



**BUSINESS ADMINISTRATION
COMMITTEE**

**DISADVANTAGED BUSINESS
ENTERPRISE(DBE)
2012 ACHIEVEMENTS FOR
CONCESSIONS**

February 2013



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 goal
 - Dulles International Airport 22 percent goal
- All on-airport car rental concessions
 - Reagan National Airport 10 percent goal
 - Dulles International Airport 10 percent goal



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 ACDBE Achievements

Contract Activity Type	Goal	Achievement Amount	Achievement Percent
Non-Car Rental Concessions Reagan National (ACDBE)*	29%	\$31,246,797	30.8%
Non-Car Rental Concessions Dulles International (ACDBE)*	22%	\$53,786,893	26.6%
Rental Car Concessions (ACDBE)*	10%	\$2,689,611	<1%

*Figures are for Federal Fiscal Year 2012 (October 1, 2011 – September 30, 2012)



Summary Conclusions

- Airports Authority exceeded non-car rental concessions ACDBE goals of 29 percent and 22 percent at Reagan National and Dulles International Airports, respectively.
- Airports Authority did not exceed the car rental concessions ACDBE goal but did achieve 11.38 percent participation by small minority and women owned businesses.

**REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
2012 ACHIEVEMENTS FOR CONCESSIONS
FEBRUARY 2013**

PURPOSE

To report on Disadvantaged Business Enterprise (DBE) participation in concession contracts at both Airports for the federal fiscal year (FY) 2012 (October 1, 2011 through September 30, 2012).

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 2012 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, parking, taxi dispatch, foreign currency, 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 its annual DBE goal achievement report.

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, 10 percent for car rental concessions at Reagan National, and 10 percent for car rental concessions at Dulles International.

DISCUSSION

The Airports Authority's DBE achievements for federal FY 2012 are reported in attached Tables 1 and 2. In federal FY 2012, DBE firms generated a total of \$31.2 million in gross receipts, or 30.8 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 \$53.7 million in gross receipts or 26.6 percent of all non-car rental concession gross receipts, exceeding the goal of 22 percent.

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.

Rental car companies are required to fully document their good faith efforts to achieve the DBE goal. As part of this documentation, staff requires rental car companies to report all small minority and women-owned business participation regardless of the firm's DBE certification status with the Airports Authority. During 2012, rental car companies reported that approximately 11.38 percent of their supplies/services were provided by small, minority and women-owned businesses, although less than 1 percent of the supplies/services were with ACDBEs certified by the Airports Authority. The greatest challenge for rental car companies is to encourage DBE certified auto dealers to apply for DBE certification outside of their respective home states. 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 Airports Authority's DBE goals.

RECOMMENDATION

No action required.

Prepared by:
Office of Business Administration
February 2013

**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
RONALD REAGAN WASHINGTON NATIONAL AIRPORT
TERMINAL CONCESSIONS**

Retail

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Food and Beverage	12/31/12	\$56,100,615	\$20,800,299	37.1%
Retail	12/31/12	\$31,799,302	\$ 9,018,386	24.2%
Duty Free	7/31/13	\$ 439,980	\$ 109,995	25.0%
TOTAL RETAIL		\$88,339,897	\$29,928,680	33.9%

Services

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Branch Bank & ATMs	01/31/13	\$1,124,151	--	0.0%
Advertising	07/31/15	\$7,388,574	\$ 881,308	11.9%
Foreign Currency	01/31/13	\$ 257,962	\$ 257,962	100.0%
Airport News & Information	04/30/14	\$ 398,389	--	0.0%
Pay Telephones	MTM*	\$ 16,879	\$ 5,064	33.2%
Baggage Carts	01/31/13	\$ 263,459	--	0.0%
TOTAL SERVICES		\$9,449,414	\$1,144,334	12.1%

*Month to Month

**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
RONALD REAGAN WASHINGTON NATIONAL AIRPORT
LANDSIDE CONCESSIONS**

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Parking*	03/30/13	\$ 228,030	\$ 57,008	25.0%
Taxi Dispatch*	03/01/15	\$ 116,775	\$ 116,775	100.0%
Shared-Ride Vans	04/30/12	\$3,187,365	\$ --	0.0%
TOTAL LANDSIDE CONCESSIONS		\$3,532,170	\$ 173,783	4.9%

*Dollars represent management fees only

**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
RONALD REAGAN WASHINGTON NATIONAL AIRPORT
RENTAL CAR CONCESSIONS**

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Rental Cars	05/31/16	\$109,199,853	\$1,120,469	1.0%

*Dollars represent purchases with Airports Authority certified DBE firms

REPORT TO THE FAA

<p>TOTAL NATIONAL AIRPORT NON-RENTAL CAR CONCESSIONS</p>	<p>Concession Gross Receipts \$101,344,668</p>	<p>Total DBE Gross Receipts \$31,246,797</p>	<p>Total DBE Participation % 30.8%</p>
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<p>TOTAL NATIONAL AIRPORT RENTAL CAR CONCESSIONS</p>	<p>Concession Gross Receipts \$109,199,853</p>	<p>Total DBE Gross Receipts \$1,120,469</p>	<p>Total DBE Participation % 1.0%</p>
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**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
WASHINGTON DULLES INTERNATIONAL AIRPORT
TERMINAL CONCESSIONS**

Retail

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Food and Beverage	12/31/12	\$65,809,541	\$25,857,825	39.3%
Retail	12/31/12	\$39,477,578	\$13,302,078	33.7%
Duty Free	07/31/13	\$21,404,758	\$ 5,351,189	25.0%
TOTAL RETAIL		\$126,691,877	\$44,511,092	35.1%

Services

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Branch Bank & ATMs	01/31/13	\$ 883,616	--	0.0%
Advertising	07/31/15	\$10,598,902	\$ 990,877	9.3%
Foreign Currency	01/31/13	\$ 5,373,860	\$ 5,373,860	100.0%
Airport News & Information	04/30/14	\$ 334,298	--	0.0%
Pay Telephones	MTM*	\$ 162,062	\$ 48,619	30.0%
Baggage Carts	03/31/12	\$ 516,290	--	0.0%
TOTAL SERVICES		\$17,819,028	\$ 6,413,356	40.0%

*Month to Month

**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
WASHINGTON DULLES INTERNATIONAL AIRPORT
LANDSIDE CONCESSIONS**

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Taxi Operator	01/31/13	\$ 6,492,614	--	0.0%
Taxi Dispatch*	01/31/13	\$ 172,256	\$ 172,256	100.0%
Hotel	09/30/27	\$ 16,491,653	--	0.0%
Service Station	12/31/16	\$ 26,013,837	\$ 2,601,384	10.0%
Parking*	06/30/13	\$ 355,219	\$ 88,805	25.0%
Shared Ride Vans	10/01/12	\$ 6,930,623	--	0.0%
Scheduled Bus Service	06/30/16	\$ 1,451,486	--	0.0%
TOTAL LANDSIDE CONCESSIONS		\$57,907,688	\$ 2,862,445	4.9%

*Dollars represent management fees only

**DBE CONCESSION ACHIEVEMENTS
FEDERAL FISCAL YEAR 2012
WASHINGTON DULLES INTERNATIONAL AIRPORT
RENTAL CAR CONCESSIONS**

Concession	Contract Expiration	Concession Gross Receipts	Total DBE Gross Receipts	Total DBE Participation %
Rental Cars	06/30/13	\$143,944,648	\$1,569,142	<1%

*Dollars represent purchases with Airports Authority certified DBE firms

REPORT TO THE FAA

<p style="text-align: center;">TOTAL DULLES AIRPORT NON-RENTAL CAR CONCESSIONS</p>	<p style="text-align: center;">Concession Gross Receipts</p> <p style="text-align: center;">\$204,468,593</p>	<p style="text-align: center;">Total DBE Gross Receipts</p> <p style="text-align: center;">\$ 53,786,893</p>	<p style="text-align: center;">Total DBE Participation %</p> <p style="text-align: center;">26.6%</p>
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<p style="text-align: center;">TOTAL DULLES AIRPORT RENTAL CAR CONCESSIONS</p>	<p style="text-align: center;">Concession Gross Receipts</p> <p style="text-align: center;">\$143,944,648</p>	<p style="text-align: center;">Total DBE Gross Receipts</p> <p style="text-align: center;">\$1,569,142</p>	<p style="text-align: center;">Total DBE Participation %</p> <p style="text-align: center;"><1%</p>
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