail/Duty Free – 0.15%	Directory data is not comprehensive. Census data is over-inclusive, containing all firms operating in the NAICS code, not necessarily ready, willing and able to perform the contract.
	Food/Beverage – 0.16%	
Active Participants List	Retail/Duty Free – 35.0%	Data is based on number of firms, not gross revenues.
	Food/Beverage – 37.0%	

As shown above, each of the potential methodologies has drawbacks and issues. For that reason, we believe it is best to average the information rather than rely on a single source.

Methodology	Retail	Food/Beverage
Directory/Census	.15%	0.4%
Active Participant	35.0%	37.0%

$$\text{Retail/Duty Free} - 0.2\% + 35.0\% = 35.2\% \div 2 = 17.6\%$$

$$\text{Food/Beverage} - 0.2\% + 37.0\% = 37.2\% \div 2 = 18.6\%$$

**We therefore propose the base goal at 17.6% for Retail, and 18.6% for Food/Beverage**

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

The purpose of this analysis is to determine a base goal by category only. The goals will be adjusted as described in the overall goal analysis.

## ACDBE GOAL and METHODOLOGY Car Rental Concessions Seattle-Tacoma International Airport

### Background

SEA currently has 11 different car rental brands owned by 5 different companies operating out of its consolidated car rental facility at the airport. The current agreements will not expire during this three-year goal period. Car rental concession revenues were approximately \$381.8 million in FFY 2022.

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 no ACDBE car rental companies currently operating at the airport and no opportunities available until the expiration of the current leases, 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**

The Car Rental Concessions at SEA are currently operated by eight (8) different companies. Based on the types of goods/services anticipated to be purchased by the firms (e.g. auto repair, insurance, fuel, etc.), we have determined that the market area for the purchase of certain goods and services will be the State of Washington, and the relevant geographic market for certain other goods/services purchases will be national as car rental firms purchase many of these categories through national contracts. We note that the geographic region for the purchase of vehicles varies depending on the operator with some purchasing from a portion of this category through 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 2021. The NAICS codes for the various trades typically utilized by car rental concessions was determined through a survey of car rental concessionaires performed several years ago for another airport, however this list is the most comprehensive data available for on-airport car rentals operating out of a consolidated car rental facility. Categories and availability are shown on the chart below.

<b>Table 1 – U.S. Census / Washington Unified Certification Program Directory</b>				
Description	NAICS	2021 Census	UCP Directory	DBE/ACDBE %
Towing	488410	280	0	0.0%
Security	561621	138	3	2.2%
Keys/Locks	561622	94	3	3.2%
Janitorial Services	561720	2,009	48	2.4%
Auto Repair	811111	1,733	1	0.1%
Auto Body Repair	811121	702	0	0.0%
Windshield Repair	811122	200	0	0.3%
<b>Total Local</b>		<b>5,156</b>	<b>55</b>	<b>1.1%</b>
Description	NAICS	2021 Census	DBe-Connect Directory	DBE/ACDBE %
Auto Parts	423120	12,416	69	0.6%



<b>Table 1 – U.S. Census / Washington Unified Certification Program Directory</b>				
Description	NAICS	2021 Census	UCP Directory	DBE/ACDBE %
Tires	423130	2,581	27	1.0%
Computer Support/Materials	423430	7,182	266	3.7%
Cleaning Supplies	423850	4,487	274	6.1%
Fuel/Oil/Energy	424720	2,607	170	6.5%
Car Dealerships	441110	21,622	5	0.0%
Auto Transport	484230	11,798	544	4.6%
Insurance	524210	135,939	242	0.2%
Asset Recovery	561491	725	5	0.7%
Human Resource Consulting	541612	8,664	1236	14.3%
Uniforms	812331	830	15	1.8%
<b>Total National</b>		<b>208,851</b>	<b>2,853</b>	<b>1.4%</b>
<b>Total</b>		<b>214,007</b>	<b>2,908</b>	<b>1.4%</b>

We have weighted the availability calculations based on information obtained from car rental companies as follows:

<b>Table 2 – U.S. Census / Washington Certification Program Directory Weighted</b>				
Description	NAICS	DBE/ACDBE %	Weighting	DBE/ACDBE Weighted %
Towing	488410	0.0%	0.1%	0.0%
Security	561621	2.2%	8.4%	0.2%
Keys/Locks	561622	3.2%	1.9%	0.1%
Janitorial Services	561720	2.4%	1.0%	0.0%
Auto Repair	811111	0.1%	.1%	0.0%
Auto Body Repair	811121	0.0%	1.1%	0.0%
Windshield Repair	811122	0.3%	0.2%	0.0%
<b>Total Local</b>		<b>1.1%</b>	<b>12.8%</b>	<b>0.1%</b>
Auto Parts	423120	0.6%	0.4%	0.0%
Tires	423130	1.0%	0.2%	0.0%
Computer Support/Materials	423430	3.7%	0.5%	0.0%
Cleaning Supplies	423850	6.1%	1.0%	0.1%
Fuel/Oil/Energy	424720	6.5%	1.5%	0.1%
Car Dealerships	441110	0.0%	80.0%	0.0%
Auto Transport	484230	4.6%	0.2%	0.0%
Insurance	524210	0.2%	1.6%	0.0%
Asset Recovery	561491	0.7%	0.1%	0.0%

<b>Table 2 – U.S. Census / Washington Certification Program Directory Weighted</b>				
Description	NAICS	DBE/ACDBE %	Weighting	DBE/ACDBE Weighted %
Human Resource Consulting	541612	14.3%	1.5%	0.2%
Uniforms	812331	1.8%	0.2%	0.0%
Total National			87.2%	0.4%
<b>Total</b>			<b>100.0%</b>	<b>0.5%</b>

**We therefore propose the base goal at 0.5%.**

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

The ACDBE regulation 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 a concession program, as measured by the volume of work ACDBEs have performed in recent years. We have reviewed the ACDBE achievement for the most recent three-year period for car rental purchases to provide for an adjustment of the base goal as follows.

Year	Total Purchases	ACDBE Purchases	ACDBE %
2022	\$176,664,169	\$2,588,039	1.5%
2021	\$190,993,550	\$2,067,368	1.1%
2020	\$223,114,244	\$1,360,601	0.6%

Base goal of 0.5% + Median ACDBE Participation (2020-2022) of 1.1% = 1.6%  
 $1.6\% \div 2 = 0.8\%$

There is no other relevant data to support an adjustment to the base goal.

**We, therefore, propose the Car Rental ACDBE Goal at 0.8% for FFY 2024 – FFY 2026.**

**Race-Neutral/Race-Conscious Recommendation**

SEA has not included a contract goal in its car rental contracts, therefore we propose to establish the goal as race-neutral. We will adjust the goal, if necessary, upon collection of the required data from the car rental companies.

**Consultation with Stakeholders (23.43)**

We will conduct stakeholder meetings for each concession opportunity during the goal setting process for the specific opportunity. We will invite the current concessionaires, ACDBEs listed in the UCP DBE Directory for the appropriate trades, and members of the trade and minority/women business organizations. A summary of the information provided by the stakeholders will be documented for each contract opportunity. In addition, a car rental outreach is conducted annually and the goal is discussed at that time. The goal and methodology has been posted on February 15, 2024 the Airport Tenant Resource Site at <https://www.portseattle.org/page/airport-dining-and-retail-tenant-resources>. The Port is requesting comments from interested parties be received no later than February 26, 2024.