

**FY 2020 - 2022**

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE  
PROGRAM METHODOLOGY- Car Rentals



**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
FLETCHER, NORTH CAROLINA

With Assistance From



Ken Weeden & Associates, Inc.

**September 2019**

**METHODOLOGY** for Establishing the FY 2020 – FY 2022 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 2020 – FY 2022 for Car Rentals.

**General Information:**

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

**Airport:** **Asheville Regional Airport**

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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, 2019 and ending September 30, 2022 is the following:

Overall Goal:	<b><u>2.5%</u></b>
Race-Neutral:	<b><u>1.9%</u></b>
Race-Conscious:	<b><u>0.6%</u></b>

There are new car rental concession opportunities anticipated for this time period. 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, the he 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	Month to Month	Month to Month
Budget	Month to Month	Month to Month
Hertz	Month to Month	Month to Month
Thrifty	Month to Month	Month to Month
National-Alamo	Month to Month	Month to Month
Enterprise	Month to Month	Month to Month

**A. Projected Concessions Opportunities: October 1, 2019 - September 30, 2022**

The projected expenditures on goods and services for the 3-year period is based upon the expenditures for FY 2018. The expenditures for FY 2018 for car rental concessions was **\$5,407,510**. This base number was increased by 3.0% the expected growth for FY 2020 and increased 3% each subsequent year for a total **car rental concessions base of \$1,841,836**.

**Table 2: Projected Car Rental Expenditures**

Fiscal Year	Projected Expenditures
2020	\$1,897,091
2021	\$1,954,004
2022	\$2,012,624
Total	\$5,863,719

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

The 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, the GARAA is proposing to use the State of North Carolina as the market area.

**Table 3: Car rental market area**

North Carolina
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## **II. Methodology used to Calculate Overall Goal**

### **A. Goods and Services**

GARAA is using the alternative goal approach of Section 23.51(c)(5)(ii), since all or most of the goal is likely to be met through the purchases by car rental companies of vehicles or other goods and services from ACDBEs.

### **B. Management Contract or Subcontract**

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

The 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)**

<b>Concession Type</b>	<b>NAICS Code</b>	<b>ACDBE Firms</b>	<b>All Firms</b>	<b>% of ACDBE Firms Available</b>
Motor Vehicle Supplies	423120	20	6,133	<b>0.3%</b>
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, 2016 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 **0.3%**.

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

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

1. **Past participation** – the 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 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 2016 - FY 2018**

<b>Report Period</b>	<b>Approved ACDBE Goal</b>	<b>Total ACDBE % Achieved</b>	<b>Achieved Over/Under</b>
2016	0.0%	0.0%	0.0%
2017	2.5%	4.7%	2.2%
2018	2.0%	7.4%	5.4%
<b>MEDIAN</b>	<b>2.0%</b>	<b>4.7%</b>	<b>2.2%</b>

Source: Uniform Report of ACDBE Participation,

The median ACDBE accomplishment for the reporting periods as shown above is **4.7%**, compared to the Step 1 DBE base figure for the airport of **0.3%**. This may indicate that the Step 1 base figure underestimates ACDBE capacity at the Airport.

**2. Disparity Study**

The City of Asheville completed a disparity study in 2018. After reviewing the disparity study, the GARAA determined that there was no information in the disparity study related to airport concessions.

**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 0.3% by averaging it with the ACDBE participation noted in Table 4 above (**4.7%**), for a final adjusted overall goal of **2.5%**.

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

Before establishing the ACDBE Car Rental goal, the 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 the 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**

The GARAA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The GARAA uses the race-neutral measures listed below to increase ACDBE participation. The 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.
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 Airport Authority proposes a race-conscious goal of 0.6% and a race-neutral goal of 1.9%, for a total of 2.5%. 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 2.2%.

If the 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 the 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 the 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: 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 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, 2016 County Business Patterns.
3. Uniform Report of ACDBE Participation.