

Northwest Florida Regional Airport

**AIRPORT CONCESSIONS DISADVANTAGED BUSINESS
ENTERPRISE PROGRAM
FFY 2010-2012**



**Okaloosa County Airports System
1701 Highway 85 North
Eglin AFB, Florida 32542**

**Northwest Florida Regional Airport
Airport Concession Disadvantaged Business Enterprise Goal and Methodology Report
FFY 2010-2012**

POLICY STATEMENT

Section 23.1, 23.23 Objectives/Policy Statement

Okaloosa County Board of County Commissioners established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program at Northwest Florida Regional Airport (VPS) in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. VPS is a joint use facility with the majority of the airfield owned by the United States Air Force. VPS is a primary airport and has received federal funds authorized for airport development after January 1988 (authorized under Title 49 of the United States Code). The Okaloosa County Board of County Commissioners (BOCC) (owner and operator of the Northwest Florida Regional Airport) has signed airport grant assurances that it will comply with 49 CFR Part 23.

It is the policy of the BOCC to ensure that ACDBEs, as defined in Part 23, have an equal opportunity to receive and participate in concession opportunities. It is also our policy:

1. To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance;
2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions;
3. To ensure that our ACDBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as ACDBEs at our airport(s);
5. To help remove barriers to the participation of ACDBEs in opportunities for concessions at our airport(s); and
6. To provide appropriate flexibility to our airports in establishing and providing opportunities for ACDBEs.

MR. JON P. MORRIS, ADMINISTRATIVE MANAGER, OKALOOSA COUNTY DEPARTMENT OF AIRPORTS is designated as the ACDBE Liaison Officer (ACDBELO). In that capacity, Mr. Morris is responsible for implementing all aspects of the ACDBE program. Implementation of the ACDBE program is accorded the same priority as compliance with all other legal obligations incurred by the Airport in its financial assistance agreements with the Department of Transportation.

Okaloosa County has disseminated this policy statement to all components of their organization including existing airport concessionaires. The County has also distributed this statement to ACDBE and non-ACDBE concessionaire through the County's website and through general concession opportunity notices.

This distribution was accomplished by:

- PUBLICATION IN LOCAL NEWS MEDIA:
- PUBLICATION ON INTERNET WEB SITE: <http://www.co.okaloosa.fl.us/dbe>
- MAIL NOTIFICATION OF ORGANIZATIONS ON BIDDERS LIST
- OTHER: General Concession Notices

No other notification or distribution method is planned.

Signature (Chief Executive Officer)
Okaloosa County

Date

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SUBPART D – GOALS, GOOD FAITH EFFORTS, AND COUNTING

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

Amount of Goal (submit if gross receipts exceed \$200,000)

The Northwest Florida Regional Airport's overall goal for concessions other than car rental during the period beginning October 1, 2009 and ending September 30, 2012 was determined as **1.01%** of total anticipated gross receipts for non-car rental concessions at VPS. The following are not included in the total gross receipts for non-car rental concessions: (a) the gross receipts of car rental operations, (b) the dollar amount of a management contract or subcontract with a non-ACDBE, (c) the gross receipts of business activities to which a management contract or subcontract with a non-ACDBE pertains, and (d) any portion of a firm's estimated gross receipts that will not be generated from a concession.

Current non-car rental concession contracts are shown in **Table 1**.

**TABLE 1
 FFY 2008/09 ACTIVE PARTICIPANT LIST
 NON-CAR RENTAL GROSS RECEIPTS TOTAL**

Concessionaire	Services	FFY 2008 Actual Gross Receipts	FFY 2009 Estimated Gross Receipts ¹	DBE Certified by Whom	Dates of DBE Certification	Ownership Type
The Hudson Group:	Retail	\$277,477.59	\$250,000.00			Prime
	Tropical Landing Bar	\$443,964.15	\$400,000.00			Prime
	Quizno's Subs	\$332,973.11	\$300,000.00			Prime
WIFI High Speed Internet	Internet Service	\$10,000.00	\$10,000.00			Prime
ClearChannel Advertising (AKA InnerSpace)	Advertising	\$85,000.00	\$85,000.00			Prime
Smarte Carte	Luggage Carts	\$20,533.34	\$18,500.00			Prime
First National Bank & Trust	ATMs	\$3,107.75	\$2,800.00			Prime
Republic Parking System	Public Parking	\$1,120,351.86	\$1,000,000.00			Prime
Good Time Tours	Buses and Charters	N/A	N/A	FDOT OBE	09/2003-09/2011	Prime
Sunshine Shuttle	Buses and Charters	N/A	N/A			Prime
A+ Airport Shuttle and Taxi	Taxi/Shuttle	N/A	N/A			Prime
A-1 Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime
Advantage Airport Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime

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**TABLE 1
 FFY 2008/09 ACTIVE PARTICIPANT LIST
 NON-CAR RENTAL GROSS RECEIPTS TOTAL**

Concessionaire	Services	FFY 2008 Actual Gross Receipts	FFY 2009 Estimated Gross Receipts¹	DBE Certified by Whom	Dates of DBE Certification	Ownership Type
Airport Limo & Shuttle	Taxi/Shuttle	N/A	N/A			Prime
All Airports Shuttle	Taxi/Shuttle	N/A	N/A			Prime
All Points Airport Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Aloha Limousine	Taxi/Shuttle	N/A	N/A			Prime
American Cab Company	Taxi/Shuttle	N/A	N/A			Prime
Assured Airport Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Babbitt's Beachside	Taxi/Shuttle	N/A	N/A			Prime
Limo and Airport Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Beach Breeze	Taxi/Shuttle	N/A	N/A			Prime
Beach Destiny Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime
Beachside Express	Taxi/Shuttle	N/A	N/A			Prime
Bishops Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime
Bluewater Car Service	Taxi/Shuttle	N/A	N/A			Prime
Buck's Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime
C2 Transportation Shuttle Co.	Taxi/Shuttle	N/A	N/A			Prime
Checker Cab	Taxi/Shuttle	N/A	N/A			Prime
D'Lux Service, LLC	Taxi/Shuttle	N/A	N/A			Prime
Dave's Bayside Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Fimo Limo	Taxi/Shuttle	N/A	N/A			Prime
GIL-again	Taxi/Shuttle	N/A	N/A			Prime
Gulf Resorts	Taxi/Shuttle	N/A	N/A			Prime
M&R Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Seacoast Transportation	Taxi/Shuttle	N/A	N/A			Prime
Suarez Shuttle	Taxi/Shuttle	N/A	N/A			Prime

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**TABLE 1
FFY 2008/09 ACTIVE PARTICIPANT LIST
NON-CAR RENTAL GROSS RECEIPTS TOTAL**

Concessionaire	Services	FFY 2008 Actual Gross Receipts	FFY 2009 Estimated Gross Receipts ¹	DBE Certified by Whom	Dates of DBE Certification	Ownership Type
Sunshine Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Surfside Shuttle	Taxi/Shuttle	N/A	N/A			Prime
T-Mac's Shuttle Service	Taxi/Shuttle	N/A	N/A			Prime
Tucker Taxi	Taxi/Shuttle	N/A	N/A			Prime
Zimmer Airport Shuttle	Taxi/Shuttle	N/A	N/A			Prime
Metropolitan Courier	Baggage only	N/A	N/A			Prime
654 Limousines	Limo	N/A	N/A			Prime
Marquee Limousines	Limo	N/A	N/A			Prime
Total Reported Receipts		\$2,293,407.80	\$2,066,300.00			

Notes:

¹ At the time of this writing, concession data for FY 2009 was not yet finalized.

N/A means information not available

Sources: Okaloosa County/Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

Historic Market Area – Non-Rental Car Concessions

The Okaloosa County BOCC has determined that its historic market area consisted of Okaloosa, Santa Rosa, Chattanooga, and New York Counties based upon fiscal year contracts as shown in **Table 2**. This represents the geographical areas for firms which receive all of the concessions related revenues are from Northwest Florida Regional Airport. However, concession bids, both DBE and non-DBE, historically have included firms throughout the United States.

**TABLE 2
HISTORIC MARKET AREA**

Year	County	Total Contract Dollars	DBE Contract Dollars
2006	Okaloosa	\$685,000	\$25,480.00
	Santa Rosa	\$20,000	\$0.00
	Walton	\$0.00	\$0.00
	Chattanooga TN	\$1,300,000	\$0.00
	Total	\$2,005,000	\$25,480.00
2007	Okaloosa	\$68,619.33	\$28,453.45
	Santa Rosa	\$95,000.00	\$0.00
	Walton	\$101.93	\$0.00
	Chattanooga TN	\$1,048,284.96	\$0.00
	New York County, NY	\$927,350.84	\$0.00

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**TABLE 2
 HISTORIC MARKET AREA**

Year	County	Total Contract Dollars	DBE Contract Dollars
	Total	\$2,139,357.05	\$28,453.45
2008	Okaloosa	\$48,355.10	\$28,208.92
	Santa Rosa	\$95,000.00	\$0.00
	Walton	\$0.00	\$0.00
	Chattanooga TN	\$1,064,953.26	\$0.00
	New York County, NY	\$1,085,099.44	\$0.00
	Total	\$2,293,407.80	\$28,208.92
Est. 2009	Okaloosa	\$25,415.49	\$25,415.49
	Santa Rosa	\$95,000.00	\$0.00
	Walton	\$0.00	\$0.00
	Chattanooga TN	\$1,000,000.00	\$0.00
	New York County, NY	\$945,884.51	\$0.00
	Total	\$2,066,300.00	\$25,415.49

Sources: Okaloosa County/Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

Anticipated Contracting Opportunities

The Airport's FFY 2010-2012 non-car rental concession contracting opportunities are estimated to total **\$7,200,341** in gross receipts as shown in **Table 3** applying US Census Bureau's North American Industry Classification System (NAICS) Codes. The first column identifies the concession opportunity associated with the entire concession program. The tenth column identifies the anticipated percentage of gross receipts estimated for each concession type.

In an effort to forecast concessionaire gross receipts in the near term, historic gross receipts were linked to actual enplanements and then applied to the forecast enplanements provided in the Federal Aviation Administration's (FAA's) 2010 Terminal Area Forecast (TAF) for Northwest Florida Regional Airport. The Terminal Area Forecast shows a 2.62 percent decrease in 2009 enplanements, which are reflected in the non-car rental gross receipts when compared to the previous year. However, the TAF shows an average annual increase of 2.8 percent per year in enplanements through the year 2012. As a result, non-car rental concessions are also anticipated to increase.

If a new concession opportunity arises prior to the end of this goal period and the associated estimate of annual gross revenues anticipate are greater than \$200,000, Okaloosa County will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement. (23.45(i)).

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**TABLE 3
CONCESSION OPPORTUNITIES**

Type of Service	NAICS Codes	Actual				Total Estimated Gross Receipts of Contract/Total Value of Goods and Services and Management Contracts			Percentage of Total Gross Receipts
		FFY 06	FFY 07	FFY 08	Estimated FFY 09 ¹	Estimated FFY 10	Estimated FFY 11	Estimated FFY 12	FFYs 2010-2012
Transportation and Parking Services:									
Parking Services	812930	\$1,300,000	\$1,382,114	\$1,384,866	\$1,000,000	\$1,242,080	\$1,276,897	\$1,312,680	53.21%
Accommodation & Food Services:									
Food and Beverage	72221	\$500,000	\$531,582	\$532,641	\$700,000	\$719,621	\$739,793	\$760,525	30.83%
Retail Trade:									
Gift, Novelty, Souvenir Stores	45322	\$100,000	\$106,528	\$256,721	\$250,000	\$257,008	\$264,212	\$271,616	11.01%
Luggage Carts and Lockers	81299	\$20,000	\$21,263	\$21,306	\$18,500	\$20,108	\$20,671	\$21,251	0.86%
Professional Services:									
Advertising Services	5418	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	3.54%
Tele-communications	51711	N/A	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	0.42%
ATM - Data	51821	NA	\$2,870	\$2,875	\$2,800	\$2,878	\$2,959	\$3,042	0.12%
Total		\$2,005,000	\$2,139,357	\$2,293,408	\$2,066,300	\$2,336,695	\$2,399,532	\$2,464,114	100.00%

Notes:

¹ At the time of this writing, concession data for FY 2009 was not yet finalized.

N/A means information not available

Sources: Okaloosa County/Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

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Methodology used to Calculate Overall Goal

Goods and Services

In establishing the non-rental car concessions goal, goods and services purchased and/or likely to be purchased from ACDBE's by businesses operating at VPS were included. Okaloosa County and airport businesses shall continue to 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.

Management Contract or Subcontract

The County also included any business through a management contract or subcontract with an ACDBE in the development of the non-rental car ACDBE goal. The County and airport businesses will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the Airport's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

Step 1: 23.51(c) Determine Base Figure for Relative Availability of ACDBEs

***a.* Weighted Based Figure Calculation**

In order to provide a more accurate measurement of anticipated ACDBE participation, the base goal was established using a weighted methodology established from historic and anticipated contracts and the types of service as illustrated in **Table 3**. This percentage was then applied to the willing and available concession firms identified in **Table 4** to provide a logical estimate of participation.

Because a significant amount of non-car rental concession prime contracts are associated with contractors outside the local market area, the market area was expanded to include DBE and non-DBE non-car rental concession services for the entire state of Florida.

In establishing the base figure, the following information was used:

- Florida Unified Certification Program Disadvantaged Business Database, 2010
- Active participants and airport bidders list information for concession opportunities, and
- United States Census Database for the established market area, 2008/09.

Applying a weighting factor based upon type of service ensures that the Base Figure is as accurate as possible. The following formula was used to calculate the ACDBE base figure for FFY 2010-2012:

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Base Figure = ((Percentage of contract dollar amount x (#ACDBEs in 1st NAICs Category)/#All Firms in 1st NAICs Category)) + (Percentage of contract dollar amount x (#ACDBEs in 2nd NAICs Category)/#All Firms in 2nd NAICs Category)) + (Percentage of contract dollar amount x (#ACDBEs in 3rd NAICs Category)/#All Firms in 3rd NAICs Category) + etc.) x 100%

Applying the percentage of willing and able ACDBEs to total firms within the established market area for each identified service area and then applying the percentage of estimated gross receipts associated with each concession opportunity resulted in a base weighted availability of **0.71 percent** as shown in **Table 4**.

**TABLE 4
 ACDBE AVAILABILITY BY CONCESSION OPPORTUNITY AND WEIGHTED AVAILABILITY**

Concession Opportunity	NAICS Codes	Census/Active Participants List	UCP Database ACDBE	Percentage ACDBE Availability	Percentage of Estimated Gross Receipts Per Concession Opportunity	Weighted Availability
Parking Services	812930	590	5	0.85%	53.21%	0.45%
Food and Beverage	72221	13988	7	0.05%	30.83%	0.02%
Gift, Novelty, Souvenir Stores	45322	1988	14	0.70%	11.01%	0.08%
Luggage Carts and Lockers	81299	1158	17	1.47%	0.86%	0.01%
Advertising Services	54185	210	9	4.29%	3.54%	0.15%
Tele-communications	51711	1430	5	0.35%	0.42%	0.00%
ATM - Data	51821	1006	7	0.70%	0.12%	0.00%
Base Weighted Availability						0.71%

Sources: Okaloosa County Historic Northwest Florida DBE Concessions Data, US Censtats Database, FDOT DBE Directory, January 2010 and The LPA Group Incorporated, 2010

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 base figure in order to arrive at the overall goal. Historic ACDBE Participation for federal fiscal years 2002 through 2009 is illustrated in **Table 5**. Note that FFY 2009 is estimated since not all data was available at the time of this writing.

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**TABLE 5
MEDIAN HISTORICAL NON-CAR RENTAL ACDBE PARTICIPATION**

Federal Fiscal Year	Total Gross Receipts	ACDBE Gross Receipts	Percentage of ACDBE Participation
2002	\$2,020,913.00	\$84,892.00	4.20%
2003	\$2,005,000.00	\$84,210.00	4.20%
2004	\$2,089,210.00	\$84,210.00	4.03%
2005	\$2,089,210.00	\$26,550.16	1.27%
2006	\$2,005,000.00	\$25,480.00	1.27%
2007	\$2,139,357.06	\$28,453.45	1.33%
2008	\$2,293,407.80	\$28,208.92	1.23%
Est. 2009	\$2,066,300.00	\$25,415.49	1.23%
Median Past ACDBE Participation			1.30%

Sources: Okaloosa County Northwest Florida Regional Airport Historic DBE Concessions Data and The LPA Group Incorporated, 2010

Therefore in order to reflect as accurately as possible the anticipated ACDBE participation expected in the absence of discrimination, the weighted base figure was adjusted to provide an overall goal of **1.01%**.

$$\begin{aligned} & (\text{Weighted Base} + \text{Median Past ACDBE Participation})/2 = \text{ACDBE Goal FFY 2010-2012} \\ & (0.71\% + 1.30\%)/2 = \mathbf{1.01\%} \end{aligned}$$

The reason we chose to adjust our figure using this data was because there are currently no disparity studies related to airport concession disadvantaged business enterprise participation. Further, it is believed that past and current DBE participation by non-rental car concessions provides a more accurate prediction of future ACDBE participation at the Airport.

Estimated gross receipts for all non-car rental concessions for FY 2010 through FY 2012 (estimated) is **\$7,200,341.19**; therefore, applying the anticipated ACDBE participation, resulted in Total Estimated ACDBE Receipts of **\$72,402.94**

**TABLE 6
ESTIMATED DBE PARTICIPATION**

	Total Gross Receipts	Total Estimated DBE Receipts
Historic Fiscal Year 2006	\$2,005,000.00	\$25,480.00
Historic Fiscal Year 2007	\$2,139,357.06	\$28,453.45
Historic Fiscal Year 2008	\$2,293,407.80	\$28,208.92
Historic Fiscal Year 2009 (Est.)	\$2,066,300.00	\$25,415.49
<i>Forecast:</i>		
Fiscal Year 2010	\$2,336,695.00	\$23,496.61
Fiscal Year 2011	\$2,399,532.34	\$24,128.47
Fiscal Year 2012	\$2,464,113.85	\$24,777.87
Total over 3-Years	\$7,200,341.19	\$72,402.94

Source: The LPA Group Incorporated, 2010

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

The County intends to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The County uses the following race-neutral measures to increase ACDBE participation.

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. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and

Historic Non-Car Rental ACDBE Participation for FFY's 2002-2009 is illustrated in **Table 7**.

**TABLE 7
 HISTORIC NON-CAR RENTAL ACDBE PARTICIPATION COMPARED TO ACDBE GOAL
 NON-RENTAL CAR**

Federal Fiscal Year	ACDBE Goal	Percentage ACDBE Participation	Percentage Variance
2002	4.24%	4.20%	-0.04%
2003	4.24%	4.20%	-0.04%
2004	4.24%	4.03%	-0.21%
2005	1.27%	1.27%	0.00%
2006	1.27%	1.27%	0.00%
2007	2.18%	1.33%	-0.85%
2008	2.18%	1.23%	-0.95%
Est. 2009	2.18%	1.23%	-0.95%
Median Percentage Variance			-0.12%

Sources: Okaloosa County/Northwest Florida Regional Airport Concession Records and The LPA Group Incorporated 2010

Since the County was unable to achieve its anticipated ACDBE concession goals for Northwest Florida Regional Airport completely through race-neutral means, the County will implement the following race/gender conscious measures in a good faith effort to meet the forecast goal:

- Establishing concession-specific goals for particular concession opportunities;
- Negotiating with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession, and/or
- With prior FAA approval, other methods that consider a competitor's ability to provide ACDBE participation into account in awarding a concession.

In an effort to determine the percentage of anticipated race/gender conscious and race/gender-neutral ACDBE participation, the following estimates based upon the established goal and historic median participation were developed as illustrated in **Table 8**.

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**TABLE 8
 ESTIMATED NON-CAR RENTAL ACDBE GOAL
 RACE /GENDER - CONSCIOUS VS. RACE/GENDER - NEUTRAL**

Goal Period	Estimated Goal	Race Conscious Estimate	Race Neutral Estimate	Minimum Funding Available to DBEs	Estimated Dollar Value Race-Neutral	Estimated Dollar Value Race Conscious
FFY2010-12	1.01%	1.01%	0.00%	\$72,402.94	\$0.00	\$72,402.94

Sources: Office of Small and Disadvantaged Business Utilization, 2010; Okaloosa County/Northwest Florida Regional Airport Historic ACDBE participation and The LPA Group Incorporated 2010

As a result, as required, Okaloosa County or its representative will monitor race/gender-neutral and race/gender-conscious participation throughout the goal period and adjust the goal as needed based upon contract participation.

It is important to note that any non-car rental concessionaire whose gross receipts currently do not or are unlikely in the future to exceed the \$200,000 threshold (i.e. Smart Carte) will not be held to the estimated DBE goal of 1.01 percent. However, it is recommended if an opportunity arises that such a company consider, using race neutral and good faith efforts, using a disadvantaged business enterprise.

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Section 23.45: Overall Goal Calculation for Car Rentals

The Northwest Florida Regional Airport's overall goal for car rentals during the period beginning October 1, 2009 and ending September 30, 2012 was calculated as **0.24%** of the total goods and service purchases, including sub-concession opportunities, for car rental operations at the Northwest Florida Regional Airport.

The concession opportunities anticipated during this goal period are in the areas of auto detailing, auto body and mechanical repair, towing, parts wholesale services, accounting services, landscaping, office supplies and janitorial services. Current car rental concession contracts are shown in **Table 9**.

**TABLE 9
FFY 2008/09 ACTIVE PARTICIPANT LIST
NON-CAR RENTAL GROSS RECEIPTS TOTAL**

Concessionaire	FFY 2008 Actual Gross Receipts ¹	FFY 2009 Estimated Gross Receipts ²	DBE Certified by Whom	Dates of DBE Certification/Modification	Ownership Type	Contract Length
Alamo	\$0.00	\$674,111.67			Prime	09/30/2008-09/30/2013
National	\$3,195,843.79	\$2,966,091.36			Prime	09/30/2005-09/30/2010
Avis	\$3,365,223.51	\$3,505,380.70			Prime	9/30/2005-9/30/2010
Budget	\$2,450,146.90	\$2,022,335.02			Prime	9/30/2005-9/30/2010
Enterprise	\$0.00	\$808,934.01			Prime	09/30/2008-09/30/2013
Hertz	\$3,452,576.57	\$3,505,380.70			Prime	09/30/2005-09/30/2010
Total	\$12,463,790.77	\$13,482,233.48				

Notes:

¹ New Parking Garage completed in May 2009. Alamo and Enterprise started service in summer 2009

² At the time of this writing, FFY 2009 Estimated Car Rental Receipts were not finalized

Sources: Okaloosa County Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

Historic Market Area

Based upon information provided by rental car concessionaires, historic contract dollars for concessions and services were designated in Okaloosa County only as illustrated in **Table 10**.

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**TABLE 10
HISTORIC MARKET AREA
FFY 2006-2009***

Year	County	Total Contract Dollars	DBE Contract Dollars
2006	Okaloosa County	\$11,700,000	\$0.00
2007	Okaloosa County	\$12,439,025	\$0.00
2008	Okaloosa County	\$12,463,791	\$0.00
2009	Okaloosa County	\$13,482,233	\$0.00

*FFY 2009 Data was estimated at the time of this writing since gross receipts were not finalized.

Sources: Okaloosa County/Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

This reported information is believed to be somewhat ambiguous since this is not only the home county of the Airport but there are a limited number of car rental concessionaires and related service providers available in the county. As a result, the market area was expanded to include disadvantaged and non-disadvantaged companies throughout the state of Florida.

Anticipated Contracting Opportunities

The Airport's FFY 2010-2012 car rental concession (including sub-concession and goods and services opportunities) are estimated to total **\$42,756,780** in gross receipts as illustrated in **Table 11** based upon US Census Bureau's North American Industry Classification System (NAICS) Codes. Using available historic information from FY 2008 and 2009 as well as forecast enplanement data provided by the FAA's 2010 Terminal Area Forecast, car rental gross receipts were forecast for the years 2010-2012. However, since historic information was unavailable with regard to sub-concessions and services associated car rental concessions at Northwest Florida Regional Airport, a percentage breakdown of such services was obtained from a similarly sized airport within the region. This data is illustrated in **Table 11**.

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**TABLE 11
RENTAL CAR CONCESSION OPPORTUNITIES**

Type of Service	NAICS Codes	Actual				Total Estimated Gross Receipts of Contract/Total Value of Goods and Services and Management Contracts			Percentage of Total Gross Receipts
		FFY 06	FFY 07	FFY 08	Estimated FFY 09*	Estimated FFY 10	Estimated FFY 11	Estimated FFY 12	FFYs 2010-2012
Car Rental Services									
Rental Car Concessionaires	532111	\$11,700,000	\$12,439,025	\$12,463,791	\$13,482,233	\$13,718,739.99	\$14,103,292.39	\$14,498,518.74	98.9797%
Fleet Services									
Fleet Sub-concessions	811192	N/A	N/A	N/A	N/A	\$111,789	\$114,923	\$118,144	0.8066%
Goods & Surfaces									
Mechanical Repair	811113	N/A	N/A	N/A	N/A	\$69	\$71	\$73	0.0005%
Body Shop	811121	N/A	N/A	N/A	N/A	\$10,942	\$11,249	\$11,564	0.0789%
Towing	811120	N/A	N/A	N/A	N/A	\$44	\$45	\$46	0.0003%
Professional Services:									
Office Supplies	453210	N/A	N/A	N/A	N/A	\$2,772	\$2,850	\$2,930	0.0200%
Parts Supplies	423110	N/A	N/A	N/A	N/A	\$3,595	\$3,696	\$3,800	0.0259%
Janitorial	561720	N/A	N/A	N/A	N/A	\$5,267	\$5,414	\$5,566	0.0380%
Accounting	541211	N/A	N/A	N/A	N/A	\$1,386	\$1,425	\$1,465	0.0100%
Landscaping	561730	N/A	N/A	N/A	N/A	\$5,544	\$5,699	\$5,859	0.0400%
Total		\$11,700,000	\$12,439,025	\$12,463,791	\$13,482,233	\$13,860,149	\$14,248,665	\$14,647,966	100%

Notes:

*FFY 2009 data was estimated since concession data was not finalized at the time of this writing.

N/A means not available

Sources: Okaloosa County/Northwest Florida Regional Airport records and The LPA Group Incorporated, 2010

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The first column identifies the concession opportunity, while the last column identifies the anticipated percentage of gross receipts likely to be obtained for each NAICs code at VPS. This percentage estimation reflects both national and local economic conditions impacting the industry as well as historic trends particular to the Northwest Florida market.

Based upon car rental receipt information from FFY 2006 through 2008, gross receipts have increased at the same rate as commercial enplanements. However, although commercial enplanements at VPS were forecast to decrease in FY 2009 as a result of the worldwide recession, draft information shows that car rental concession gross receipts increased. This is believed to coincide with the completion of the new rental car facilities at VPS and the addition of two new concessionaires (Alamo and Enterprise Car Rentals). Further, it is anticipated that car rental receipts will continue to increase at a rate of approximately 2.8 percent annually as predicated by the FAA's 2010 Terminal Area Forecast of commercial enplanements for Northwest Florida Regional Airport.

Still if either a new concession opportunity arises or concessionaire's gross receipts increase or decrease more than anticipated during the goal period, than the County or its representative will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement (23.45(i)).

Applying a weighting factor based upon type of service ensures that the Base Figure is as accurate as possible. The following formula was used to calculate the ACDBE base figure for FFY 2010-2012:

Base Figure = ((Percentage of contract dollar amount x (#ACDBEs in 1st NAICs Category)/#All Firms in 1st NAICs Category)) + (Percentage of contract dollar amount x (#ACDBEs in 2nd NAICs Category)/#All Firms in 2nd NAICs Category)) + (Percentage of contract dollar amount x (#ACDBEs in 3rd NAICs Category)/#All Firms in 3rd NAICs Category) + etc.) x 100%

Applying the percentage of willing and able ACDBEs to total firms within the established market area for each identified service area and then applying the percentage of estimated gross receipts associated with each concession opportunity resulted in a base weighted availability of **0.47 percent** as shown in **Table 12**.

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**TABLE 12
 CAR RENTAL
 ACDBE AVAILABILITY BY CONCESSION OPPORTUNITY AND WEIGHTED AVAILABILITY
 STATE OF FLORIDA**

Concession Opportunity	NAICS Code	Census/Active Participants List	UCP Database ACDBE	Percentage ACDBE Availability	Percentage of Estimated Gross Receipts Per Concession Opportunity	Weighted Availability
Passenger Car Rentals	532111	643	3	0.4666%	98.9797%	0.46180%
Fleet Services/Detailing	811192	953	6	0.6296%	0.8066%	0.00508%
Goods and Services:						
Mechanical Repair	811111	389	19	4.8843%	0.0005%	0.00002%
Body Shop and Auto Glass	811121/ 811122	2434	9	0.3698%	0.0789%	0.00029%
Towing Services	48841	501	8	1.5968%	0.0003%	0.00001%
Professional Services:						
Office Supplies	424120	340	4	1.1765%	0.0200%	0.00024%
Auto and Motor Vehicle Merchant Wholesalers	423110	498	6	1.2048%	0.0259%	0.00031%
Janitorial	561720	4301	188	4.3711%	0.0380%	0.00166%
Accounting	541211	4340	58	1.3364%	0.0100%	0.00013%
Landscaping	561730	8044	440	5.4699%	0.0400%	0.00219%
Base Weighted Availability						0.47%

Sources: Okaloosa County/Northwest Florida Regional Airport Historic DBE Concessions Data, US Censtats Database, FDOT DBE Directory, September 2010 and The LPA Group Incorporated, 2010

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Step 2: 23.51(d)

After calculating the weighted base figure for the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the base figure to arrive at the overall goal. Historic ACDBE Participation for federal fiscal years 2006 through 2009 is illustrated in **Table 13**. Note that FFY 2009 is estimated since not all data was finalized at the time of this writing.

**TABLE 13
MEDIAN HISTORICAL CAR RENTAL ACDBE PARTICIPATION**

Federal Fiscal Year	Total Gross Receipts	ACDBE Gross Receipts	Percentage of ACDBE Participation
2006	\$11,700,000	\$0.00	0.00%
2007	\$12,439,025	\$0.00	0.00%
2008	\$12,463,791	\$0.00	0.00%
Est. 2009	\$13,482,233	\$0.00	0.00%
Median Past ACDBE Participation			0.00%

Sources: Okaloosa County/Northwest Florida Regional Airport Historic DBE Concessions Data and The LPA Group Incorporated, 2010

Therefore in order to reflect as accurately as possible the anticipated ACDBE participation expected in the absence of discrimination, the weighted base figure was adjusted to provide an overall goal of **0.24%**.

$$\begin{aligned} (\text{Weighted Base} + \text{Median Past ACDBE Participation})/2 &= \text{ACDBE Goal FFY 2010-2012} \\ (0.47\% + 0.00\%)/2 &= \mathbf{0.24\%} \end{aligned}$$

The reason we chose to adjust our figure using this data was because there are currently no disparity studies related to airport concession disadvantaged business enterprise participation. Further, it is believed that past and current DBE participation by rental car concessions provides a more accurate prediction of future ACDBE participation at the Airport especially within the current economic climate.

Estimated gross receipts for all non-car rental concessions for FY 2010 through FY 2012 (estimated) is **\$42,756,780.31**; therefore, applying the anticipated ACDBE participation, resulted in Total Estimated ACDBE Receipts of **\$100,848.85**.

**TABLE 14
ESTIMATED DBE PARTICIPATION**

	Total Gross Receipts	Total Estimated DBE Receipts
Historic Fiscal Year 2006	\$11,700,000.00	\$0.00
Historic Fiscal Year 2007	\$12,439,024.53	\$0.00
Historic Fiscal Year 2008	\$12,463,790.77	\$0.00
Historic Fiscal Year 2009 (Est)	\$13,482,233.48	\$0.00
<i>Forecast</i>		
Fiscal Year 2010	\$13,860,149.18	\$32,691.42
Fiscal Year 2011	\$14,248,665.45	\$33,607.80
Fiscal Year 2012	\$14,647,965.69	\$34,549.62
Total over 3-Years	\$42,756,780.31	\$100,848.85

Source: The LPA Group Incorporated, 2010

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

The County intends to meet the maximum feasible portions of its ACDBE goals for Northwest Florida Regional Airport using race-neutral means of facilitating ACDBE participation. The County uses the following race-neutral measures to increase ACDBE participation.

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. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and

Historic Car Rental ACDBE Participation for FFY's 2006-2009 is illustrated in **Table 15**.

**TABLE 15
 HISTORIC CAR RENTAL ACDBE PARTICIPATION COMPARED TO ACDBE GOAL**

Federal Fiscal Year	ACDBE Goal	Percentage ACDBE Participation	Percentage Variance
2006	0%	0.00%	0.00%
2007	0.72%	0.00%	-0.72%
2008	0.72%	0.00%	-0.72%
Est. 2009	0.72%	0.00%	-0.72%
Median Percentage Variance			-0.72%

Sources: Okaloosa County/Northwest Florida Regional Airport Concession Records and The LPA Group Incorporated 2010

Since airport car rental concessionaires were unable to achieve the anticipated ACDBE concession goal completely through race-neutral means, the Okaloosa County BOCC will implement the following race/gender conscious measures in a good faith effort to meet the forecast goal:

- Establishing concession-specific goals for particular concession opportunities;
- Negotiating with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession, and/or
- With prior FAA approval, other methods that consider a competitor's ability to provide ACDBE participation into account in awarding a concession.

In an effort to determine the percentage of anticipated race/gender conscious and race/gender-neutral ACDBE participation, the following estimates based upon the established goal and historic median participation were developed as illustrated in **Table 16**.

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**TABLE 16
ESTIMATED CAR RENTAL ACDBE GOAL
RACE /GENDER - CONSCIOUS VS. RACE/GENDER - NEUTRAL**

Goal Period	Estimated Goal	Race Conscious Estimate	Race Neutral Estimate	Minimum Funding Available to DBEs	Estimated Dollar Value Race-Neutral	Estimated Dollar Value Race Conscious
FFY2010-12	0.24%	0.24%	0.00%	\$100,848.85	\$0.00	\$100,848.85

Sources: Office of Small and Disadvantaged Business Utilization, 2010; Okaloosa County/Northwest Florida Regional Airport Historic ACDBE participation and The LPA Group Incorporated 2010

As a result, as required, Okaloosa County or its representative will monitor race/gender-neutral and race/gender-conscious participation throughout the goal period and adjust the goal as needed based upon contract participation.

Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA, The LPA Group Incorporated, as the County's Representative, contacted the following stakeholders via e-mail or letter to determine if they knew of any potential impediments to ACDBE participation at Northwest Florida Regional Airport.

**TABLE 17
LOCAL AND REGIONAL COMMUNITY ORGANIZATIONS**

TYPE OF ORGANIZATION	NAME OF ORGANIZATION	CONTACT INFORMATION
Business/Community Organization	Ft. Walton Beach Chamber of Commerce	34 Miracle Strip Parkway, Ft. Walton Beach, FL 32549 (850) 244-8191
	Eglin AFB, AAC/Small Business Office	Eglin Air Force Base, FL (850) 882-2843
	Economic Development Council of Okaloosa County FL	P.O. Box 4097 Ft. Walton Beach, FL 32549 (850) 651-7374
Florida Business - Small Business Organization Non-Profit	Small Business Administration South Florida District Office	100 S. Biscayne Blvd. 7th Floor Miami Florida 33131 www.sba.gov/fl.south (305) 536-5521 (305) 536-5058 (Fax)
Minority Business Development Organization - Non-Profit	Florida Women's Business Center	401 W. Atlantic Avenue Suite O9 Delray Beach, FL 33444 Maxine Pierson, Business Development Manager (561) 265-3790 (561) 265-0806

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**TABLE 17
 LOCAL AND REGIONAL COMMUNITY ORGANIZATIONS**

TYPE OF ORGANIZATION	NAME OF ORGANIZATION	CONTACT INFORMATION
Minority Business Development Organization - Non-Profit	Florida Black Business Investment Board, Inc.	2019 Centre Pointe Blvd Suite 101 Tallahassee FL 32308 Paula Duncan Business Development Manager (850) 878-0826 (850) 878-4578
Minority Organization	National Association for the Advancement of Colored People Research, Training and Advocacy Team	NAACP National Headquarters 4805 Mt. Hope Drive, Baltimore MD 21215 (877) NAACP-98 (410) 580-5777 ccampbell@naacpnet.org
Chamber of Commerce/Economic Development	Florida Chamber of Commerce	Florida Chamber of Commerce 136 South Bronough Street P.O. Box 11309 Tallahassee, FL 32302-3309 Phone: 850-521-1200 Email: info@flchamber.com
Minority Business Development Organization - Non-Profit	Florida Black Business Investment Board, Inc.	2019 Centre Pointe Blvd Suite 101 Tallahassee FL 32308 Paula Duncan Business Development Manager (850) 878-0826 (850) 878-4578
Minority Business Development Organization - Non-Profit	Florida Black Chamber of Commerce	945 West Michigan Avenue Suite 12B Pensacola Florida 32505 Thomas Alston Director of Community Development (850) 465-9872
Minority Business Development Organization - Non-Profit	Florida State Hispanic Chamber of Commerce	Julio Fuentes (904) 307-2931

As part of the outreach program, letters and e-mails were sent to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on

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opportunities for ACDBEs and the County's efforts to establish a level playing field. Below is a copy of the e-mail/letter.

E-Mail Message:

Okaloosa County is in the process of establishing Federal Fiscal Years 2010-2012 Airport Concessions Disadvantaged Business Enterprise Goals for Car Rental and Non-Car Rental concessions for the Northwest Florida Regional Airport. The administrative portion of the program in addition to the goals and methodology were developed per the provisions set forth in 49 CFR Part 23.

*Based upon historic Non-Car Rental and Car Rental Concession contracts and DBE opportunities, the market area for both was expanded to include the entire state of Florida. Anticipated ACDBE opportunities include: fleet services, mechanical repair, office supplies, advertising, food and beverage supplies and services, parking and transportation services, etc. Thus, using historic information combined with US Census Bureau and Florida Department of Transportation (FDOT) Disadvantaged Business Enterprise Database (January 2010) information, the Non-Car Rental and Car Rental Concession goals for FFY 2010-2012 were **1.01 percent** and **0.24 percent**, respectively.*

As part of this program, we request if you or members of your organization know of any existing social or economic barriers which may be currently preventing minorities and/or women from establishing concession businesses within the Northwest Florida market area as well as offering these services at the airport? Further, do you know of any other impediments which have or may impact minorities and/or women from effectively competing on concession contracts at Northwest Florida Regional Airport? Please note that if changes in ACDBE participation occurs within the three year goal period, the County will adjust their ACDBE Goal to account for these changes.

We would appreciate your replying with any information you could offer. Please if you have any comments or questions, do not hesitate to contact Tricia Fantinato at (813) 889-3892 or TFantinato@LPAGroup.com within two weeks of receipt of this e-mail. The ACDBE Goal report will be available for review on the County's website at <http://www.co.okaloosa.fl.us/dbe>. If any viable information becomes available, it will be included in the Airport's ACDBE goal determination for FFY 2010-2012, which is submitted to the Federal Aviation Administration as required under 49 CFR Part 23.

This information as well as a copy of this report is posted on the Airport's website (<http://www.co.okaloosa.fl.us/dbe>) for stakeholder and public comments for approximately 45 days.

A summary of the information these stakeholders provided follows:

A recurring theme based upon conversations with minority organizations seems to be difficulty in obtaining funding for both start-up operations as well as for expansion. In addition, insurance requirements also appear to be adding a burden to these small and disadvantaged businesses. Organizations such as the Black Business Investment Board and Small Business Administration are evaluating ways to expand funding sources for small and minority businesses within the state of Florida. However, several organizations mentioned that a number of small business and disadvantaged businesses have closed as a result of the recent worldwide recession.

As a result, Okaloosa County will continue to advertise business opportunities as well as encourage existing long-term concession organizations to consider utilizing small and/or disadvantaged businesses within the immediate area for subcontract and goods/service opportunities.

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Okaloosa County through its on-call consultant will also continue to consult with the following stakeholders: minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport as well as existing concessionaires themselves and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the County's efforts to increase participation of DBEs.

Again, if a change in DBE or non-DBE participation occurs during the three year goal period, then as required under 49 CFR Part 23, an update to the ACDBE concession goals as required will be undertaken and provided to FAA for input approximately 6-months prior to usage.