



**Report to the Board of Directors  
Recommendation to Establish  
Airport Concessions Disadvantaged Business  
Enterprise Program Goals for Fiscal Years  
2012-2014**



This is a formal action item that requires Committee and Board approval of the Airports Authority's 2012-2014 Airport Concession Disadvantaged Business Enterprise (ACDBE) participation goal for:

- All concessions except car-rentals (non-car rental)
- All on airport car-rental concessions



The U.S. Department Of Transportation goal-setting process requires assessment of the relative availability of ACDBEs in the Airports Authority's market area that are ready, willing, and able to compete for Airports Authority concession contract opportunities absent discrimination.



**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
- Duty Free
- Food & Beverage
- Foreign Currency
- Parking Management
- Pay Telephones
- Retail, News and Gift
- Shared Ride-Shuttle Vans
- Taxi Dispatch Management
- Taxi Operator



## 2012-2014 ABCDE Recommended Goals for Reagan National and Dulles International Airports

<b>Airport</b>	<b>Non- Car Rental ACDBE Goal (%)</b>	<b>Non- Car Rental ACDBE Goal (\$)</b>	<b>Car-Rental ACDBE Goal (%)</b>	<b>Car-Rental ACDBE Goal (\$)</b>
DCA	29%	\$85,322,546	10%	\$34,848,822
IAD	22%	\$132,560,403	10%	\$44,394,548



**2009-2011 vs. 2012-2014  
ABCDE Overall Goals  
Reagan National and Dulles International Airports**

Airport	Non –Car Rental		Car Rental	
	2009-2011	2012-2014	2009-2011	2012-2014
DCA	29%	29%	10%	10%
IAD	19%	22%	10%	10%



To recommend approval of a proposed overall Airport Concession Disadvantaged Business Enterprise (ACDBE) participation goal for non car-rental concessions and a proposed ACDBE participation goal for car-rental concessions covering federal fiscal years (FFYs) 2012 - 2014 for Reagan National and Dulles International Airports.

**REPORT TO THE BOARD OF DIRECTORS  
RECOMMENDATION TO ESTABLISH  
AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE  
PROGRAM GOALS FOR FEDERAL FISCAL YEARS 2012-2014  
APRIL 2012**

**ACTION REQUESTED**

To recommend approval of a proposed overall Airport Concession Disadvantaged Business Enterprise (ACDBE) participation goal for non car-rental concessions and a proposed ACDBE participation goal for car-rental concessions covering federal fiscal years (FFYs) 2012 - 2014 for Ronald Reagan Washington National (Reagan National) and Washington Dulles International (Dulles International) Airports.

**BACKGROUND**

The U.S. Department of Transportation (DOT) requires the Metropolitan Washington Airports Authority to follow a goal-setting process similar to the process required under the federally-assisted contracts program (49 CFR Part 26). This goal-setting process primarily assesses the relative availability of ACDBEs in the Airports Authority's market area that are ready, willing, and able to compete for Authority airport concession contract opportunities absent discrimination. DOT regulations require the Airports Authority to establish two separate overall ACDBE goals for each Airport: one for all concessions other than car-rentals and one for car-rental concessions. The goals cover periods of three years in recognition of the longer time frames involved in concession relationships between businesses and airports.

In 2009, the Airports Authority approved FFY 2009-2011 non car-rental ACDBE goals of 29 percent for Reagan National Airport and 19 percent for Dulles International Airport and a car-rental ACDBE goal of 10 percent for both airports. Actual non car-rental achievements during this period at Reagan National and Dulles International were 32.6 percent and 33.3 percent, respectively.

**FFYs 2012 – 2014 OVERALL NON CAR-RENTAL ACDBE GOAL**

In developing the FFYs 2012-2014 overall goals for non car-rental concessions, airports are required to look at all potential opportunities that would be available during that time period (See Table 4). Additionally, airports are required to determine the relative availability of ready, willing and able ACDBEs for the Airports Authority's concessions opportunities and adjust this determination by reviewing factors that affect ACDBE capacity (i.e. competing opportunities, access to capital for start-up or expansion and other barriers to a particular concession sector) in its market area.



Staff reviewed data from the Airports Authority's active participant's list (i.e. bidder's lists, plan holders lists, pre-proposal conference attendee lists, regional DBE directories and census data) for each concession opportunity to identify the Airports Authority's market area for each concession to be solicited during FFYs 2012 – 2014. Staff assessed the market of all potential available firms and the relative availability of ACDBEs that are ready, willing and able to compete for these Airports Authority concession contract opportunities.

Based on its findings, staff is recommending a non car-rental goal of 29 percent for Reagan National and 22 percent for Dulles (see Table 1). Table 2 provides the projected gross receipts for all non car-rental concession for FFYs 2012 – 2014. The primary reasons for the difference in the Reagan National and Dulles goals are that the Dulles gas station and hotel together account for approximately 21 percent of the projected gross receipts for all concessions at Dulles. While the gas station has a 10 percent ACDBE goal, the hotel has no ACDBE goal, the effect being a reduction in the overall ACDBE goal for Dulles International.

### **FFYs 2012 – 2014 OVERALL CAR-RENTAL ACDBE GOAL**

With regard to car rental, the regulations do not allow the Airports Authority to require car-rental companies to achieve ACDBE participation through direct participation of ACDBE firms in the ownership or operation of airport car-rental concessions. Airport car-rental concessionaires may meet contract ACDBE participation goals through the procurement of goods and services necessary to the operation of the concession from ACDBE firms. These goods and services may include the full value of new vehicle purchases or leases from auto dealers that can be certified as ACDBEs by the Airports Authority.

Staff reviewed the Airports Authority's and other regional DBE directories and DBE participation reports to obtain the availability of firms that could provide relevant goods and services to car-rental companies. Staff also examined the historical achievement by car-rental companies in procuring goods and services from DBE firms. The findings indicate that the procurement of other goods and services (i.e., cleaning services, auto parts, auto body repair, and auto transport) accounted for less than one percent of gross receipts made; however, car rental companies were able to achieve the 10 percent DBE goal when including the purchase of automobiles from non-Airports Authority certified ACDBE automobile dealerships.

DOT regulations allow for the establishment of ACDBE goals as a percentage of total car-rental gross receipts or as a percentage of all goods and services procured by each car-rental concession.

Historically the Airports Authority's car-rental concessions goal has been a percentage of total car-rental gross receipts and staff recommends continuing a car-rental goal of 10

percent of gross receipts for both Airports (Table 3 shows the projected gross receipts for all car-rental concession for FFYs 2012 – 2014). Additionally staff will add requirements to the new car-rental contracts requiring car-rental companies to report all goods and services procured for each Airport location (including procurements from non-ACDBE, and non-minority/women owned firms). The collection of such data will provide the Airports Authority with information that can be utilized to establish goals based on a percentage of total procurement by the car-rental companies.

### **RECOMMENDATION**

The Business Administration Committee reviewed the staff recommendation in March 2012 and authorized staff to forward the recommendation to the Board of Directors. The Board is requested to approve the goals as developed and recommended.

Prepared by:  
Office of Business Administration  
Equal Opportunity Programs  
April 2012

**TABLE 1**

**2012 – 2014 ACDBE Overall Goals  
For  
Ronald Reagan Washington National Airport (DCA)  
And  
Washington Dulles International Airport (IAD)**

<b>Airport</b>	<b>Non Car-Rental ACDBE Goal (%)</b>	<b>Non Car-Rental ACDBE Goal (\$)</b>	<b>Car-Rental ACDBE Goal (%)</b>	<b>Car-Rental ACDBE Goal (\$)</b>
<b>DCA</b>	29%	\$85,322,546	10%	\$34,848,822
<b>IAD</b>	22%	\$132,560,403	10%	\$44,394,548

**TABLE 2**

**Base for Authority's 2012 – 2014 ACDBE Goal  
Non Car-Rental Concessions  
(Projected Gross Receipts)**

<b>Airport</b>	<b>FFY 2012 Projected Gross Receipts</b>	<b>FFY 2013 Projected Gross Receipts</b>	<b>FFY 2014 Projected Gross Receipts</b>	<b>Total FFY 2012-2014 Projected Gross Receipts</b>
<b>DCA</b>	\$97,600,433	\$98,024,134	\$98,591,112	<b>\$294,215,679</b>
<b>IAD</b>	\$197,911,230	\$200,834,524	\$203,801,536	<b>\$602,547,290</b>

**TABLE 3**

**Base for Authority's 2012 – 2014 ACDBE Goal  
Car-Rental Concessions  
(Projected Gross Receipts)**

<b>Airport</b>	<b>FFY 2012 Projected Gross Receipts</b>	<b>FFY 2013 Projected Gross Receipts</b>	<b>FFY 2014 Projected Gross Receipts</b>	<b>Total FFY 2012-2014 Projected Gross Receipts</b>
<b>DCA</b>	\$114,437,594	\$116,154,158	\$117,896,470	<b>\$348,488,222</b>
<b>IAD</b>	\$146,511,826	\$147,976,944	\$149,456,714	<b>\$443,945,484</b>

**TABLE 4**

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

<b>Concession Type</b>	<b>Airport</b>	<b>2012-2014 Solicitations and Proposed ACDBE Goals</b>	<b>Existing Contracts and ACDBE Goals (Expiring after 2014)</b>
Airport Display Advertising	DCA & IAD		20%
Airport News & Information Broadcast	DCA & IAD	*0%	
Baggage Cart Rentals	DCA & IAD	*0%	
Branch Banks & ATMs	DCA & IAD	*0%	
Duty Free	DCA & IAD	25%	
Food & Beverage	DCA & IAD	35%	
Foreign Currency	DCA & IAD	30%	
Hotel	IAD		0%
Parking Management	DCA & IAD	25%	
Pay Telephones	DCA & IAD	0%	
Retail, News and Gift	DCA & IAD	25%	
Scheduled Bus Service	IAD		20%
Service Station	IAD		10%
Shared Ride-Shuttle Vans	DCA & IAD	*0%	
Taxi Dispatch Management	DCA & IAD	25%	
Taxi Operator	IAD	*0%	

\* For the noted concessions, the Airports Authority will require reporting on all goods and services procured.

## Proposed Resolution

### Establishment of Airport Concessions Disadvantaged Business Enterprise Participation Goals For Both Airports – Federal Fiscal Years 2012-2014

WHEREAS, The Federal Aviation Administration, under the Airport and Airway Improvement Act, requires airports to develop and submit goals for the participation of Airport Concessions Disadvantaged Business Enterprises (“ACDBEs”) in airport concession contracts;

WHEREAS, Three-year goals are set separately for car-rental and other concessions;

WHEREAS, The management anticipates that the Authority will solicit for sixteen concession offerings during Federal Fiscal Years 2012-2014 that will provide opportunities for ACDBE participation, and has proposed specific goals for those years; now, therefore, be it

RESOLVED, That the goals for ACDBE participation by the car-rental concessions for Federal Fiscal Years 2012-2014 are at least 10 percent of the annual gross receipts at both Reagan National and Dulles Airports; and

RESOLVED, That the goals for ACDBE participation for concessions other than car-rental for Federal Fiscal Years 2012-2014 are at least 29 percent at Reagan National and 22 percent at Dulles.

*Recommended by the Business Administration Committee, March 21, 2012  
For action at the Board of Directors Meeting April 18, 2012*