

FY 2023 - 2024

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE
PROGRAM METHODOLOGY- Non-Car Rentals



GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
FLETCHER, NORTH CAROLINA

With Assistance From



September 2022

ACDBELO Revised December 2023

METHODOLOGY for Establishing the FY 2023 – FY 2024 Airport Concession
Disadvantaged Business Enterprise (ACDBE) Goal for:

Asheville Regional Airport, Fletcher, NC (49 CFR Part 23)

In fulfillment of the requirements of 49 CFR Part 23, the Greater Asheville Regional Airport Authority (GARAA) has developed a proposed Overall Goal for FY 2023 – FY 2024 for Non-Car Rentals.

General Information:

Airport Sponsor: **Greater Asheville Regional Airport Authority**

Airport: **Asheville Regional Airport**

ACDBELO: **Kathy Price**

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I. Amount of Goal

Greater Asheville Regional Airport Authority's overall goal for concessions other than car rentals (i.e. non-car rental) during the period beginning October 1, 2022 and ending September 30, 2024 is the following:

Overall Goal:	<u>2.59%</u>
Race-Neutral:	<u>0.00%</u>
Race-Conscious:	<u>2.59%</u>

The goal is based on the total gross receipts for concessions at the Asheville Regional Airport. The following are not included in the total gross receipts for 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.

The concession revenues anticipated during this goal period for all non-car rental concessions is **\$9,758,883**. If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Airport will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

Table 1: Concession Lease Dates

Concession Type	Concession	Beginning Lease Date	Ending Lease Date
Food/Beverage & News/Gifts	Paradies	1/1/2020	6/30/2030
ATM	Banking	Month to Month	Month to Month
Vending	Fuel ROD	7/1/2019	6/30/2024

A. Projected Concessions Opportunities: October 1, 2022 – September 30, 2024

Concession revenue opportunity for the 2-year period is based upon the gross receipts for FY 2021 (see Table 1 for concession types). The total gross receipts for FY 2021 for “all other” (non-car rental) concessions was **\$4,657,747**. This base number was increased by 3.0% of the expected growth for FY 2023 and increased 3% each subsequent year for a total **non-car rental concessions base of \$9,738,883**. See Table 2 for concession information below.

Table 2: Projected Gross Receipts for “All Other” (Non-Car Rental Concessions)

Fiscal Year	Projected Gross Receipts
FY 2023	\$4,797,479
FY 2024	\$4,941,404
Total	\$9,738,883

B. Determination of Market Area

The market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located.

Based upon this definition and information available to the Airport, the market area for “all other” or non-rental car concessions is the state of North Carolina, in Table 3 below.

Table 3: Non-Car Rental Market Area

Market Area
North Carolina

II. Methodology used to Calculate Overall Goal

A. Goods and Services

GARAA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in non-car rental concessions business conducted at the Airport. The Airport, and the non-car rental concessionaires 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.

B. Management Contract or Subcontract

GARAA can meet the percentage goal by including any non-car rental concessions operated through a management contract or subcontract with an ACDBE. GARAA, and the non-car rental concessions at the Airport, 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.

C. Step 1: 23.51 (c)

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

The Step 1 DBE Base Figure was determined by dividing the number of ACDBE firms available by the total number of firms available to determine the relative availability of ACDBEs for each concession type. That relative availability was multiplied by the percentage of total estimated revenue to determine the weighted availability of ACDBEs in the Airport's market area for each concession type as indicated in **Table 4** below.

**Table 4: Determination of Relative Availability of
ACDBEs (Non-Car Rental)**

NAICS	Concession Type/Group	NAICS Codes	ACDBES	All Firms	Availability	x	Projected Revenue	=	Projected FY 23-24 DBE Participation
453220	News & Gifts	453220			5.00%	x	\$1,034,015	=	\$51,701
454210	Vending	454210	4	120	3.33%	x	\$24,468		\$816
522110	ATM	522110	0	2814	0.00%	x	\$199,894	=	\$0
722513	Food & Beverage	722513			5.00%	x	\$8,480,507	=	\$424,025
Total							\$9,738,883		\$476,542
Step 1 Base Figure									4.89%

Sources:

1. North Carolina Unified Certification Program, DBE Directory, July 2022.
2. US Census Bureau, 2020 County Business Patterns.

Concessions that are shaded do not have opportunities. Their projected participation was used as availability.

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above was used to determine the numerator, or the number of DBE firms in the market area.

The Step 1 base goal for “all other” (i.e. non-car rental) ACDBEs is **4.89%**.

D. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, in Table 4 above, GARAA examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

The data used to determine the adjustment to the base figure was: Past Participation

GARAA evaluated the current capacity of ACDBEs to perform work in the concessions program by measuring the volume of work ACDBEs have performed in the past.

The historical ACDBE accomplishments at the Airport in recent years were examined relative to the above consideration (i). Specifically, the annual “Uniform Report of ACDBE Participation” for the reporting periods listed below was assessed. Notice the annual ACDBE accomplishment percent for each year, and the median for the periods reported.

**Table 5: Asheville Regional Airport ACDBE
Accomplishments for FY 2019 - FY 2021**

Report Period	ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
2019	2.00%	0.28%	-1.72%
2020	6.00%	0.41%	-5.59%
2021	1.10%	0.25%	-0.85%
Median	2.00%	0.28%	-1.72%

Source: Uniform Report of ACDBE Participation, Asheville Regional Airport.

The median ACDBE accomplishment for the reporting periods as shown above is **0.28%**, compared to the Step 1 DBE base figure for the Airport of **4.89%**. This seems to indicate that the Step 1 base figure over-estimates ACDBE capacity at the Airport.

E. Adjustment of the Step 1 Goal

In order to reflect as accurately as possible ACDBE capacity, GARAA will adjust the Step 1 DBE base figure of **4.89%** by averaging it with the ACDBE participation noted in Table 5 above (**0.28%**), for a final adjusted overall goal of **2.59%**.

III. Consultation with Stakeholders (23.43)

Before establishing the ACDBE Non-Car Rental goal, GARAA consulted with small, minority and women-owned business development organizations including current airport concessionaires, without limiting consultation to these persons or groups, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and GARAA's efforts to establish a level playing field for the participation of ACDBEs. Please see Attachment B for comments from the consultation process.

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

GARAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. GARAA uses the race-neutral measures below to increase ACDBE participation. GARAA understands that it will be expected to actually take these steps, and this is not merely a paper exercise.

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. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

GARAA proposes a race-conscious goal of 2.59% and a race-neutral goal of 0.0%. The reason for this projected split is that the historical information on DBE participation showed that the median amount by which the goals were under achieved over the previous three years was 1.72%. Therefore, GARAA expects to meet the entire goal using race-conscious measures.

If GARAA projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, it will use the following race-conscious measures to meet the overall goal:

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

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if GARAA uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and 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:

- a) ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures;
- b) ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goals;
- c) ACDBE participation on a prime contract exceeding a concession specific goal; and
- d) ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE in making the award.

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

Appendix A: Resource Listing

A. Resource Documents:

1. North Carolina Unified Certification Program, DBE Directory.
2. US Census Bureau, 2020 County Business Patterns.
3. Uniform Report of ACDBE Participation.

Appendix B: Greater Asheville Regional Airport Authority – ACDBE Stakeholder Meeting – August 29, 2022

Summary of Meeting: Wilfred Nixon, of Ken Weeden & Associates gave a PowerPoint presentation that covered and explained the following:

- Background, purpose, and goal requirements of the FAA-ACDBE program.
- Overview of the ACDBE goal methodology and basic requirements, such as use of most refined data, identification of a normal market area, and employment of a two-step process in establishing the overall 2-year ACDBE goals.
- Calculation of the base-figure goal (step 1), and adjusted goal (step 2), through “weighting” and consideration of indicators of “capacity”.

Questions/Comments

1. **Is there a NAICS code for cleaning companies? Where does that play a role in the percentage of opportunities as far as ACDBEs?**

Non-car rental goals are based on ownership participation. Car rental goals are based on goods and services. If a concessionaire uses your services and you are a certified ACDBE, your services can be counted toward the ACDBE goal.

**Stakeholder Meeting
Attendee List**

Name	Organization
Andre Caulton	AC Pro Cleaning and Environmental Services
Benjamin Harris	Harris Services of NC
Dana Campbell Latimer	Financial Compliance Group Inc.
Faith Quilling	Paradies Lagardere
Joesph Lau	Paradies Lagardere
Phil Otto	Enterprise Holdings
Rita Yanz	Greater Asheville Regional Airport Authority
Chris Madsen	Greater Asheville Regional Airport Authority
Falah-Al-Hadid	Technical Resolution LLC
Nikki Jefferies	Ken Weeden & Associates
Wilfred Nixon	Ken Weeden & Associates