



**INFORMATION PAPER FOR THE  
BUSINESS ADMINISTRATION  
COMMITTEE**

**DISADVANTAGED BUSINESS  
ENTERPRISE (DBE)  
2014 ACHIEVEMENTS FOR  
CONCESSIONS**

**June 2015**



## Background

Following federal DBE regulations, the Airports Authority established the following Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for 2012-2014:

- All concessions except car rental (non-car rental)
  - Reagan National Airport - 29 percent
  - Dulles International Airport - 22 percent
- All on-airport car rental concessions
  - Reagan National Airport - 10 percent
  - Dulles International Airport - 10 percent



**2012-2014**

## **Airport Non-Car Rental Concession Opportunities for Reagan National and Dulles International Airports**

- Airport News & Information Broadcast
- Baggage Cart Rentals
- Branch Banks & ATMs
- Display Advertising
- Duty Free
- Food & Beverage
- Foreign Currency
- Hotel
- Parking Management
- Pay Telephone
- Retail, News and Gift
- Shared Ride-Shuttle Vans
- Scheduled Bus Service
- Service Station
- Taxi Dispatch Management
- Taxi Operator



## 2014 ACDBE Achievements

<b>Contract Activity Type</b>	<b>Goal</b>	<b>Achievement Amount</b>	<b>Achievement Percent</b>
<b>Reagan National</b>			
Non-Car Rental Concessions*	29%	\$37,222,681	34.4%
Car Rental Concessions*	10%	\$8,676,517	7.7%
<b>Dulles International</b>			
Non-Car Rental Concessions*	22%	\$52,045,589	24.4%
Car Rental Concessions*	10%	\$8,423,580	5.8%

\*Figures are for Federal Fiscal Year 2014 (October 1, 2013 – September 30, 2014)



## Summary Conclusions

- Airports Authority exceeded non-car rental concessions ACDBE goals for Reagan National (29 percent) and Dulles International (22 percent).
- Both Reagan National and Dulles International experienced significant increases in their levels of DBE participation in car rental concessions compared to previous years' participation.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY

**REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE  
DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
2014 ACHIEVEMENTS FOR CONCESSIONS  
June 2015**

**PURPOSE**

To report on Disadvantaged Business Enterprise (DBE) participation in concession contracts at both Airports for the federal fiscal year (FY) 2014 (October 1, 2013 through September 30, 2014).

**BACKGROUND**

The U.S. Department of Transportation (USDOT) defines a DBE as a small business that is at least 51 percent owned, operated and controlled by a socially and economically disadvantaged owner and that does not exceed designated federal requirements with regard to size (based on gross receipts earned or number of employees). Under the USDOT regulations, minorities and women are presumed to be socially and economically disadvantaged. This paper reports DBE participation for federal FY 2014 in the Ronald Reagan Washington National (Reagan National) and Washington Dulles International (Dulles International) Airports concessions, which include retail, food and beverage, and service businesses. Service businesses include pay telephones, baggage carts, car rental, parking, taxi dispatch, foreign currency, shuttle services, and the branch banks and automated teller machines (ATMs).

Although DBE concession goals are established every three years, the USDOT requires airport sponsors to report annually on their DBE accomplishments. Two goals are required to be established: one for car rental concessions and the other for all other airport concessions. USDOT allows airports to count DBE participation in management contracts, such as parking management and taxi dispatch, in their annual DBE goal achievement reports.

As required by federal rules, the Board of Directors established two separate goals for each Airport's DBE concessions program for three federal fiscal years commencing in October 2011 through September 2014. These goals were 29 percent for Reagan National's non-car rental concessions, 22 percent for Dulles International's non-car rental concessions, and 10 percent for car rental concessions at Reagan National and Dulles International.

## **DISCUSSION**

The Airports Authority's DBE achievements for federal FY 2014 are reported in attached Tables 1 and 2. In federal FY 2014, DBE firms generated a total of \$37.2 million in gross receipts, or 34.4 percent of all non-car rental concession gross receipts in the Reagan National concessions program, with food and beverage and retail receipts making up the significant share of the gross receipts. This exceeded the goal of 29 percent. During this same period at Dulles International, DBE firms generated \$52 million in gross receipts or 24.4 percent of all non-car rental concession gross receipts, exceeding the 22 percent goal.

In airport car rental concession contracts, DBE participation may come from the car rental firms' purchase of goods and services from DBE firms (including the purchase or leasing of new vehicles from DBE firms). The DBE goal for Reagan National and Dulles International require that rental car companies make good faith efforts to achieve at least 10 percent DBE participation in their purchase of goods and services. The DBE regulations provide that only firms certified by the Airports Authority as DBEs may be considered in calculating DBE goal achievement.

Historically, because of the car rental industry's inability to identify significant levels of DBE suppliers, the Airports Authority has required car rental companies to document the level of engagement of small, minority and women-owned businesses, as a part of their good faith efforts to achieve the DBE goal. During Federal FY 2014, the car rental companies reported approximately 30 percent of their supplies were provided by small, minority and women-owned businesses.

Also, in Federal FY 2014 Equal Opportunity Programs staff was able to certify a local minority-owned car dealership which resulted in an increase in DBE participation from approximately 1 percent at each Airport to 7.7 percent at Reagan National and 5.8 percent at Dulles International. Airports Authority staff continues to work with the car rental companies to encourage their minority and women-owned vendors to apply for DBE certification with the Airports Authority so that more of their minority and women-owned business participation can be credited toward the DBE goals.



**RECOMMENDATION**

No action required.

Prepared by:  
Office of Customer and Concessions  
Development  
June 2015

**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2014  
RONALD REAGAN WASHINGTON NATIONAL AIRPORT  
TERMINAL CONCESSIONS**

**Retail**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation %</b>
Food and Beverage	12/31/17	\$60,465,324	\$27,118,923	44.9%
Retail	12/31/17	\$33,934,066	\$ 8,836,216	26.0%
Duty Free	12/31/21	\$ 535,221	\$133,805	25.0%
<b>TOTAL RETAIL</b>		<b>\$94,934,611</b>	<b>\$36,088,944</b>	<b>38.0%</b>

**Services**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation %</b>
Branch Bank & ATMs	01/31/18	\$ 1,206,150	0	0.0%
Advertising	07/31/17	\$ 7,539,695	\$ 820,669	10.9%
Foreign Currency	05/31/20	\$ 184,094	\$ 46,577	30.0%
Airport News & Information	10/31/19	\$ 301,209	0	0.0%
Pay Telephones	12/31/15	\$ 26,784	0	0.0%
Baggage Carts	08/31/19	\$ 325,039	0	0.0%
<b>TOTAL SERVICES</b>		<b>\$ 9,582,971</b>	<b>\$ 867,246</b>	<b>9.0%</b>

**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2014  
RONALD REAGAN WASHINGTON NATIONAL AIRPORT  
LANDSIDE CONCESSIONS**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation%</b>
<b>Parking*</b>	<b>06/30/15</b>	<b>\$ 244,271</b>	<b>\$ 73,281</b>	<b>30.0%</b>
<b>Taxi Dispatch*</b>	<b>03/01/15</b>	<b>\$ 193,210</b>	<b>\$ 193,210</b>	<b>100.0%</b>
<b>Shared-Ride Vans</b>	<b>09/30/17</b>	<b>\$3,308,924</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL LANDSIDE CONCESSIONS</b>		<b>\$3,746,405</b>	<b>\$ 266,491</b>	<b>7.1%</b>

\*Dollars represent management fees only.

**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2014  
RONALD REAGAN WASHINGTON NATIONAL AIRPORT  
RENTAL CAR CONCESSIONS**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts*</b>	<b>Total DBE Participation%</b>
<b>Rental Cars</b>	<b>05/31/16</b>	<b>\$113,250,778</b>	<b>\$8,676,517</b>	<b>7.7%</b>

\*Dollars represent purchases with Airports Authority certified DBE firms

**REPORT TO THE FAA**

<b>TOTAL NATIONAL AIRPORT NON-RENTAL CAR CONCESSIONS</b>	<b>Concession Gross Receipts</b>  <b>\$108,263,987</b>	<b>Total DBE Gross Receipts</b>  <b>\$37,222,681</b>	<b>Total DBE Participation %</b>  <b>34.4%</b>
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<b>TOTAL NATIONAL AIRPORT RENTAL CAR CONCESSIONS</b>	<b>Concession Gross Receipts</b>  <b>\$113,250,778</b>	<b>Total DBE Gross Receipts</b>  <b>\$8,676,517</b>	<b>Total DBE Participation %</b>  <b>7.7%</b>
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**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2014  
WASHINGTON DULLES INTERNATIONAL AIRPORT  
TERMINAL CONCESSIONS**

**Retail**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation %</b>
<b>Food and Beverage</b>	<b>12/31/17</b>	<b>\$65,796,064</b>	<b>\$26,422,712</b>	<b>40.2%</b>
<b>Retail</b>	<b>12/31/17</b>	<b>\$43,794,343</b>	<b>\$13,241,939</b>	<b>30.2%</b>
<b>Duty Free</b>	<b>12/31/21</b>	<b>\$24,839,001</b>	<b>\$ 6,209,750</b>	<b>25.0%</b>
<b>TOTAL RETAIL</b>		<b>\$134,429,408</b>	<b>\$45,874,401</b>	<b>34.1%</b>

**Services**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation %</b>
<b>Branch Bank &amp; ATMs</b>	<b>01/31/19</b>	<b>\$ 1,051,137</b>	<b>0</b>	<b>0.0%</b>
<b>Advertising</b>	<b>07/31/17</b>	<b>\$ 7,338,046</b>	<b>\$ 788,487</b>	<b>10.7%</b>
<b>Foreign Currency</b>	<b>05/31/20</b>	<b>\$ 4,155,303</b>	<b>\$ 1,246,590</b>	<b>30.0%</b>
<b>Airport News &amp; Information</b>	<b>10/31/19</b>	<b>\$ 223,822</b>	<b>0</b>	<b>0.0%</b>
<b>Pay Telephones</b>	<b>12/31/15</b>	<b>\$ 171,330</b>	<b>0</b>	<b>0.0%</b>
<b>Baggage Carts</b>	<b>08/31/19</b>	<b>\$ 662,870</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL SERVICES</b>		<b>\$13,602,508</b>	<b>\$ 2,035,077</b>	<b>15.0%</b>

**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2014  
WASHINGTON DULLES INTERNATIONAL AIRPORT  
LANDSIDE CONCESSIONS**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts</b>	<b>Total DBE Participation%</b>
<b>Taxi Operator</b>	<b>09/30/18</b>	<b>\$ 12,976,323</b>	<b>0</b>	<b>0.0%</b>
<b>Taxi Dispatch*</b>	<b>01/31/16</b>	<b>\$ 154,344</b>	<b>\$ 154,344</b>	<b>100%</b>
<b>Hotel</b>	<b>09/30/27</b>	<b>\$ 15,925,527</b>	<b>0</b>	<b>0.0%</b>
<b>Service Station</b>	<b>12/31/16</b>	<b>\$ 26,219,092</b>	<b>\$ 2,621,909</b>	<b>10.0%</b>
<b>Parking*</b>	<b>06/30/15</b>	<b>\$ 374,105</b>	<b>\$ 93,526</b>	<b>25.0%</b>
<b>Shared Ride Vans</b>	<b>09/30/15</b>	<b>\$ 8,030,360</b>	<b>0</b>	<b>0.0%</b>
<b>Scheduled Bus Service**</b>	<b>06/30/16</b>	<b>\$ 1,266,332</b>	<b>\$ 1,266,332</b>	<b>100%</b>
<b>TOTAL LANDSIDE CONCESSIONS</b>		<b>\$ 64,946,083</b>	<b>\$ 4,136,111</b>	<b>6.4%</b>

\*Dollars represent management fees only.

\*\*Silver Line Express Bus Service

**DBE CONCESSION ACHIEVEMENTS  
FEDERAL FISCAL YEAR 2013  
WASHINGTON DULLES INTERNATIONAL AIRPORT  
RENTAL CAR CONCESSIONS**

<b>Concession</b>	<b>Contract Expiration</b>	<b>Concession Gross Receipts</b>	<b>Total DBE Gross Receipts*</b>	<b>Total DBE Participation%</b>
<b>Rental Cars</b>	<b>06/30/18</b>	<b>\$145,011,271</b>	<b>\$8,423,580</b>	<b>5.8%</b>

\*Dollars represent purchases with Airports Authority certified DBE firms

**REPORT TO THE FAA**

<p style="text-align: center;"><b>TOTAL DULLES AIRPORT NON-RENTAL CAR CONCESSIONS</b></p>	<p style="text-align: center;"><b>Concession Gross Receipts</b></p> <p style="text-align: center;"><b>\$212,977,999</b></p>	<p style="text-align: center;"><b>Total DBE Gross Receipts</b></p> <p style="text-align: center;"><b>\$ 52,045,5898</b></p>	<p style="text-align: center;"><b>Total DBE Participation %</b></p> <p style="text-align: center;"><b>24.4%</b></p>
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<p style="text-align: center;"><b>TOTAL DULLES AIRPORT RENTAL CAR CONCESSIONS</b></p>	<p style="text-align: center;"><b>Concession Gross Receipts</b></p> <p style="text-align: center;"><b>\$145,011,277</b></p>	<p style="text-align: center;"><b>Total DBE Gross Receipts</b></p> <p style="text-align: center;"><b>\$8,423,580</b></p>	<p style="text-align: center;"><b>Total DBE Participation %</b></p> <p style="text-align: center;"><b>5.8%</b></p>
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