

DEPARTMENT OF TRANSPORTATION
ACDBE PROGRAM – 49 CFR PART 23
3-Year Goal Computation
FFY 2020/2021/2022



Rochester International Airport (RST)

Prepared for
Rochester Airport Company
Rochester, MN

Prepared by
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Preface

The City of Rochester owns the Rochester International Airport (RST) and the airport is operated by the Rochester Airport Company. The Rochester Airport Company has established the following Airport Concessions Disadvantaged Business Enterprise (ACDBE) program for the Rochester International Airport in accordance with Code of Federal Regulations (CFR) of the U. S. Department of Transportation (DOT), 49 CFR Part 23. All reference to Subparts and Section numbers throughout this DBE policy (i.e. 23.45, etc.) are to the 49 CFR Part 23 regulations

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Attachment 4

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

Amount of Other Than Car Rental Concessions: Anticipate gross revenue in excess of \$200,000.

Name of Recipient: Rochester International Airport (RST)

Goal Period: FY-2020-2021-2022 – October 1, 2019 through September 30, 2022

Overall Three-Year Goal:

1.00%, to be accomplished through 1.00% RC and 0.00% RN

The Rochester International Airport has determined that its market area is primarily the State of Minnesota for Non-Car Rental Concessions although some non-car rental suppliers as well as Car Rental Concession suppliers will expand nationally as there are suppliers certified as ACDBE's in the Minnesota Unified Certification Program (MnUCP) either based in Minnesota or otherwise nationally.

Base of Goal

To calculate the base of the goal Rochester International Airport considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2017	\$1,071,616
2018	\$1,568,174
2019*	\$1,319,895
Total	\$3,959,685
Average	\$ 1,319,895

**Estimated FFY 2019*

The Rochester International Airport estimates that revenues to existing non-car rental concessions will likely increase by a modest 1% over the next three years due to market and anticipated passenger forecasts using RST.

Methodology used to Calculate Overall Goal

Goods and Services

The Rochester International Airport anticipates the goal can be met by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. We, 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.

Step 1: 23.51(c)

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

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area

Denominator: All ready, willing and able non-car rental concession firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
722330, 445000	Food & Beverage	11	871
424130	Restaurant Suppl.	3	521
423840	Janitorial Supplies	5	226
453220	News & Gifts	2	423
541810, 541850	Advertising	9	857
454210	Vending	1	88
561612, 812930	Auto Parking	3	583
445292	Confections	1	330
Total		35	3899

The Total Base Goal for Step 1 is therefore calculated by

$$\frac{\text{Total Number of ACDBE}}{\text{Total All Firms}}$$

$$35 / 3899 = 0.90\% \text{ for Step 1.}$$

The data source or demonstrable evidence used to derive the **numerator** was:

The State of Minnesota Uniform Certification Program ACDBE Directory:

<https://mnucp.metc.state.mn.us/>

The data sources or demonstrable evidence used to derive the **denominator** were:

US Census Bureau:

<https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Blue Book for Minnesota:

<https://mnucp.metc.state.mn.us/>

Yellow Pages Directory:

<https://www.yellowpages.com>

When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of: 0.90%

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

There is not enough historical ACDBE data to reference to make an adjustment to the Step 1 base figure. In order to reflect as accurately as possible the ACDBE participation

we would expect in the absence of discrimination we have adjusted our base figure by 0.10%. Our overall goal for non-car rental concessions is 1.00%

There are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

As per section Part 23.43 establishing the upcoming ACDBE goals for Federal Fiscal Years (FFY) 2020/2021/2022, a public/consultation meeting was held on December 5, 2019 at 2PM at Rochester International Airport (RST) 7600 Helgerson Drive SW, Rochester, MN 55902 for the purpose of discussing potential opportunities for ACDBE participation in upcoming projects, gain input, and to answer questions. A Public Notice of the meeting was issued that invited all interested parties including (but not limited to) minority, women's and general contractor groups, community organizations, and other officials or organizations who may have interest or information pertinent to the implementation of the Owner's ACDBE Program. It was noted, the meeting was not mandatory for ACDBE participation on projects at the Rochester International Airport (RST).

The Public Notice included that questions regarding the meeting or program be directed to:

Deputy Airport Director – Kurt Claussen

Rochester Airport Company
Rochester International Airport

7600 Helgerson Dr SW

Rochester, MN 55902

507.282.2328 x 102 (Direct Line)

Kurt Claussen kclaussen@flyrst.com

No comments were received.

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

The Rochester International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Rochester International Airport uses the following race-neutral measures.

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. *Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;*
4. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
5. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

We estimate that, in meeting our overall goal of 1.00%, we will obtain 0.00% from race-neutral participation and 1.00% through race-conscious measures.

1. *The extent that you've exceeded your ACDBE goals in the past uniform reporting.*
2. *Proactively working with Concession vendors to increase awareness and encourage extension of your race-neutral business assistance efforts;*
3. *Information you obtained through consultation with stakeholders;*

The following is a summary of the basis of

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:

1. We will establish concession-specific goals for particular concession opportunities in our contract agreements with Airport Concessionaires.

The Rochester International Airport does not have a history of ACDBE participation or over-achievement of goals to reference and expects to obtain its ACDBE participation through the use of ACDBE goals or a conscious effort to obtain ACDBE participation. Therefore, we are applying the entire goal of 1.00% to race-conscious participation.

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.

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

Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

Amount of Car Rental Concessions: Anticipate gross revenue in excess of \$200,000.

Name of Recipient: Rochester International Airport

Goal Period: FY-2020-2021-2022 – October 1, 2019 through September 30, 2022

Overall Three-Year Goal:

1.00%, *to be accomplished through* 1.00% RC and 0.00% RN

The Rochester International Airport has determined that its market area is primarily the State of Minnesota and Nationally for Car Rental Concessions. There are many suppliers certified as ACDBE's in the Minnesota Unified Certification Program (MnUCP) either based in Minnesota or nationally.

Base of Car Rental Goal

To calculate the base of the goal Rochester International Airport considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts (Revenue) for Previous 3 Years - Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2017	\$4,187,112
2018	\$5,092,664
2019*	\$5,187,556
Total	\$14,467,332
Average	\$4,822,444

**Estimated FFY 2019*

The Rochester International Airport estimates that revenues to existing car rental concessions will likely increase by a modest 1% over the next three years due to market and anticipated passenger forecasts using RST.

Methodology used to Calculate Overall Goal

Goods and Services

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. 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.

Step 1: 23.51(c)

We determined the Step 1 base figure for the relative availability of ACDBEs car rentals good and services. The base figure was calculated as follows:

Numerator: Ready, willing, and able car rental goods and services ACDBEs in the market area

Denominator: All ready, willing and able goods and services car rental concession firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
332519	Hardware Keys & Locks	5	836
423120	Auto Supplies & Parts	3	215
423130	Tire & Tube Wholesalers	1	183
423840	Janitorial Supplies	5	226
441310	Auto Accessories	4	571
524210	Insurance Agencies	2	132
811192	Vehicle Wash & Detailing	3	189
Total		23	2352

The Total Base Goal for Step 1 is therefore calculated by

$$\frac{\text{Total Number of ACDBE}}{\text{Total All Firms}}$$

$$23 / 2352 = 0.98\% \text{ for Step 1.}$$

The data source or demonstrable evidence used to derive the **numerator** was:

The State of Minnesota Uniform Certification Program ACDBE Directory:

<https://mnucp.metc.state.mn.us/>

The data sources or demonstrable evidence used to derive the **denominator** were:

US Census Bureau:

<https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Blue Book for Minnesota:

<https://mnucp.metc.state.mn.us/>

Yellow Pages Directory:

<https://www.yellowpages.com>

When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of: 0.98%

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

There is not enough historical ACDBE data to reference to make an adjustment to the Step 1 base figure. In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 0.02%. Our overall goal for non-car rental concessions is 1.00%.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

As per section Part 23.43 establishing the upcoming ACDBE goals for Federal Fiscal Years (FFY) 2020/2021/2022, a public/consultation meeting was held on December 5, 2019 at 2PM at Rochester International Airport (RST) 7600 Helgerson Drive SW, Rochester, MN 55902 for the purpose of discussing potential opportunities for ACDBE participation in upcoming projects, gain input, and to answer questions. A Public Notice of the meeting was issued that invited all interested parties including (but not limited to) minority, women's and general contractor groups, community organizations, and other officials or organizations who may have interest or information pertinent to the implementation of the Owner's ACDBE Program. It was noted, the meeting was not mandatory for ACDBE participation on projects at the Rochester International Airport (RST).

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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. *Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;*
4. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
5. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

We estimate that, in meeting our overall goal of 1.00%, we will obtain 0.00% from race-neutral participation and 1.00% through race-conscious measures.

1. *The extent that you've exceeded your ACDBE goals in the past uniform reporting.*
2. *Proactively working with Concession vendors to increase awareness and encourage extension of your race-neutral business assistance efforts;*
3. *Information you obtained through consultation with stakeholders;*

The following is a summary of the basis of

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:

1. We will establish concession-specific goals for particular concession opportunities in our contract agreements with Airport Concessionaires.

The Rochester International Airport does not have a history of ACDBE participation or over-achievement of goals to reference and expects to obtain its ACDBE participation through the use of ACDBE goals or a conscious effort to obtain ACDBE participation. Therefore, we are applying the entire goal of 1.00% to race-conscious participation.

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.

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