



**AIRPORT CONCESSIONS DISADVANTAGED
BUSINESS ENTERPRISE (ACDBE) PROGRAM**

UPDATE TO GOALS & METHODOLOGY

FOR PERIOD

October 2016 – September 2019

ATTACHMENT A**SECTION 23.45: OVERALL GOAL CALCULATION FOR CONCESSIONS
OTHER THAN CAR RENTALS****AMOUNT OF GOAL**

Daytona Beach International Airport's (DAB) overall goal for concessions other than car rentals during the period beginning October 1, 2016 and ending September 30, 2019 is 3.23% of the total gross receipts for concessions. The following are not included in the total gross receipts for other concessions such as:

- (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.

The estimated non-car rental gross receipts expected for this goal period is \$8,150,883. 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, DAB will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement. (CFR 23.45(i)).

MARKET AREA FOR NON-CAR RENTAL CONCESSIONAIRES

While the majority of our concessionaires have locations in Florida, they are national companies. A number of them have formed partnerships or joint ventures with ACDBEs or minority businesses located in Florida and beyond the United States.

DAB has determined that its market area is Florida, Georgia, and Missouri. This 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 receive a substantial majority of concessions related revenues.

As Table 1 indicates, the areas shaded in yellow represent the market area for the Non-Car Rental concession activities at DAB. These areas are where the substantial majority of firms which seek to do concession-related business with DAB are located. These areas account for 70% of the concession-related business with DAB.

Table 1: Market Area Determination

Location	# Concessionaires	% Share of Participation
Georgia	3	30%
Florida	2	20%
Missouri	2	20%
Subtotal	7	70%
Pennsylvania	1	10%
Tennessee	1	10%
New Jersey	1	10%
Total	10	100%

Source: DAB Terminal Concession Agreements
DAB Non-Car Rental Concessionaires Vendor/Supplier List

METHODOLOGY USED TO CALCULATE THE OVERALL GOAL

DAB has developed a proposed methodology and goal for ACDBEs for fiscal years 2017 through 2019. This goal refers only to non-car rental concessions as required by 49 CFR Part 23. The methodology used in establishing this goal is described herein.

Goods and Services

DAB can meet the percentage goal by including the purchase from ACDBE of goods and services used in businesses conducted at the airport. DAB, 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. 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.

Management Contract or Subcontract

DAB can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. DAB, 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:

We determined the base figure for the relative availability of ACDBEs other than car rentals. In order to determine the relative availability of ACDBEs in the area of non-rental car concessions, the availability of all non-car rental concessions in the market area must be compared to the overall availability of all non-car rental concessions in the market area.

Table 2 shows the relative availability of ACDBEs in the market area of non-car rental concessions. This includes the total ready, willing, and able ACDBEs in the market area. The base figure was calculated as follows:

Table 2: Determination of Relative Availability of ACDBEs (Non-Car Rental)

AVAILABLE NON-CAR RENTAL COMMODITY AT DAB	NAIC CODES	TOTAL NUMBER IN MARKET AREA	NUMBER OF ACDBEs IN MARKET AREA
Clothing, Gift, Novelty, Souvenirs, Newsstands,	453220	2,560	9
Advertising	541850	380	3
Parking Services	812930	1,298	4
Limited Service Restaurant	722513	23,899	14
TOTAL		28,137	30

Data Source: FAA dbConnect System, Florida DBE Directory, Census Bureau County Business Pattern

$$\begin{aligned} \text{Base Figure} &= \frac{\text{Ready, willing, and able non-car rental ACDBEs in the market area}}{\text{All ready, willing and able non-car rental concession firms in the market area}} \\ &= \frac{30}{28,137} = 0.11\% \end{aligned}$$

As you can see from the calculation above, we divided the numerator by the denominator to arrive at the base figure for our overall goal for non-car rental concessions: 0.11%

STEP 2: ADJUSTMENT TO THE BASE FIGURE

After calculating a base figure of the relative availability of ACDBEs, we examined the evidence to determine what adjustment was needed to the base figure in order to arrive at the overall goal.

Rule 49 CFR Part 23 requires that car rental concession and non-car rental concession goals and accomplishments be calculated as separate figures to avoid skewing goals and accomplishments figures. Considering only non-car rental goals and accomplishments as an adjustment factor is consistent with the new Concessions rule requirements.

In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by .11%. Our overall goal for non-car rental concession is 3.23%.

The following table describes the ACDBE Accomplishments for non-car rental concessions from fiscal years 2011 through 2015.

Table 3: Daytona Beach International Airport (DAB) Non-Car Rental ACDBE Accomplishments

Report Period	Approved ACDBE Goal	Total ACDBE % Achieved	Difference of Past Participation
FY 2011	10.2%	15.94%	5.74%
FY 2012	10.2%	66.33%	56.13%
FY 2013	10.17%	6.34%	-3.34%
FY 2014	10.17%	.77%	-9.4%
FY 2015	10.10%	.56%	-9.54%
Historic Median	10.17%	6.34%	-3.34%

Source: DAB ACDBE Annual Accomplishment Reports

The median ACDBE accomplishment for each of the reporting periods as shown above is 6.34%, compared to the Step 1 ACDBE base figure for DAB of .11%.

With the factors considered to this point, DAB will adjust the Step 1 ACDBE base figure of .11% by adding it to the annual historic median ACDBE participation noted above (6.34%) for a total of 6.45% and averaging this total, for final adjusted overall goal of 3.23%

Calculation	Overall Goal: $.11 + 6.34 = 6.45 \div 2 = 3.23\%$
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The adjustment to the goal figure was necessary in order to best reflect the potential concession opportunities when compared to previous ACDBE participation.

The data used to determine the adjustment to the base figure was Past Participation. DAB evaluated the current capacity of ACDBEs to perform work in our concessions program by measuring the volume of work ACDBEs have performed in the past.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, DAB will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and will track and report race-

neutral and race-conscious separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following:

- ACDBE participation that a prime concessionaire obtains through customary competitive procurement procedures;
- ACDBE participation through a sublease on a prime concession that does not carry ACDBE goals;
- ACDBE participation on a prime concession exceeding a leasing goal; and
- ACDBE participation through a sublease from a prime that did not consider a firm's ACDBE status in making the award.

DAB will maintain data separately on ACDBE achievements in those contracts with and without lease goals, respectively.

RACE-NEUTRAL (RN) VS RACE-CONSCIOUS (RC)

Race-conscious means a measure or program that is focused specifically on assisting only ACDBEs, including women-owned ACDBEs. For the purposes of this part, race-conscious measures include gender-conscious measures.

Race-neutral means a measure or program that is, or can be, used to assist all small businesses, without making distinctions or classifications on the basis of race or gender.

BREAKOUT OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION SECTION 23.51 of 49 CFR Part 23

DAB will meet the maximum feasible portion of its overall goal by using race-neutral measures of facilitating ACDBE participation. DAB, through Volusia County, uses one or more of the following race-neutral measures to increase ACDBE participation:

- Workshops and seminars on conducting business with local governments;
- Workshops and information exchanges between ACDBEs and prime contractors;
- Work in correlation with SBA Small Business Development Centers at Daytona State College.
- Coordination with Bethune Cookman University, a historical minority college, for training and education opportunities;
- Work in coordination with County of Volusia Economic Development grants and assistance programs through the Division of Economic Development;
- Pre-bid conferences to explain requirements and to solicit input and ideas on contract requirements and other options to arrive at the same solution;
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;

- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
- Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process.

We estimate that, in meeting our overall goal of 3.23%, we will obtain 1.23% from race-neutral participation and 2.00% through race-conscious measures.

Once the overall goals are proposed, DAB will analyze and project the maximum feasible portion of each goal that can be achieved by using race-neutral methods. Where the projected portion of the goal using race-neutral methods is less than the overall goal, the remaining portion will be achieved by using race-conscious methods such as establishing contract goals for particular projects that have concession-related contracting opportunities.

DAB will monitor and adjust the use of contract-specific goals in accordance with 49 CFR Part 26.51-51 (see 49 CFR Part 23.25(e) (1) (iv)). When projecting the percentage of the overall goal to be achieved through establishing race-conscious methods, DAB will analyze the actual achievement of the overall goal through race-neutral methods in the current and previous two years. When establishing race-conscious methods during the current fiscal year, DAB will analyze the progress towards achieving the overall goal and increase or reduce the use of race-conscious methods accordingly.

DAB proposes a race-conscious goal of 2.00% and a race-neutral goal of 1.23%, for a total of 3.23%. The reason for this projected split is that the historical information on ACDBE participation showed that the median annual ACDBE accomplishment is above the median established annual goal. The median annual ACDBE participation was 6.34%, while the median goal was 10.17%. Therefore, DAB expects to meet 1.23% of its overall goal using race-neutral means. The balance of the goal (2.00%) is projected to be met using race-conscious means.

CONSULTATION WITH STAKEHOLDERS (23.43)

Interest groups may include but not be limited to minority and women's groups within our market area such as: Volusia County Hispanic Association, African American Association, Service Corp of Retired Executives (SCORE), and Professional Business Women's Association. Volusia County website information available from www.flydab.com will inform the public that the proposed 3.23% goal and its rationale are available for inspection on DAB's website. The documents will also be available at the Daytona Beach International Airport administrative offices in Daytona Beach, Florida during normal business hours. DAB will accept comments on the goal analysis. If any adjustment is needed, the FAA will be contacted 6 months prior to making any changes.

ATTACHMENT B**SECTION 23.45: OVERALL GOAL CALCULATION FOR CAR RENTALS AMOUNT OF GOAL****AMOUNT OF GOAL**

DAB's gross receipts for the previous three year period beginning October 2012 to September 2015 are \$26,809,305. DAB does not expect an increase or decrease in car rentals for goal period. DAB's overall goal for car rentals during the period beginning October 2016 and ending September 2017 is 9.4% of the total gross receipts of car rental operations at Daytona Beach International Airport. (49 CFR 23.21(c))

The concession opportunities in dollar amount anticipated during this three year goal period is \$27,630,738, of which 9.41% will be available to ACDBEs which is estimated at \$2,600,052. If a new car rental 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, DAB will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement. (49 CFR (23.45(i))

MARKET AREA FOR CAR-RENTAL CONCESSIONAIRES

Historical data indicates that DAB's past ACDBE participation for car rental concessions was obtained through the purchase of goods and services. Therefore, the market area for car rental concessions is based on the location of these vendors and suppliers. DAB has determined that the majority of its market area is in the state of Florida.

Market area is defined by the geographical area in which the substantial majority of firms which seek to do business with DAB are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located. In the case of car rental concessions, the normal market area would be defined as the location of firms which seek to do business where the car rental concessions are located.

As Table 1 indicates, the area where the substantial majority of firms which seek to do concession-related business with DAB are located is the State of Florida. This accounts for 60% of the concession-related business with DAB. This does not include Non-Car Rental operations.

Table 1: Market Area Determination

Location	# of Vendors/Concessionaires	% Share of Participation
Florida	9	60%
Other States	6	40%
Total	15	100%

Source: DAB Car Rental Concessionaires Vendor/Supplier List

METHODOLOGY USED TO CALCULATE OVERALL GOAL

Seven car rental concessions were in operation at DAB during Fiscal Years 2013, 2014 and 2015. All seven continue to operate under the current agreements through September 2017. DAB does not have any ACDBE car rental concessions at this time. However, the total amount expended for the purchase of products, goods, and services used in the operation of the concession and supplied by ACDBEs equal to a percentage of the prime rental car concessionaire gross receipts.

Using the NAICS codes relevant to each type and historical data available for ACDBE participants, the table below describes the relative availability of ACDBE utilization for each category. This data is based on rental car concessionaires over the past three fiscal years.

Goods and Services

In order to meet the car rental percentage goal, we will include all purchases of goods and services made from ACDBEs by car rentals businesses 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.

Table 2: Relative Availability of ACDBEs Car Rental Concessionaires

AVAILABLE CAR RENTAL COMMODITY AT DAB	NAIC CODES	TOTAL NUMBER IN MARKET AREA	NUMBER OF ACDBEs IN MARKET AREA	PERCENT OF ACDBE IN MARKET AREA
Motor Vehicle Towing	488410	442	0	0%
Other Gasoline Stations	44719	406	0	0%
Janitorial Services	56172	4,642	10	0.22%
Automotive Body, Paint, and Interior Repair and Maintenance	811121	1,794	0	0%
New Car Dealers	441110	1,176	0	0%
Passenger Car Rental	532111	900	1	0.11%
General Automotive Repair	811111	4,543	0	0%
		13,903	11	0.08%

Source: FAA DBE Connect-FAA Directory, Census Bureau-County Business Pattern

Step 1: 23.51(c)

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

$$\begin{aligned} \text{Base Figure} &= \frac{\text{Ready, willing, and able car rental ACDBEs in the market area}}{\text{All ready, willing and able car rental commodity firms in the market area}} \\ &= \frac{11}{13,903} = 0.08\% \end{aligned}$$

As you can see from the calculation above, we divided the numerator by the denominator to arrive at the base figure for our overall goal for car rental concessions: 0.08%

STEP 2: ADJUSTMENT TO THE BASE FIGURE

Once the base figure was calculated, the Regulations require that the recipient “examine all relevant evidence reasonably available to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal”(49 CFR Part 23.51(d)).

The new concession rule requires that car rental concession and non-car rental concession goals and accomplishments be calculated as separate figures to avoid skewing goals and accomplishments figures. Considering only car rental goals and accomplishments as an adjustment factor is consistent with the new concessions rule requirements.

The historical ACDBE accomplishments at the Airport in recent years were examined. Specifically, the annual Concession Activities Report for the reporting periods listed below was

assessed. However, the old regulations did not maintain separate goals or reporting requirements for car rental concessions.

The following table describes the ACDBE Accomplishments for car rental concessions from fiscal years 2011 through 2015.

Table 3: DAB Car Rental ACDBE Accomplishments

Report Period	Approved Car Rental ACDBE Goal	Total Car Rental ACDBE % Achieved	Difference of Past Participation
FY 2011	2.39%	18.74%	16.35%
FY 2012	2.39%	20.78%	18.39%
FY 2013	2.39%	22.12%	19.73%
FY 2014	2.39%	11.33%	8.94%
FY 2015	2.39%	1.18%	-1.21%
Historic Median	2.39%	18.74%	16.35%

Source: DAB ACDBE Accomplishment Reports: FY11-FY15

The median ACDBE accomplishment for each of the reporting periods as shown above is 18.74%, compared to the Step 1 ACDBE Base Figure for DAB of 0.08%.

After calculating a base figure of the relative availability of ACDBEs, we examined the evidence to determine what adjustment was needed to the Base Figure in order to arrive at the overall goal.

With the factors considered to this point, DAB will adjust the Step 1 ACDBE Base Figure/goal of .08% by adding it to the annual historic median ACDBE accomplishment noted above as 18.74% for a total of 18.82% and averaging this total, for final adjusted overall ACDBE car rental goal of 9.41%

Calculation	Adjusted Overall Goal: $.08 + 18.74 = 18.82 \div 2 = 9.41\%$
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BREAKOUT OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION SECTION 23.51

We estimate that, in meeting our overall goal of 9.41% we will obtain 4.80% from race-neutral participation and 4.61% through race-conscious measures. DAB and/or Volusia County use one or more of the following race-conscious measures to increase ACDBE participation:

- Establish car rental specific goals for particular car rental opportunities;
- Negotiate with potential car rentals and commodity providers to include ACDBE participation;
- Workshops and seminars on conducting business with local governments;
- Workshops and information exchanges between ACDBEs and prime concessionaires;

- Coordination with Bethune Cookman University, a historical minority college, for training and education opportunities;
- Work with numerous government business development programs to assist with new business start ups and expansions;
- Work in coordination with County of Volusia Economic Development for grants and assistance programs;
- Pre-bid conferences to explain requirements and to solicit input and ideas on contract requirements and how they affect ACDBEs;
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
- When practical, structuring concession activities in order to encourage and facilitate the participation of ACDBEs;
- Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process.

DAB proposes a race-conscious goal of 4.61% and a race-neutral goal of 4.80%, for a total of 9.41%. The reason for this projected split is that the historical information on ACDBE participation showed that the median annual ACDBE accomplishment is above the median established annual goal. The median annual ACDBE participation was 18.74%, while the median goal was 2.39%. Therefore, DAB expects to meet 4.80% of its overall goal using race-neutral means. The balance of the goal (4.61%) is projected to be met using race-conscious means.

To ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use commodity specific goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and 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.

If we use commodity specific goals, we will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

CONSULTATION WITH STAKEHOLDERS (23.43)

Interest groups within our area include but are not limited to minority and women's groups such as: Volusia County Hispanic Association, African American Association, Service Corp of Retired Executives (SCORE), and Professional Business Women's Association. Our program and goals will be accessible online through the Volusia County and/or airport website. Such notice will inform the public that the proposed 9.41% goal and its rationale are available for inspection. The documents will also be available at the Daytona Beach International Airport administrative offices in Daytona Beach, Florida during normal business hours. DAB will accept comments on the goal analysis. If any adjustment is needed, the FAA will be contacted 6 months prior to making any changes.