

Overall Goal Calculation for Car Rental Concessions FY 2021-23

Name of Recipient: **Birmingham Airport Authority**

Name of Airport(s): **Birmingham-Shuttlesworth International**

Goal Period: **FY 2021-23 (10/1/2020 through 9/30/2023)**

Overall Three-Year Goal: **10.0%, to be accomplished through 5.0% Race Conscious and 5.0% Race Neutral**

Goal Based on Gross Receipts - Determination

We have the following car rental agencies operating at the airport: Enterprise, National-Alamo, Hertz, Dollar-Thrifty, Avis, Payless and Budget.

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. Car rental company concessionaires at the airport stated that the goods and services they may need in the goal period are: insurance, keys, oil changing services, auto repair services, tires, housekeeping, etc.

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.

Birmingham Airport Authority has determined that its market area for Birmingham-Shuttlesworth International is the Birmingham MSA which includes the following counties: Jefferson, Bibb, Blount, Chilton, St. Clair, Shelby and Walker.

Base of the goal

To calculate the base of the goal, Birmingham 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	Car Rental Concessions Gross Receipts
2018	\$51,486,191
2019	\$54,085,548
2020	\$29,155,300

Birmingham Airport Authority estimates that revenues to existing concessions will grow by an average of 24% each year over the next three years due to With the pandemic, the Authority feels that we need to adjust our anticipations. We are hopeful that by 2023, the numbers will begin to increase, but for now, we are showing a small increase rental cars, then modest increases..

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2021	15%	\$33,528,595
2022	20%	\$40,234,314
2023	25%	\$50,292,893
Three-Year Total Gross Receipts:		\$124,055,802
Average Annual Growth Rate:		24%

\$33,528,595 + \$40,234,314 + \$50,292,893 = **\$124,055,802** which is the recipient's base of goal for car rental concessions.

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 Birmingham 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:

- Recipient's Active Participant Lists of ACDBEs that have performed work in the past three (3) years.
- State UCP Data showing the number of ACDBEs that are certified within the market area <https://cpmsapps2.dot.state.al.us/alucp/directory>

The calculation and explanation for this is as follows:

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Concession Activity	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability	% of Concession Dollars
Insurance	524126	2	1601	0.1%	35.0%
Keys	332618	2	13	15.4%	25.0%

Oil Changes	811191	1	231	0.4%	10.0%
Oils and lubricants	484230	1	11	9.1%	10.0%
Tires	441320	3	316	0.9%	20.0%
Weighted ACDBE Availability:					5.0%

When we calculated the weighted average availability we arrived at the Step 1 base figure for our overall goal for car rental concessions of **5.0%**.

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 in order 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; however, Birmingham Airport Authority feels it can achieve a slightly higher ACDBE goal during the 3-year period because additional ACDBE firms are expected to be certified in the market area. Therefore, Birmingham Airport Authority is increasing its Step 1 base figure of **5.0%** by **5.0%** for a total overall goal of **10.0%** for FY 2021-23. We have new agreements with the Rental Car Agencies and feel that 10% is a more realistic goal.

We feel this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this three-year goal period (FY 2021-23).

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

Birmingham 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 actually 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 encouraging them to compete, when appropriate

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:

- Establish concession-specific ACDBE goals for particular concession opportunities.

Birmingham Airport Authority estimates that, in meeting the overall goal of 10.0%, it will obtain 5.0% from race-neutral participation and 5.0% through race-conscious measures. The reason for the breakout is that Birmingham Airport Authority has not been able to achieve its goal in recent past years and will use ACDBE concession goals to achieve this goal.

- ACDBE participation on concession leases that did not have ACDBE requirements including ACDBE goals. Previous RAC agreements did not have a percentage goal, but the RACs still utilized ACDBEs. With the new agreement, there is a ten percent (10%) goal for the RACs to achieve participation.

- ACDBE prime concessionaires are expected to accomplish at least 20% of the participation therefore we are applying 5% to race-neutral and 5% to race-conscious participation.

In order to ensure that Birmingham 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.

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

Consultation

Birmingham Airport Authority routinely meets with stakeholders in an effort 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, Birmingham Airport Authority consulted with: potential ACDBE businesses as well as the Birmingham Business Alliance. The consultation was done by meetings and Zoom calls.

The following comments were received during the course of the consultation: One ACDBE believes that he could achieve ACDBE status, and has applied for certification. The Birmingham Business Alliance makes the Authority aware of potential businesses that could be a good ACDBE/DBE company for the program.