

FY 2014-2016 Airport Concession DBE Goal Methodology  
(Car Rental Concessions)  
for



Asheville Regional Airport  
Asheville, NC

With Assistance From



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November 2013

**METHODOLOGY** for Establishing the FY 2014 – FY 2016 Airport Car Rental Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

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

*In fulfillment of the requirements of 49 CFR Part 23, the Greater Asheville Regional Airport Authority has developed a proposed Overall Goal for FY 2014 – FY 2016 for Car Rentals Concessions.*

**I. Amount of Goal**

The Greater Asheville Regional Airport Authority’s overall car rental goal for the period beginning October 1, 2013 and ending September 30, 2016, is the following: **2.4%** of the total gross receipts of car rental operations at the Asheville Regional Airport.

There are no new car rental concession opportunities anticipated for this time period. If any additional car rental concession opportunities arise prior to the end of this goal period and the estimated average of annual gross receipts are anticipated to be \$200,000 or greater, the Authority will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

The Authority has determined that its market area for car rental concessions is Buncombe County and Henderson County, North Carolina. The market area is usually 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 a substantial majority of concessions related receipts are located.

**A. Projected Concessions Opportunities: October 1, 2013 - September 30, 2016**

Concessions opportunity for the 3-year period is based upon the gross receipts for the preceding three years. The table below describes the gross concession receipts for that period.

**Table 1: Gross Receipts for Car Rental Concessions for FY 2014-2016**

<b>Fiscal Year</b>	<b>Car Rental Concessions</b>
FY 2010	\$11,478,379
FY 2011	\$11,646,637
FY 2012	\$11,501,933
<b>Total</b>	<b>\$34,626,949</b>

*Source: Airport, compiled by KWA*

Based on the information provided in the table above, the total gross receipts for the three (3) year period for car rental concessions is \$34,626,949. This base number

was multiplied by 3.0% expected growth in car rental concessions receipts at the airport for a total **car rental concessions base** of **\$35,665,758**.

**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 receipts are located.

Based on discussions with the Authority and reviewing the location of current vendors for Car Rental Concessions the normal market area was determined to be Buncombe County and Henderson County, North Carolina.

**Table 2: Market Area for Car Rental Concessionaires**

<b>County</b>	<b>Vendors</b>	<b>Percent of Vendors</b>
Buncombe	6	66.7%
Henderson	3	33.3%
<b>Total</b>	<b>9</b>	<b>100.0%</b>

**II. Methodology used to Calculate Overall Goal**

**A. Goods and Services**

The Authority can meet the percentage goal by including the purchases from ACDBEs of goods and services used in business 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.

**B. Management Contract or Subcontract**

The Authority can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The businesses 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 receipts 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)

The Authority determined the base figure for the relative availability of car rental ACDBEs. The Step 1 base goal for car rental ACDBEs is **2.4%**. 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 as indicated in **Table 3** below.

**Table 3: Determination of Relative Availability of ACDBEs  
(suppliers of goods and services)**

Concession Type	NAICS Code	ACDBE Firms	All Firms	% of ACDBE Firms Available
Motor Vehicle Supplies	423120	6	247	2.4%
Automobile Parts and Accessories	441310			
General Automotive Repair	811111			
Automobile Body Repair	811121			
Automobile Detailing	811192			

Source:

1. North Carolina UCP DBE Directory, October 2013
2. State of North Carolina, HUB Vendor Link, October 2013.
3. 2011 County Business Patterns, US Census Bureau.

**D. Step 2:** 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Authority 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:

**1. Past participation**

The Authority has no recent past ACDBE utilization history available with which to adjust the ACDBE base figure.

**2. Disparity Study**

The Asheville Regional Airport Authority is not aware of any disparity studies that have been conducted in the Asheville area.

**E. Adjustment of the Step 1 Base Figure**

In order to reflect as accurately as possible the ACDBE participation the Authority would expect in the absence of discrimination, the base figure was not adjusted. The Authority chose not to adjust the base figure because there is no recent past ACDBE

utilization or other data which to adjust the goal. The overall goal for car rental concessions is 2.4%.

### **III. Consultation with Stakeholders (23.43)**

Before establishing the ACDBE Car Rental concessions goal, the Airport consulted with stakeholders in its concession program to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Airport's efforts to establish a level playing field for the participation of ACDBEs.

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

The Authority will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Authority uses the race-neutral measures listed below to increase ACDBE participation. The Authority 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.
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.

The Authority estimates that, in meeting its overall goal of 2.4%, it will obtain 0.0% from race-neutral participation and 2.4% through race-conscious measures. The reason for this projected split is there is no recent past ACDBE utilization or other data which to project a race-neutral split. Therefore, the Authority expects to meet its entire overall goal using race-conscious means.

If the Authority 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. Utilize, 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 the Authority 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 the Authority 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.

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

**Resources: Asheville Regional Airport FY 2014 - 2016 Airport Concession DBE Program Methodology (Car Rental Concessions)**

**Resource Documents:**

1. North Carolina UCP DBE Directory
2. North Carolina Office for Historically Underutilized Businesses Vendor Directory
3. U.S. Census County Business Patterns