

DEPARTMENT OF TRANSPORTATION
ACDBE PROGRAM – 49 CFR PART 23
Goal Computation
FFY 2025/2026



ONTARIO INTERNATIONAL AIRPORT (ONT)

Prepared for
Ontario International Airport Authority
Ontario, CA

Prepared by
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Preface

Ontario International Airport Authority (OIAA) is the owner and operator of the Ontario International Airport (ONT). OIAA provides review, advisory, and decision-making capacity regarding airport business operations including concessions. In that capacity, OIAA has established an Airport Concessions Disadvantaged Business Enterprise (ACDBE) program for ONT 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 the ACDBE program are in accordance 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: Ontario International Airport Authority (ONT)

Airport Type: The Ontario International Airport (ONT) is classified as classified as a primary medium hub facility with approximately 2.8 million annual enplanements in 2022.

Goal Period: FY-2025-2026* – October 1, 2024 through September 30, 2026

**Note: Because the goal methodology was not approved prior to the end of FY24, the goal methodology is for FY 2025 and 2026*

Overall Three-Year Goal:

15.70%, to be accomplished through 2.70% RC and 13.00% RN

Market Area:

The City of Ontario, California (population 175,265 (2020 est)) is located in the southwestern corner of San Bernardino County. The population density is approximately 3,507/sq mi (1,354.1/km²). The City is considered part of the greater Los Angeles Area and the Ontario International Airport is considered one of the busiest airports in the United States based on carried cargo. The County demographics show steady growth due in part to industry, local universities, and businesses. The racial makeup of Ontario was 83,683 (51.0%) White (18.2% Non-Hispanic White), 10,561 (6.4%) African American, 1,686 (1.0%) Native American, 8,453 (5.2%) Asian, 514 (0.3%) Pacific Islander, 51,373 (31.3%) from other races, and 7,654 (4.7%) from two or more races. Hispanic or Latino of any race were 113,085 persons (69.0%). OIAA has determined the pool of ACDBE Businesses for Non-Car Rental Concessions that have the greatest potential to provide service to the Ontario International Airport are primarily located in San Bernardino County, Los Angeles County, Orange County, and Riverside County. Therefore, the market area essentially consists of Caltrans Districts 7 & 8. Some services (eg, suppliers) are less sensitive to location and will therefore be considered even if based outside of the 4-county market area.

Base of Goal

To calculate the base of the goal Ontario International Airport Authority 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)
2021	\$2,548,064
2022	\$3,473,247
2023	\$3,498,162
Total	\$9,519,473.00
Average	\$ 3,173,158

The Ontario International Airport Authority estimates that revenues to existing non-car rental concessions will likely increase by 11.9% between FY 2025 and FY 2026 based on recent increased receipts.

To calculate the base of the goal for non-car rental concessions the 3-Year Gross receipts was calculated above. However, due to the timing of this analysis the FY 2024 Non-Car receipts are already known and the adopted budget for FY 2025 is also established therefore the analysis will use those numbers to calculate the Base of Goal.

(2024) \$5,153,697 (Actual)

(2025) \$5,765,848 (Budget) This is a 11.9% Increase

(2026) \$5,765,848 + 11.9% (\$686,135) = \$6,451,983

\$5,153,697 + \$5,765,848 + \$6,451,983 = \$17,371,528 is the Ontario International Airport's base of the goal for non-car rental concessions.

The non-car rental businesses operating at the Ontario International Airport and offering service to the public includes businesses in Terminal 2 and Terminal 4. The contracts for these concessions are expected to extend over the period of this triennium.

Methodology used to Calculate Overall Goal

Goods and Services

The Ontario International Airport Authority 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
311811	Retail Bakeries	9	248
424130	Restaurant Suppl.	13	132
423840	Janitorial Supplies	19	127
445291	Baked Goods	5	143
445292	Confections	3	133
446120	Cosmetics Beauty	6	403
448190	Other Clothing	12	532
448310	Jewelry	3	367
448320	Luggage, Leather	2	76
451212	Newsstands	22	210
452990	General Merch.	6	201
453220 & 310	Gifts & Novelty Supplies	11	213
454210	Vending	9	112
519130	Internet Services	12	118
522320	Financial Transactions, Processing (ATM)	3	313
541613	Marketing Cons.	89	542
541810, 541850	Advertising	77	731
541890	Other Advertising	8	338
561621	Security Services	15	451
561720	Janitorial Services	6	267
722330	Mobile Food Serv	12	419
722410	Drinking Places (alcohol)	18	523
722511	Snack & Beverage	20	321
722511	Limited Service Restaurants	40	408
Total		420	7328

The Total Base Goal for Step 1 is therefore calculated by

Total Number of ACDBE divided by Total All Firms

420 / 7328 = 5.73% for Step 1.

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

The State of California Uniform Certification Program ACDBE Directory:

<https://ucp.dot.ca.gov>

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 California:

<http://www.thebluebook.com>

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: 5.73%

Step 2: 23.51(d)

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

Past History Participation

Historical ACDBE accomplishments for non-car rental concessions at the Ontario International Airport are as follows:

FY	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY 19	11.50%	6.00%	17.50%	11.70%	13.06%	24.76%
FY 20	11.50%	6.00%	17.50%	3.61%	0.00%	3.61%
FY 21	6.00%	7.90%	13.90%	5.47%	0.00%	5.47%
FY 22	6.00%	7.90%	13.90%	6.00%	9.37%	15.37%
FY 23	6.00%	7.90%	13.90%	6.00%	8.32%	14.32%

**Source Data FAA Civil Rights Connect*

Considering the DBE participation and arranging this historical data of DBE accomplishments from low to high, (3.61%, 5.47%, 14.32%, 15.37%, 24.76%) we arrive at a central tendency or median accomplishment of 14.32%. To arrive at an adjusted DBE goal, we added our Step 1 base figure (5.73%) with our Step 2 adjustment figure (14.32%) and then averaged the total arriving at an overall adjusted goal of 10.03%. It should be noted that the aforementioned step 2 adjustment includes the reduced participation that occurred during the pandemic and is not representative of the average participation rates before and after the pandemic. Therefore, OIAA has chosen to take an extra step to consider adjustment to the overall goal to normalize it going forward. This extra consideration follows.

The ACDBE participation at the Ontario International Airport continues to be robust and is rebounding nicely after the pandemic years (FFY 2020 & 2021). Through OIAA consultations regarding the ACDBE program and cooperation of Concessionaire's, the average participation (excluding the pandemic years) was 18.15%. This seems to closely correlate with the pre-pandemic overall goal of 17.50%. The overall goal in the last triennium period was 13.90% which coincidentally has been exceeded each of the reporting years. The average goal between the last two goal periods (FFY 2018-2020 & FFY 2021-2024) is therefore 15.70%. OIAA believes this goal more closely correlates with its annual achievements for non-car rental concessions and therefore chooses to use this as its overall goal for ACDBE participation. It is also noted that the goal of 15.70% also compares to the goals of nearby peer airports of LAX, SNA, SAN, & SFO.

OIAA does not anticipate any new concessions agreements during the next triennium thus we anticipate the overall ACDBE participation to remain consistent. As per 49 CFR Part 23, OIAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation.

It is noted, 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, therefore no adjustment will be made due to disparity studies.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

As per section Part 23.43 establishing the upcoming ACDBE goals for Federal Fiscal Years (FFY) 2025/2026, a public/consultation meeting was held on September 26, 2023 at 1PM at Ontario International Airport (ONT) 1923 East Avion Drive, Ontario, CA 91761 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 Ontario International Airport Authority (ONT). The meeting was attended by representative of SSP America. The California Office of the Small Business Advocate (CalOSBA) was also consulted regarding ACDBE Opportunities.

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

ACDBELO – Jamaal P. Avilez, Chief Administrative Officer

Ontario International Airport Authority

1923 E. Avion Street

Ontario, CA

909.544.5487 (Direct Line)

JAvilez@flyontario.com

No comments were received.

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

The Ontario International Airport Authority will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Ontario International Airport Authority 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.*

OIAA estimates that, in meeting our overall goal of 15.70%, we will obtain 13.00% from race-neutral participation and 2.70% through race-conscious measures.

1. *To the extent OIAA has met ACDBE goals in the past uniform reporting.*
2. *Proactively working with Concession vendors to increase awareness and encourage extension of race-neutral business assistance efforts;*
3. *Information obtained through consultation with stakeholders;*

The following is a summary of the basis of the RN and RC participation.

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 Ontario International Airport Authority has a history of ACDBE participation through race neutral measures as well as the use of ACDBE contract goals. ACDBE participation at ONT continues to increase after the pandemic to nearly pre-pandemic levels. Therefore, based on recent performance data and on-going contractual requirements, OIAA is splitting the ACDBE Goal of 15.70% between 13.00% to race-neutral participation and 2.70% race-conscience participation to match recent history of achievements. We will monitor this breakdown in this triennium and may make adjustments if necessary.

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: Ontario International Airport Authority

Airport Type: The Ontario International Airport (ONT) is classified as classified as a primary medium hub facility with approximately 2.8 million annual enplanements in 2022.

Goal Period: FY-2025-2026* – October 1, 2024 through September 30, 2026

**Note: Because the goal methodology was not approved prior to the end of FY24, the goal methodology is for FY 2025 and 2026*

Overall Three-Year Goal:

3.70%, to be accomplished through 0.00% RC and 3.70% RN

The City of Ontario, California (population 175,265 (2020 est)) is located in the southwestern corner of San Bernardino County. The population density is approximately 3,507/sq mi (1,354.1/km²). The City is considered part of the greater Los Angeles Area and the Ontario International Airport is considered one of the busiest airports in the United States based on carried cargo. The County demographics show steady growth due in part to industry, local universities, and businesses. The racial makeup of Ontario was 83,683 (51.0%) White (18.2% Non-Hispanic White), 10,561 (6.4%) African American, 1,686 (1.0%) Native American, 8,453 (5.2%) Asian, 514 (0.3%) Pacific Islander, 51,373 (31.3%) from other races, and 7,654 (4.7%) from two or more races. Hispanic or Latino of any race were 113,085 persons (69.0%). OIAA has determined the pool of ACDBE Businesses for Non-Car Rental Concessions that have the greatest potential to provide service to the Ontario International Airport are primarily located in San Bernardino County, Los Angeles County, Orange County, and Riverside County. Therefore, the market area essentially consists of Caltrans Districts 7 & 8. Some services (eg, suppliers) are less sensitive to location and will therefore be considered even if based outside of the 4-county market area.

Base of Car Rental Goal

To calculate the base of the goal Ontario International Airport considered the previous 3 years of car rental expenditures/purchases and the projected potential expenditures/purchases three years into the future including upcoming new opportunities.

Expenditures for Previous 3 Years - Car Rental

Fiscal Year	Car Rental Expenditures/Purchases	% Growth
2021	\$6,513,682	-32%
2022	\$7,989,790	22%
2023	\$8,923,896	11.6%

The Ontario International Airport estimates that expenditures/purchases to existing car rental concessions will likely increase by 1.5% between FY 2025 and FY 2026 based on recent increases.

To calculate the base of the goal for car rental concessions the 3-Year expenditures/purchases was calculated above. However, due to the timing of this analysis the actual FY 2024 expenditures/purchases are already known and the adopted anticipated for FY 2025 is also established therefore the analysis will use those numbers to calculate the Base of Goal.

(2024) \$9,996,171 (Actual)

(2025) \$10,144,507 (Budget) This is a 1.5% Increase

(2026) \$10,144,507 + 1.5% (\$152,168) = \$10,296,675

\$9,996,171 + \$10,144,507 + \$10,296,675 = **\$30,437,353** is the Ontario International Airport's base of the goal for expenditures/purchases for car rental concessions.

The car rental businesses operating at the Ontario International Airport and offering service to the public includes Avis, Budget, Payless, Thrifty, Hertz, Fox, Enterprise and National. The contracts for these concessions are expected to extend over the period of this triennium.

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 & 561622	Hardware Keys & Locks	2	269
423120*	Auto Supplies & Parts	3	1854
423130	Tire & Tube Wholesalers	5	481
423840	Janitorial Supplies	4	72
441110	Auto Merchant Wholesaler (Fleet)	0	0
441310*	Auto Accessories	3	3567
485999	Transit & Ground Transportation	9	237
524210	Commercial Insurance Agencies	2	56
532111 & 532112	Car Rental / Lease	2	245
561612	Security	15	451
811121	Auto Body Paint & Repair	1	325
811122	Auto Glass Repair	2	267
811191	Auto Oil Change & Lube	2	356
811192	Vehicle Repair, Wash & Detailing	5	444
Total		55	8624

The Total Base Goal for Step 1 is therefore calculated by

Total Number of ACDBE divided by Total All Firms

$$55 / 8624 = 0.64\% \text{ for Step 1.}$$

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

The State of California Uniform Certification Program ACDBE Directory:

<https://ucp.dot.ca.gov>

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 California:

<http://www.thebluebook.com>

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 car rental concessions of: 0.64%.

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.

Past History Participation

Historical ACDBE accomplishments for car rental concessions at the Ontario International Airport are as follows:

FY	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY 19	3.50%	0.00%	3.50%	3.50%	22.94%	26.44%
FY 20	3.50%	0.00%	3.50%	3.50%	0.14%	3.64%
FY 21	3.50%	2.91%	6.41%	1.45%	0.00%	1.45%
FY 22	3.50%	2.91%	6.41%	2.96%	4.10%	7.06%
FY 23	3.50%	2.91%	6.41%	3.50%	3.26%	6.76%

*Source Data FAA Civil Rights Connect

Considering the RC participation and arranging this historical data of RC DBE accomplishments from low to high, (1.45%, 3.64%, 6.76%, 7.06%, 26.44%) we arrive at a central tendency or median accomplishment of 6.76%. To arrive at an adjusted RC goal, we added our Step 1 base figure (0.64%) with our Step 2 adjustment figure (6.76%) and then averaged the total arriving at an overall adjusted goal of 3.70%. It is noted that this goal compares to other nearby peer airports.

OIAA does not anticipate any new car rental concessions agreements during the next triennium thus we anticipate the overall ACDBE participation to remain consistent. As per 49 CFR Part 23, OIAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation.

It is noted, 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, therefore no adjustment will be made due to disparity studies.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

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

ACDBELO – Jamaal P. Avilez, Chief Administrative Officer

Ontario International Airport Authority

1923 E. Avion Street

Ontario, CA

909.544.5487 (Direct Line)

JAvilez@flyontario.com

No comments were received.

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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.*

OIAA estimates that, in meeting our overall car rental goal of 3.70%, we will obtain 3.70% from race-neutral participation and 0.00% through race-conscious measures.

4. *To the extent OIAA has met ACDBE goals in the past uniform reporting.*
5. *Proactively working with Concession vendors to increase awareness and encourage extension of race-neutral business assistance efforts;*
6. *Information obtained through consultation with stakeholders;*

The following is a summary of the basis of the RN and RC participation

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 Ontario International Airport Authority has a history of ACDBE participation through race neutral measures as well as the use of ACDBE contract goals. ACDBE participation at ONT continues to increase after the pandemic to nearly pre-pandemic levels. Therefore, based on recent performance data and on-going contractual requirements, OIAA is splitting the ACDBE Goal of 3.70% between 3.70% to race-neutral participation and 0.00% race-conscience participation to match recent history of achievements. We will monitor this breakdown in this triennium and may make adjustments if necessary.