



GREATER ORLANDO AVIATION AUTHORITY

Innovation Connecting the World

Airport Concessions Disadvantaged Business Enterprise (ACDBE) Goal Methodology for Non-Car Rental and Car Rental Concessions FY2024-FY2026

November 10, 2023





OUTLINE

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- Administrative Requirement
- Steps to calculate the Triennial ACDBE Goals
- Overall Goal Calculation for Non-Car Rental Concessions
- Overall Goal Calculation for Car Rental Concessions

PURPOSE AND OBJECTIVES OF 49 CFR PART 23

The ACDBE Goal and Program Applicability, include but are not limited to:

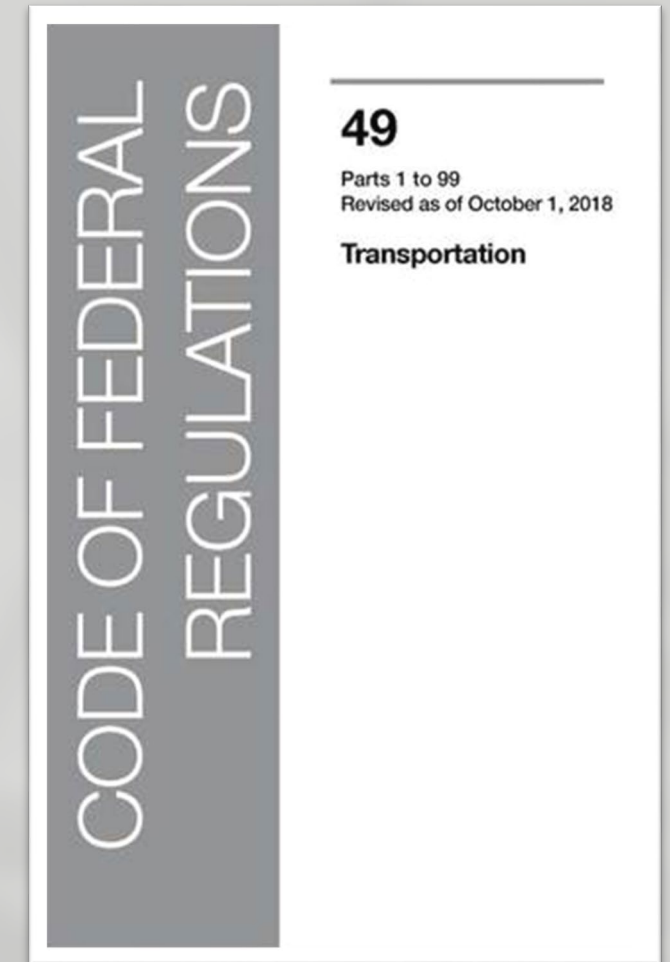
- Ensure nondiscrimination in the award and administration of opportunities for concessions;
- Create a level playing field on which ACDBEs can compete fairly for opportunities for concessions;
- Ensure that the ACDBE program is narrowly tailored;
- Ensure that only firms that fully meet this part's eligibility standards are permitted to participate as ACDBEs;
- Remove barriers to the participation of ACDBEs; and
- Provide appropriate flexibility to airports in establishing and providing opportunities for ACDBEs.



ADMINISTRATIVE REQUIREMENT

49 CFR § 23.41 (b)

The Federal Aviation Administration (FAA) requires that all airports receiving DOT financial assistance with non-car rental and car rental revenue, each in excess of \$200,000.00 averaged over the preceding three years, to submit a non-car rental and car rental overall ACDBE goals.



STEPS TO CALCULATE THE TRIENNIAL ACDBE GOALS

Large & Medium Hub Primary airports must update and submit their overall ACDBE goals every three years based on a schedule.

- Establish the overall goal through:
 - Race-Neutral/Race-Conscious Goals
- Airports must use a two-step process (methodology) to determine each goal:
 1. Calculation of the base figure for relative availability of ACDBEs.
 2. Adjustment of the base figure to arrive at overall goal



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Overall Goal Calculation for Non-Car Rental Concessions



FY2024-FY2026 Projected Gross Receipts of Non-Car Rental Concessions by Concession Type

Concession Type	Projected Gross Receipts FY24-FY26	Projected % FY24-FY26
Food & Beverage	\$850,269,504	62.8%
News/Gift/Sundry	\$162,184,569	12.0%
Specialty Retail	\$114,384,007	8.5%
Passenger Services	\$144,864,607	10.7%
Advertising	\$26,853,854	2.0%
Duty Free	\$43,142,993	3.2%
Parking management	\$11,267,825	0.8%
TOTAL	\$1,352,967,359	100%



MARKET AREA

The market area is defined by the geographical area in which the substantial majority of firms that seek to do concession business with the airport are located and the geographical area in which the firms receive the substantial majority of concession-related revenues are located. Your market area may be different for different types of concessions (49 CFR Part 23.51 (b) (3)).

Location	Concessionaires	Concessionaires %	FY22 Revenue	Revenue %
Florida	46	34%	\$81,338,280	23.4%
Non-Florida	90	66%	\$266,281,081	76.6%
Total	136	100%	\$347,619,361	100%

Nationwide Market Area



STEP 1: BASE FIGURE

Weighted Relative Availability of Minority Firms

Concession Type	# of Minority Firms	/	# of All Firms	Relative Availability	×	Weight of Projected Gross Rcpt.	=	Weighted Availability
Food & Beverage	154,234	/	647,418	23.8%	×	62.8%	=	15.0%
News/Gift/Sundry (News Dealers & Newsstands)	476	/	6,362	7.5%	×	12.0%	=	0.9%
Specialty Retail	19,803	/	180,795	11.0%	×	8.5%	=	0.9%
Passenger Services	18,829	/	172,057	10.9%	×	10.7%	=	1.2%
Display Advertising	197	/	3,828	5.1%	×	2.0%	=	0.1%
Duty-Free	11,351	/	35,533	31.9%	×	3.2%	=	1.0%
Parking	8,469	/	85,579	9.9%	×	0.8%	=	0.1%
Weighted Step 1 Base Figure:								19.2%

STEP 2: ADJUSTMENT TO THE BASE FIGURE

MCO Non-Car Rental ACDBE Accomplishments for FY2018-FY2022

Fiscal Year	Approved ACDBE Goal	Total ACDBE % Achieved	Over/Under
FY 2018	26.0%	20.8%	-5.2%
FY 2019	26.0%	18.5%	-7.6%
FY 2020	26.0%	33.0%	7.0%
FY 2021	20.0%	37.0%	17.0%
FY 2022	20.0%	32.8%	12.8%
MEDIAN		32.8%	7%

$$\text{Adjustment to Base Figure} = \frac{\text{Step 1 Base Figure} + \text{Median achieved for past 5 years}}{2}$$

$$\text{Adjustment to Base Figure} = \frac{19.2\% + 32.8\%}{2} = \frac{52.0\%}{2} = 26\%$$

RACE-NEUTRAL PARTICIPATION BREAKDOWN

- Step 2 adjustment of base figure with median past participation: 26%
- Median overachievement for the previous five fiscal years: 7%
- Using this figure as a race-neutral projection for the next three years, the Aviation Authority can establish that 7% of the goal can be met through race-neutral methods, while the remaining 19% must be attained using race-conscious means.

**Overall Non-Car Rental
Concessions Goal: 26%**

Race-Neutral: 7%

Race-Conscious: 19%

ACDBE PARTICIPATION

The Aviation Authority recognizes that race-neutral measures alone are not sufficient to meet the overall goal; therefore, it will use the following measures to meet its overall goal:

- Establish concession-specific goals for concession when necessary;
- Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements in the operation of a proposed concession; and
- Consideration will be provided to the extent of the competitor's ability to provide ACDBE participation when awarding a concession.

ACDBE PARTICIPATION EXAMPLES

- ACDBE participation in a prime concession that an ACDBE obtains through customary competitive procurement procedures;
- ACDBE participation as a sub-concessionaire on a prime concession that does not carry an ACDBE goal;
- ACDBE participation on a prime concession exceeding a concession-specific goal, and
- ACDBE participation through a sub-concession from a prime concessionaire that does not consider the firm's ACDBE status in making the award.





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Overall Goal Calculation for Car Rental Concessions based on Goods and Services Purchases



MARKET AREA

Based upon a list of car rental concessionaires and the limited opportunities available, the market area for car rental concessions was determined to be the State of Florida.



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STEP 1: BASE FIGURE

Relative Availability of ACDBEs

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

$$\text{Availability} = \frac{\text{Ready, willing, and able car rental ACDBEs in the market area}}{\text{All ready, willing and able car rental concession firms in the market area}}$$

When we calculated the average availability we arrived at the Step 1 base figure for the overall goal for car rental concessions of **3.8%**.

Concession Type	NAICS	# ACDBE Certified Firms	# Total Firms	% Availability
Commercial and institutional building construction	236220	412	2,713	15.19%
Other commercial and service industry machinery manufacturing	333318	1	76	1.32%
Motor vehicle supplies and new parts merchant wholesalers	423120	6	959	0.63%
Tire and tube merchant wholesalers	423130	3	231	1.30%
Motor vehicle parts (used) merchant wholesalers	423140	1	113	0.88%
Petroleum bulk stations and terminals	424710	5	145	3.45%
Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	424720	21	122	17.21%
Tire dealers	441320	2	1,606	0.12%
Fuel dealers	454310	6	190	3.16%
All other transit and ground passenger transportation	485999	37	244	15.16%
Motor vehicle towing	488410	8	618	1.29%
Insurance agencies and brokerages	524210	27	10,333	0.26%
Claims adjusting	524291	9	921	0.98%
All other insurance related activities	524298	19	469	4.05%
Facilities support services	561210	37	495	7.47%
Temporary help services	561320	96	2,267	4.23%
Security guards and patrol services	561612	43	894	4.81%
Janitorial services	561720	197	6,604	2.98%
Automotive body, paint, and interior repair and maintenance	811121	7	2,086	0.34%
Automotive glass replacement shops	811122	0	532	0.00%
Automotive oil change and lubrication shops	811191	2	551	0.36%
Car washes	811192	16	1,608	1.00%
All other automotive repair and maintenance	811198	7	384	1.82%
Step 1 (Average ACDBE Availability)				3.8%

STEP 2: ADJUSTMENT TO THE BASE FIGURE

MCO Car Rental ACDBE Accomplishments for FY2018-FY2022

FY	Rental Car Goal	Rental Car Achievement	Over/Under
FY 2018	7%	12.6%	5.6%
FY 2019	7%	11.3%	4.3%
FY 2020	7%	11.0%	4.0%
FY 2021	10%	11.9%	1.9%
FY 2022	10%	11.8%	1.8%
MEDIAN		11.8%	4.0%

$$\text{Adjustment to Base Figure} = \frac{\text{Step 1 Base Figure} + \text{Median achieved for past 5 years}}{2}$$

$$\text{Adjustment to Base Figure} = \frac{3.8\% + 11.8\%}{2} = 7.8\% \approx 8\%$$

RACE-NEUTRAL PARTICIPATION BREAKDOWN

The Aviation Authority estimates that, in meeting the overall goal of 8%, it will obtain 0% from race-neutral participation and 8% through race-conscious measures.

The historical information on ACDBE participation on car rental concessions showed that there was not any race-neutral participation in the previous five-year period.

Overall Car Rental Concessions Goal: 8%

Race-Neutral: 0%

Race-Conscious: 8%



MCO FY24-FY26 ACDBE GOAL SUMMARY

	Non-Car Rental Goal	Car Rental Goal
Overall Goal	26%	8%
Race-Neutral	7%	0%
Race-Conscious	19%	8%



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THANK YOU!

