

FY 2021-2024 Airport Concession DBE Goal Methodology  
(Car Rental Concessions)  
for



With Assistance From



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**METHODOLOGY** for Establishing the FY 2021 – FY 2024 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

**St. Pete-Clearwater International Airport, Clearwater, FL (49 CFR Part 23)**

*In fulfillment of the requirements of 49 CFR Part 23, the St. Petersburg-Clearwater International Airport has developed a proposed Overall Goal for FY 2021 – FY 2024 for Car Rentals Concessions.*

**General Information:**

Airport Sponsor: **Pinellas County**

Airport: **St. Petersburg-Clearwater International Airport**

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**I. Amount of Goal**

The Airport’s overall car rental goal for the period beginning October 1, 2021 and ending September 30, 2024 is the following:

Overall Goal:	<b><u>1.0%</u></b>
Race-Neutral:	<b><u>1.0%</u></b>
Race-Conscious:	<b><u>0.0%</u></b>

**The base of the goal will be the total purchases of goods and services for car rental operations at the Airport.**

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 Airport will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

**Table 1: Car Rental Lease Dates**

<b>Concession Type</b>	<b>Concession</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>
Avis	Car Rental	October 1, 2016	September 30, 2021
Budget	Car Rental	October 1, 2016	September 30, 2021
Dollar	Car Rental	October 1, 2016	September 30, 2021
Thrifty	Car Rental	October 1, 2016	September 30, 2021
Alamo	Car Rental	October 1, 2016	September 30, 2021
Enterprise	Car Rental	October 1, 2016	September 30, 2021
National	Car Rental	October 1, 2016	September 30, 2021
Hertz	Car Rental	October 1, 2016	September 30, 2021

Source: Airport; compiled by KWA

**A. Projected Concessions Revenue: October 1, 2021 - September 30, 2024**

The Airport is operating post-COVID at the level they were in 2015. Therefore, the airport will start FY2021 with projected gross receipts at the same level and continue with like gross receipts until the airport can recover. The projected revenue over the goal period is **\$126,000,000**.

**Table 2: Projected Revenue**

<b>Report Period</b>	<b>Projected Revenue</b>
FY 2021	\$26,000,000
FY 2022	\$28,000,000
FY 2023	\$34,000,000
FY 2024	\$38,000,000
<b>Total</b>	<b>\$126,000,000</b>

Source: Airport; compiled by KWA

**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 car rental companies are located and the geographical area in which the firms which receive the substantial majority of car rental related revenues are located.

The Airport 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 Airport is proposing to use the state of Florida as its market area.

## **II. Methodology used to Calculate Overall Goal**

### **A. Goods and Services**

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

### **C. Step 1: 23.51 (c)**

The Airport 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 3** below.

**Table 3: Determination of Relative Availability of ACDBEs (Car Rental)**

Concession Type	NAICS	ACDBEs	All Firms	Percent
Motor Vehicle Supplies	423120	274	27190	<b>1.0%</b>
Car Dealer	441110			
Tire Dealers	441320			
Insurance	524210			
Janitorial	561720			
Auto Repair	811111			
Auto Body Repair	811121			
Car Washes	811192			

Sources:

1. Florida UCP DBE Directory, May 2021.
2. US Census Bureau, 2019 County Business Patterns.

The Step 1 base goal for car rental ACDBEs is **1.0%**.

**D. Step 2: 23.51(d)**

After calculating a base figure of the relative availability of ACDBEs, the Airport 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 Airport evaluated 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.

Specifically, the annual “Uniform Report of ACDBE Participation” for the reporting periods listed below was assessed. Notice the annual ACDBE percent accomplishment for each year, and the median for the periods reported.

**Table 4: St. Petersburg-Clearwater International Airport  
ACDBE Accomplishments for FY 2018-FY 2020**

<b>Report Period</b>	<b>ACDBE Goal</b>	<b>ACDBE % Achieved</b>	<b>Achieved Over/Under</b>
FY 2018	0.8%	14.6%	13.8%
FY 2019	0.8%	21.3%	20.5%
FY 2020	10.0%	0.0%	-10.0%
<b>Median</b>	<b>0.8%</b>	<b>14.6%</b>	<b>13.8%</b>

Source: Uniform Report of ACDBE Participation, St. Petersburg-Clearwater International Airport

The median ACDBE accomplishment for the reporting periods as shown above is **14.6%**, compared to the Step 1 DBE base figure for the airport of **1.0%**.

**E. Adjustment of the Step 1 Base Figure**

The Airport will not adjust the step 1 base figure. The median achievement does not accurately reflect ACDBE capacity at the Airport

**III. Consultation with Stakeholders (23.43)**

Before establishing the ACDBE **Car Rental** goal, the Airport provided opportunity for consultation with small, minority and women-owned business development organizations including current airport concessionaires. The opportunity was not limited to these persons or groups. The intent and purpose were to attempt to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Airport’s efforts to establish a level playing field for the participation of ACDBEs. Prior to submitting this new goal to the FAA Civil Rights office, the Airport conducted a virtual stakeholder meeting on June 4, 2021 via GoToWebinar. Questions and answers from the meetings are provided as an attachment to this document.

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

The Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the race-neutral measures listed below to increase ACDBE participation. The Airport 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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

The Airport proposes a race-conscious goal of **0.0%** and a race-neutral goal of **1.0%**, **for a total of 1.0%**. The reason for this projected split is that the historical information on ACDBE participation showed that the median amount by which the goals were over-achieved was 13.8%.

If the Airport 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 purchases of goods and service 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 Airport 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 Airport 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 Airport will maintain data separately on ACDBE achievements in those contracts with and without concession-specific goals, respectively.

**Resource Documents:**

1. Florida UCP DBE Directory
2. U.S. Census County Business Patterns
3. Uniform Report of DBE Awards or Commitments and Payments