

## AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE FY2017-2019 GOAL METHODOLOGY

**Airport Name**  
**Airport Sponsor**  
**Goal Period**

**Friedman Memorial Airport**  
**Friedman Memorial Airport Authority**  
**FY 2017-2019**

Friedman Memorial Airport Authority as a recipient of federal grant funds is required to establish goals for ACDBE participation in airport concession opportunities. The goals are determined for a three-year overall period on an annual basis. Goals are determined separately for non-car rental concessions and car rental concessions.

### OVERALL GOAL CALCULATION FOR CONCESSIONS OTHER THAN CAR RENTALS

**Name of Recipient:** Friedman Memorial Airport, Hailey, Idaho.

**Goal Period:** FY 2017-2018-2019 – October 1, 2017 through September 30, 2019.

Because the average annual revenues for concessions other than car rentals over the preceding three years do not exceed \$200,000, Friedman Memorial Airport is not required to submit overall goals. The projected average annual revenues for concessions other than car rentals for the three-year goal setting period FY2017-2019 also do not exceed \$200,000. See the table below:

#### Gross Receipts for Non-Car Rental Concessionaires

Fiscal Year	Actual Gross Receipts				
	Advertising	Vending	Food Service	ATM	Total
2014	\$33,800	\$19,407	\$0	\$310	\$53,517
2015	\$33,294	\$21,371	\$0	\$774	\$55,439
2016	\$51,437	\$34,094	\$15,000	\$899	\$101,430
Total	\$118,530	\$74,872	\$15,000	\$1,983	\$210,385
3-Year Average	\$39,510	\$17,827	\$5,000	\$661	\$70,128
	Projected Gross Receipts				
2017	\$52,000	\$35,000	\$0	\$2,100	\$89,100
2018	\$53,040	\$35,700	\$16,130	\$2,142	\$107,012
2019	\$54,101	\$36,414	\$16,453	\$2,185	\$109,152
Total	\$159,141	\$107,114	\$32,583	\$6,427	\$305,264
3-Year Average	\$53,047	\$35,705	\$10,861	\$2,142	\$101,755

The following are not included in the total gross receipts for non-car rental 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 not generated from a concession.

## OVERALL GOAL CALCULATION FOR CAR RENTALS

**Name of Recipient:** Friedman Memorial Airport, Hailey, Idaho.

**Goal Period:** FY 2017-2018-2019 – October 1, 2017 through September 30, 2019.

**Overall Three-Year Goal:** 0.2%, to be accomplished through 0.0% RC and 0.2% RN.

**Market Area:** The market area is 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 that receive a substantial majority of concessions related revenues are located.

Friedman Memorial Airport has determined the market area for car rental concessions as follows:

The market area for Automotive Parts and Supply Stores, Office Supply Stores, General Automotive Repairs, Automotive Body and Interior Repair, and Automotive Detail Shops is considered to be Blaine and Twin Falls Counties, Idaho.

The market area for New Car Dealers and Professional employer organizations (Drivers) is considered to be Idaho statewide and Utah statewide.

The following table shows the total number of firms and the number of ACDBE firms in the market area described for each of the various type of car rental concessionaires.

### Marker Area for Car Rental Concessionaires ACDBEs

Car Rental Commodity	NAICS Code	Blaine County		Twin Falls County		Idaho Statewide		Utah Statewide	
		All	ACDBE	All	ACDBE	All	ACDBE	All	ACDBE
New Car Dealers	441110					119	0	179	0
Automotive parts and supply stores	441310	5	0	11	0				
Office Supply Stores	453210	2	0	3	0				
Professional employer organizations (Drivers)	561330					30	0	95	1
General Automotive Repairs	811111	13	0	33	0				
Automotive Body and Interior Repair	811121	6	0	13	0				
Automotive detail shops	811192	3	0	10	0				

To calculate the base of the goal Friedman Memorial Airport considered the previous three years of gross car rental receipts and the projected potential car rental revenue (gross receipts) three years into the future.

**Gross Receipts for Car Rental Concessionaires**

Fiscal Year	Actual Gross Receipts			
	Avis	Hertz	Enterprise	Total
2014	\$1,188,897	\$1,781,914	\$820,661	\$3,791,472
2015	\$1,214,735	\$1,956,295	\$943,839	\$4,114,869
2016	\$1,308,070	\$2,125,617	\$1,332,300	\$4,765,987
Total	\$3,711,702	\$5,863,826	\$3,096,800	\$12,672,328
3-Year Average	\$1,237,234	\$1,954,608	\$1,032,267	\$4,224,109
2017	\$1,336,500	\$2,187,000	\$1,336,500	\$4,860,000
2018	\$1,363,000	\$2,231,000	\$1,363,000	\$4,957,000
2019	\$1,390,500	\$2,275,000	\$1,390,500	\$5,056,000
Total	\$4,090,000	\$6,693,000	\$4,090,000	\$14,873,000
3-Year Average	\$1,363,333	\$2,231,000	\$1,363,333	\$4,957,666

Friedman Memorial Airport estimates that FY2017 car rental concession revenue projections will grow by 2% each year for FY2018 and FY2019 due to inflation.

**Methodology Used to Calculate Overall Goal.**

Goods and Services.

The Friedman Memorial Airport 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) DETERMINING A BASE FIGURE FOR THE OVERALL GOAL.**

The Friedman Memorial Airport calculated the base figure for the relative availability of car rental ACDBEs as follows:

**Numerator:** Ready, willing, and able car rental ACDBEs in the market area.

**Denominator:** All ready, willing and able car rental concession firms in the market area.

The Step 1 Base Figure was determined by dividing the numerator by the denominator.

**Relative Availability of Car Rental Concessionaires ACDBEs**

Type of Concession	NAICS Code	Firms		ACDBE Availability
		All	ACDBE	
New Car Dealers	441110	298	0	0.00%
Automotive parts and supply stores	441310	16	0	0.00%
Office Supply Stores	453210	5	0	0.00%
Professional employer organizations (Drivers)	561330	125	1	0.80%
General Automotive Repairs	811111	46	0	0.00%
Automotive Body and Interior Repair	811121	19	0	0.00%
Automotive detail shops	811192	13	0	0.00%
Total		522	1	0.20%
Step 1				0.20%

The data source for the numerator was:

The DBE directory used to gather specific ACDBE firm information is from the Idaho Transportation Department updated May 2017.

The data source for the denominator was:

In the market area the numbers of firms doing business with the same NAICS Code as type of concession was counted. Information as to total available firms based on NAICS Code is from the United States Census Bureau, American Fact Finder (2015).

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: 0.2%.

**Step 2: 23.51(d) ADJUSTING THE BASE FIGURE.**

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal.

**Past History Participation**

No actual ACDBE participation has been recorded at the Airport in the past three years. Because of the lack of historical ACDBE data to reference to make an adjustment to the Step 1 base figure, Friedman Memorial Airport is adopting its Step 1 base figure as its overall goal for this 3-year goal period.

**Disparity Study**

There is no data available from a current disparity study to consider in setting or adjusting goals. The Idaho Transportation Department is currently conducting a disparity study to be completed in calendar year 2017. Upon completion, the ITD disparity study will be considered in calculating future goals.

## **PUBLIC PARTICIPATION**

### **Consultation**

The airport conducted a teleconference with interested stakeholders to obtain information relevant to goal setting. ACDBEs certified by the Idaho Transportation Department, existing concessionaires, minority, women, trade and small business development groups in the region were invited by email on June 1, 2017 to participate. The teleconference was held on June 8, 2017 at 2:00 p.m. During the teleconference, the methodology used to establish goals was presented and discussed with participants. No recommendations were made to modify the methodology used to establish goals. As the teleconference discussion did not provide any recommendations for goal setting different than the process currently being used, no subsequent adjustment of the goals was made.

Efforts for increasing ACDBE participation that were discussed during the teleconference included: conducting information or outreach meetings to discuss concession opportunities, and sending emails to concessionaires (both ACDBE and non-ACDBE) in the region informing them in advance of concession opportunities.

Future goals will include input from the same sources used to set the goal for this year and will include consultation with local minority, women or trade groups to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and efforts to establish a level playing field for the participation of DBEs.

### **Public Notice**

A notice announcing the proposed overall goal and the goal-setting methodology are available for public review and comment was published on the Airport's website.

## **Friedman Memorial Airport Overall ACDBE Goal Calculation for Car Rentals: 0.2%**

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

Friedman Memorial Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Friedman Memorial Airport uses the following race-neutral means to increase ACDBE participation.

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; and
7. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.

We estimate that, in meeting our overall goal of **0.2%**, we will obtain **0.2%** from race-neutral participation and **0.0%** through race-conscious measures. Friedman Memorial Airport does not have sufficient evidence of discrimination or its effects from which to set race-conscious goals.

The Idaho Transportation Department disparity study, to be completed in calendar year 2017, will be considered by the Friedman Memorial Airport in calculating future goals. If necessary, the Friedman Memorial Airport will adjust the three-year goals or implement race-conscious ACDBE contract goals to obtain its overall goal.

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.