

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Aitken

SUBJECT: SEE BELOW

DATE: April 23, 2019

Approved

D. DSYL

Date

4/23/19

INFORMATION

SUBJECT: AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PART 23 ACHIEVEMENT REPORT

The purpose of this memo is to provide the City Council with information on the achievements of the Airport Concession Disadvantage Business Enterprise (ACDBE) Program for Federal Fiscal Year (FFY) 18 by the Norman Y. Mineta San Jose International Airport (Airport).

The Airport receives federal funds authorized for airport development, and has signed airport grant assurances that it must comply with the U.S. Department of Transportation's Code of Federal Regulation, specifically 49 CFR Part 23. Part 23 requires that the City of San José has an ACDBE program for the Airport.

As part of the ACDBE program, the Airport promotes the use of ACDBE businesses at the Airport. Staff has created a specific program for the Airport and implemented program goals. The regulation breaks up these goals into two categories of concessionary type businesses, Rental Car businesses and Non-Rental Car businesses. The Non-Rental Car businesses includes all the other concessionaires. The current ACDBE program tri-annual goal for federal fiscal years 2018-2020 (October 1, 2017 through September 30, 2020) is 10.64% of total dollars is for the Non-Rental Car Goal and 3.46% for the Rental Car Goal. These goals are to be accomplished 100% through race-neutral measures, which means a program that focuses on providing measures that benefit and assist all small business equally, including Disadvantage Business Enterprises (DBE). Some examples of these activities include bonding, insurance, networking, mentoring and technical assistance.

As part of this program we are also required to submit our ACDBE goal achievements or shortfalls annually, on March 1 of each year. On March 1, 2019, as required by the Federal Aviation Administration, staff has submitted the FFY 18 report, results shown below.

	<u>Non-Rental Car:</u>	<u>Rental Car:</u>
Goal	10.64%	3.46%
<u>Achievement</u>	<u>14.79%</u>	<u>28.02%</u>
Surpassed by	4.15%	24.56%

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The Airport has multiple ACDBE firms operating on premise, including three prime concessions and four subcontracting concessions. These firms are headed by multiple disadvantaged groups from women-owned firms to Hispanic, Asian-Pacific, and Black owned firms. This 14.79% non-rental car achievement represents \$14.8 million in sales and purchases from disadvantaged owned firms. The 28.02% rental car achievement stems from the purchasing of goods and services from ACDBE qualified businesses.

The Airport continues to be focused on the success of the ACDBE program by utilizing the various tools and procedures. All new projects and opportunities have the following outreach, including non-ACDBE required items:

- Direct outreach to all ACDBE's that do work in the area pertaining to the project to notify them of the opportunity.
- Pre-Bid and Pre-Proposal meetings set up to allow ACDBE's to network with potential primes, vendors or partners. Lists of ACDBE vendors are given out at these meetings. During these meetings staff discuss the importance of having primes outreach to ACDBE firms and the strong desire to meet our ACDBE goals.
- Staff sends all opportunity notifications to a database of potential firms culled from our Interested Party List and to organizations and associations such as the Federal Aviation Administration, Airport Minority Advisory Council, Airports Council International – North America, Minority Business Group, various Chambers and other organizations.
- Staff is on hand to help answer and guide the potential primes or vendors on how to apply for ACDBE certification and how to do business with the City and the Airport. Staff also help connect firms together to create meaningful partnerships between ACDBE's and other businesses.
- Airport staff has also regularly attend various outreach events such as Small Business Summit, the Federal Aviation Administration Trainings, conferences, Chamber events, etc., in order to promote Airport business opportunities, to build our network with local firms, and to promote the DBE and ACDBE programs at the Airport.

In addition, Airport staff works directly with other City Departments such as Public Works, Purchasing and the Office of Equality Assurance to ensure we continue to have a simple consistent process for minority business owners to have contracting opportunities with the Airport and City. By partnering with City Departments, the Airport can promote its ACDBE and DBE programs and take advantage of other City events to broaden our outreach efforts.

As the Airport continues to grow, our goal is to build meaningful and thriving relationships between current and future primes and vendors with ACDBE's and to continue to meet our goals in a race neutral manner.

/s/

JOHN AITKEN, A.A.E.
Director of Aviation

For any questions please contact Magdelina Nodal, Senior Analyst, Airport, at (408) 392-3673.