

FY 2023 - 2024

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE
PROGRAM METHODOLOGY- Car Rentals



GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
FLETCHER, NORTH CAROLINA

With Assistance From



September 2022

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 Car Rentals.

General Information:

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

Airport: **Asheville Regional Airport**

DBELO: **Rita Yanz**

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I. Amount of Goal

Greater Asheville Regional Airport Authority's overall goal for car rental concessions during the period beginning October 1, 2022, and ending September 30, 2024, is the following:

Overall Goal:	<u>2.07%</u>
Race-Neutral:	<u>0.32%</u>
Race-Conscious:	<u>1.75%</u>

If additional car rental concession opportunities arise prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, GARAA 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

Car Rental	Beginning Lease Date	Ending Lease Date
Avis	1/1/2020	6/30/2030
Budget	1/1/2020	6/30/2030
Hertz	1/1/2020	6/30/2030
Thrifty	1/1/2020	6/30/2030
National-Alamo	1/1/2020	6/30/2030
Enterprise	1/1/2020	6/30/2030

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

The projected expenditures on goods and services for the 2-year period is based upon the expenditures for FY 2021 for car rental companies in Table 1 above. The expenditures for FY 2021 for car rental concessions was **\$17,678,886**. This base number was increased by 3.0% of the expected growth for FY 2023 and increased 3% each subsequent year for a total **car rental concessions base** of **\$36,964,783** listed in Table 2 below.

Table 2: Projected Car Rental Expenditures

Fiscal Year	Projected Expenditures
2023	\$18,209,253
2024	\$18,755,530
Total	\$36,964,783

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 GARAA are located in the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located.

GARAA believes that although firms that are currently doing business with the Airport are located nationally, Airport Concession Disadvantaged Business Enterprises (ACDBE) that would participate would be more local, especially for the purchase of goods and services. Therefore, GARAA is proposing to use the State of North Carolina as the market area, in Table 3 below.

Table 3: 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 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

GARAA can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. GARAA, and 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 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)

GARAA determined the base figure for the relative availability of car rental ACDBEs. 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 4** below.

**Table 4: 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	109	8217	1.33%
Car Dealer	441110			
Tire Dealers	441320			
Insurance	524126			
Auto Repair	811111			
Auto Body Repair	811121			
Car Washes	811192			

Sources:

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

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 car rental ACDBEs is **1.33%** (see Table 4 above).

C. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, 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 car-rental concessions program by measuring the volume of work ACDBEs have performed in the past.

Specifically, the annual “Uniform Report of ACDBE Participation” for the reporting periods listed below in Table 5, 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	Approved ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
2019	2.50%	6.99%	4.49%
2020	2.50%	2.72%	0.22%
2021	2.50%	2.82%	0.32%
Median	2.50%	2.82%	0.32%

Source: Uniform Report of ACDBE Participation

The median ACDBE accomplishment for the reporting periods as shown in Table 5 is **2.82%**, compared to the Step 1 DBE base figure for the airport of **1.33%**. This may indicate that the Step 1 base figure underestimates ACDBE capacity at the Airport.

D. Adjustment of the Step 1 Base Figure

In order to reflect as accurately as possible ACDBE capacity, the Airport will adjust the Step 1 DBE base figure of **1.33%** by averaging it with the ACDBE participation noted in Table 5 above (**2.82%**), for a final adjusted overall goal of **2.07%**.

III. Consultation with Stakeholders (23.43)

Before establishing the ACDBE 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 Appendix 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 listed below to increase ACDBE participation. GARAA understands that it will be expected to 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.

GARAA proposes a race-conscious goal of 1.75% and a race-neutral goal of 0.32%, for a total of 2.07%. The reason for this projected split is that the historical information on DBE participation showed that the median amount by which the goals were over-achieved over the previous three years was 0.32%.

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. 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 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 GARAA 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 goal;

- 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 status 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 A: 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