

**FY 2023 - 2025**

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE  
PROGRAM METHODOLOGY - **Car Rentals**



# **Mobile Airport Authority**

MOBILE, ALABAMA

With Assistance From



**March 2023**

**METHODOLOGY** for Establishing the FY 2023 – FY 2025 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

Mobile Airport Authority, Mobile, AL (49 CFR Part 23)

In fulfillment of the requirements of 49 CFR Part 23, the Mobile Airport Authority has developed a proposed Overall Goal for FY 2023 – FY 2025 for **Car Rentals**.

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**I. Amount of Goal**

Mobile Airport Authority’s overall goal for car rental concessions during the period beginning October 1, 2022 and ending September 30, 2025 is the following:

Overall Goal:	<b><u>0.90%</u></b>
Race-Neutral:	<b><u>0.00%</u></b>
Race-Conscious:	<b><u>0.90%</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 Authority 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**

<b>Car Rental</b>	<b>Beginning Lease Date</b>	<b>Ending Lease Date</b>
Alamo	5/1/2020	4/30/2025
Avis	5/1/2020	4/30/2025
Budget	5/1/2020	4/30/2025
Dollar/Thrifty	2/1/2020	1/31/2025
Enterprise	5/1/2020	4/30/2025
Hertz	5/1/2020	4/30/2025
National	5/1/2020	4/30/2025

**A. Projected Concessions Opportunities: October 1, 2022 - September 30, 2025**

The projected car rental gross receipts for the 3-year period is based upon the gross receipts for FY 2021. The gross receipts for FY 2021 for car rental concessions was **\$14,729,885**. This base number was increased by 3.0% the expected growth for FY 2023 and increased 3% each subsequent year for a total **car rental concessions base of \$46,894,460**.

**Table 2: Projected Car Rental Gross Receipts**

<b>Fiscal Year</b>	<b>Projected Gross Receipts</b>
FY 2023	\$15,171,782
FY 2024	\$15,626,935
FY 2025	\$16,095,743
<b>Total</b>	<b>\$46,894,460</b>

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

The Authority 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 Authority is proposing to use the State of Alabama as the market area.

YES

**Table 3: Car rental market area**

State of Alabama
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Source: Airport; compiled by KWA

## II. Methodology used to Calculate Overall Goal

### A. Goods and Services

The Authority 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

The Authority can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The 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 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 Authority 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
Hardware Merchant Wholesalers	423710	0	75	
Service Establishment Equipment and Supplies Merchant Wholesalers	423850	1	60	
Stationery and Office Supplies Merchant Wholesalers	424120	0	49	
Other Chemical and Allied Products Merchant Wholesalers	424690	5	118	
New Car Dealers	441110	0	335	
Tire Dealers	441320	3	401	
Automobile carrier trucking	484230	7	231	
Insurance	524210	1	1691	
Janitorial	561720	24	676	
Auto Repair	811111	3	891	
Auto Body Repair	811121	2	528	
Auto Oil Change	811191	1	157	
Car Washes	811192	2	226	
<b>Total</b>		<b>49</b>	<b>5438</b>	

Sources:

1. Alabama 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 **0.90%**.

**C. 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 considered 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. The Authority does not have recent ACDBE accomplishment data to evaluate. So, ACDBE accomplishments will not be used as an adjustment factor.

## 2. Disparity Study

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

### D. Adjustment of the Step 1 Base Figure

In order to reflect as accurately as possible ACDBE capacity, The Authority will not adjust the base figure of 0.90%. The overall goal for car rental concessions is 0.90%.

## III. Consultation with Stakeholders (23.43)

Before establishing the ACDBE Car Rental goal, the Authority 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 Authority's efforts to establish a level playing field for the participation of ACDBEs. Please see Attachment B for comments from the consultation process.

### 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 Airport Authority proposes a race-conscious goal of 0.90% and a race-neutral goal of 0.00%, for a total of 0.90%. The reason for this projected split is there is limited historical information from which to project a race-neutral split.

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.

## **Appendix A: Resource Listing**

### **A. Resource Documents:**

1. Alabama Unified Certification Program, DBE Directory.
2. US Census Bureau, 2020 County Business Patterns.
3. Uniform Report of ACDBE Participation.