
Overall Goal Calculation for Car Rental Concessions FY 2023-25

Name of Recipient: **Friedman Memorial Airport Authority**

Name of Airport(s): **Friedman Memorial Airport**

Goal Period: **FY 2023-25 (10/1/2022 through 9/30/2025)**

Overall Three-Year Goal: **1.3%, to be accomplished through 0.0% Race Conscious and 1.3% Race Neutral**

Goal Based on Goods and Services Purchases - Determination

Upon review of the market, it appears that all or most of the goal is likely to be met through the purchases by car rental companies of vehicles or other goods/services from ACDBEs. This is because no certified ACDBE car rental companies exist within the market. As such, Friedman Memorial Airport Authority has structured the goal entirely in terms of the purchases of goods and services.

We determined the goal based on outreach for the purchases of goods and services from certified ACDBE firms and/or potential ACDBE firms in the market area. This basis is in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the airport. We will make a good faith effort to pursue opportunities to meet the goods and services goal. We will continue to consult and work with the State DOT & UCP, our car rental concessionaires at the airport, similarly situated airports in our region, minority and women businesses in the State, minority serving institutions, local pro-business organizations, and targeted media publications to find prospective ACDBE firms. We will work with our car rental companies to strategize outreach to State DOT & UCP certified ACDBEs that may be able to provide car rental goods and services, to encourage current vendors who may be eligible for ACDBE certification to apply, and to encourage firms already working at the airport but certified as ACDBE in other states, to apply via the interstate certification process. The State DOT & UCP is aware of this requirement and is on board to assist and process certifications as required by 49 CFR Subpart C.

We have the following car rental agencies operating at the airport: Enterprise, Hertz, Avis, and Budget

After collaboration and discussion with Friedman Memorial Airport Authority, car rental company concessionaires at the airport stated that the goods and services they may need in the goal period are: Automobile Parts, Car Dealers, Legal, Accounting, Advertising, Towing, Oil Change Services, Office Supplies, Auto Repair Services, Insurance Services, Tires, and Professional Driver Services.

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

Friedman Memorial Airport Authority has determined that its market area for Friedman Memorial Airport is the State of Idaho for most services, and the United States for car dealers, credit card processing, insurance, and professional drivers.

Base of the goal

To calculate the base of the goal, Friedman Memorial Airport Authority considered the previous 3 years of car rental expenditures/purchases and the projected potential car rental expenditures/purchases three years into the future.

Car Rental Companies Goods and Services Purchases for Previous 3 Years

Year	Car Rental Companies Goods and Services Purchases	Increase/Decrease
2020	\$2,261,560	
2021	\$3,245,157	43%
2022	\$3,894,188	20%
	Average Increase:	32%

Friedman Memorial Airport Authority estimates expenditures will grow by an average of 1% each year over the next three years due to Increased passenger traffic due to economic recovery.

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2023	1%	\$3,933,130
2024	1%	\$3,972,461
2025	1%	\$4,012,186
Three-Year Total Gross Receipts:		\$11,917,777
Average Annual Growth Rate:		1%

$\$3,933,130 + \$3,972,461 + \$4,012,186 = \mathbf{\$11,917,777}$ which is the recipient's base of goal for car rental goods and services purchases.

The following are not included in this base: (a) non-car rental operations.

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 Friedman Memorial Airport Authority will submit to the FAA 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))

Step 1 - Actual Relative Availability of ACDBEs - §23.51 (c)

We determined the base figure for the relative availability of ACDBEs for car rental goods and services purchases. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area
 _____ divided by _____

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

The data source(s) used in the calculation included:

- State UCP Data showing the number of ACDBEs that are certified within the market area (<https://itd.dbesystem.com/?TN=itd>)
- Census Bureau Data (<https://data.census.gov/cedsci/>)

The calculation and explanation for this is as follows:

Concession Activity	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability
Accounting	541211	0	464	0.0%
Advertising Services	541810	1	62	1.6%
Auto parts	441310	0	259	0.0%
Bulk fuel	424710	0	40	0.0%
Car dealers	441110	0	21383	0.0%
Credit card processing	522320	0	5407	0.0%
Durable goods	423990	0	48	0.0%
Insurance	524210	1	134902	0.0%
Legal	541110	0	846	0.0%
Passenger car rental	532111	0	9602	0.0%
Professional Drivers	561330	1	3498	0.0%
Tire dealers	441320	0	175	0.0%
Towing	488410	0	62	0.0%
Average ACDBE Availability:				0.1%

When we calculated the average availability, we arrived at the Step 1 base figure for our overall goal for car rental concessions of **0.1%**.

Step 2 Adjustment

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure to arrive at the overall goal. The data used to determine the adjustment to the base figure was the historic ACDBE Participation achievements.

Past History Participation

FY	Race Conscious (%)	Race Neutral (%)	Total Achievement (%)
FY 21	0.0%	1.6%	1.6%
FY 20	0.0%	2.4%	2.4%
FY 19	0.0%	6.1%	6.1%
FY 18	0.0%	0.7%	0.7%
FY 17	0.0%	3.7%	3.7%

Arranging this historical data from low to high (0.66%, 1.64%, 2.38%, 3.72%, 6.06%), the median is **2.4%**, which is our Step 2 figure.

Step 1 Base averaged with historical median: $(0.1\% + 2.4\%) / 2 = 1.3\%$

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of **1.3%**. Friedman Memorial Airport Authority believes this adjusted goal accurately reflects ACDBE participation that can be achieved for the types of concession activities at the airport during this three-year goal period (FY 2023-25).

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

Friedman Memorial Airport Authority will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The airport will use the following race-neutral measures.

We understand that we will be expected to take these steps, and this is not merely a paper exercise.

- Locate and identify ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
- Notify ACDBEs of concession opportunities and encourage them to compete, when appropriate
- When practical, structure concession activities to encourage and facilitate the participation of ACDBEs
- Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process
- Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation

If race-neutral measures, standing alone, are not sufficient to meet an overall goal, the following race-conscious measures will be used to meet the overall goal:

- There will be no ACDBE concession goals set for Friedman Memorial Airport Authority.

Friedman Memorial Airport Authority estimates that, in meeting the overall goal of 1.3%, it will obtain 1.3% from race-neutral participation and 0.0% through race-conscious measures. The reason for the breakout is that Friedman Memorial Airport Authority has been able to achieve its car-rental goal in four of the past five years using race-neutral means only. In FY2021, the airport missed the goal of 2.36% by 0.72%, but still attained 1.64% of RN participation, which exceeds the current adjusted goal of 1.3%.

In order to ensure that Friedman Memorial Airport Authority's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, airport will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race conscious participation will be tracked 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.

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

Consultation

Friedman Memorial Airport Authority routinely meets with stakeholders to increase ACDBE participation. Stakeholders consulted included minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the sponsor's efforts to increase participation of ACDBEs.

Specifically, Friedman Memorial Airport Authority consulted with: Airport concessions and ACDBEs (invited). The consultation was done by teleconference (Teams).

The following comments were received during the consultation: ACDBE participation is a challenge at the airport, and any suggestions were welcome. Participation is most likely to be attained through the purchase of goods and services from certified ACDBEs. Concessions should refer to the ITD Directory for available certified vendors and encourage ACDBEs who are not certified in Idaho to become certified.

Overall Goal Calculation for Non-Car Rental Concessions FY 2023-25

Name of Recipient: **Friedman Memorial Airport Authority**

Name of Airport(s): **Friedman Memorial Airport**

Goal Period: **FY 2023-25 (10/1/2022 through 9/30/2025)**

Overall Three-Year Goal: **0.2%, to be accomplished through 0.0% Race Conscious and 0.2% Race Neutral**

Market Area

Friedman Memorial Airport Authority has determined that the market area for Friedman Memorial Airport is the State of Idaho. 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 in which the firms which receive the substantial majority of concessions-related revenues are located. Additionally, a nationwide market area has been identified for credit card processing and insurance companies.

The concession opportunities anticipated during this goal period for this market area are: Food and beverage, and advertising.

Base of the goal

To calculate the base of the goal, Friedman Memorial Airport Authority considered the most recent previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Year	Non-Car Rental Concessions Gross Receipts
2020	\$209,633
2021	\$322,027
2022	\$307,482

Friedman Memorial Airport Authority estimates that revenues to existing concessions will grow by an average of 1% each year over the next three years due to Increased traffic due to economic recovery.

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2023	1%	\$310,557
2024	1%	\$313,662
2025	1%	\$316,799
Three-Year Total Gross Receipts:		\$941,018
Average Annual Growth Rate:		1%

$\$310,557 + \$313,662 + \$316,799 = \mathbf{\$941,018}$ which is the recipient's base of goal for non-car rental concessions.

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.

If a new concession opportunity arises prior to the end of this goal period, Friedman Memorial Airport Authority will submit to the FAA 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.

Methodology used to Calculate Overall Goal

Friedman Memorial Airport Authority can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. Friedman Memorial Airport Authority, 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 recipient'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.

Friedman Memorial Airport Authority, and the businesses 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.

Friedman Memorial Airport Authority will include goods and services purchases from ACDBEs toward meeting the goal.

Step 1 - Actual Relative Availability of ACDBEs - \$23.51 (c)

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

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area
_____ divided by _____

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

The data source(s) used in the calculation included:

- State UCP Data showing the number of ACDBEs that are certified within the market area (<https://itd.dbesystem.com/?TN=itd>)
- Census Bureau Data (<https://data.census.gov/cedsci/>)

The calculation and explanation for this is as follows:

Concession Activity	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability
Accounting	541211	0	464	0.0%
Advertising	541810	1	62	1.6%
Credit Card Processing	522320	0	5407	0.0%
Food Service	722310	1	84	1.2%
Industrial Launderers	812332	0	5	0.0%
Insurance	524210	1	134902	0.0%
Janitorial	561720	0	545	0.0%
Legal	541110	0	846	0.0%
Limited Service Restaurants	722513	4	1225	0.3%
Parking Lots	812930	0	15	0.0%
Periodical Publishers	511120	0	29	0.0%
Service establishments, equipment and supplies	423850	0	23	0.0%
Vending Machine	454210	0	14	0.0%
Average ACDBE Availability:				0.2%

When we calculated the average availability, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of **0.2%**.

Step 2 Adjustment

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure to arrive at the overall goal. There is not enough historical data on ACDBE participation is available to reference to make an adjustment to the Step 1 base figure; therefore, Friedman Memorial Airport Authority is adopting the Step 1 base figure of **0.2%** as the overall goal for this three-year goal period (FY 2023-25).

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

Friedman Memorial Airport Authority will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Friedman Memorial Airport Authority will use the following race-neutral measures.

We understand that we will be expected to take these steps, and this is not merely a paper exercise.

- Locate and identify ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
- Notify ACDBEs of concession opportunities and encourage them to compete, when appropriate
- When practical, structure concession activities to encourage and facilitate the participation of ACDBEs
- Provide technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing

-
- Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process
 - Establish a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions

If race-neutral measures, standing alone, are not sufficient to meet an overall goal, the following race-conscious measures will be used to meet the overall goal:

- There will be no ACDBE concession goals set for Friedman Memorial Airport Authority.

Friedman Memorial Airport Authority estimates that, in meeting the overall goal of 0.2%, it will obtain 0.2% from race-neutral participation and 0.0% through race-conscious measures. The reason for the breakout is that Friedman Memorial Airport Authority has only recently been required to set non-car rental goals and has not yet established a history of ACDBE participation.

In order to ensure that Friedman Memorial Airport Authority's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, Friedman Memorial Airport Authority will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race-conscious participation will be tracked 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.

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

Consultation

Friedman Memorial Airport Authority routinely meets with stakeholders to increase ACDBE participation. Stakeholders consulted included minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the sponsor's efforts to increase participation of ACDBEs.

Specifically, Friedman Memorial Airport Authority consulted with: Airport concessions and certified ACDBEs (invited). The consultation was done by teleconference (Teams).

The following comments were received during the consultation: ACDBE participation is a challenge at the airport, and any suggestions were welcome. Participation is most likely to be attained through the purchase of goods and services from certified ACDBEs. Concessions should refer to the ITD Directory for available certified vendors and encourage ACDBEs who are not certified in Idaho to become certified.