

**OVERALL GOAL METHODOLOGY**  
**Fiscal Years 2022 – 2024**  
**Car Rental**

**Section 23.45: Overall Goal Calculation for Car Rentals**

**Introduction**

In fulfillment of the requirements of 49 CFR Part 23, The Eastern Iowa Airport (Airport), owned by the City of Cedar Rapids (City) and operated by the Cedar Rapids Airport Commission (Commission) has developed an overall goal for fiscal years 2022, 2023, and 2024 for car rental concessions.

In accordance with 49 CFR Part 23, the overall goal has been prepared using a two-step process. The Commission first determines a base figure for the relative availability of ACDBEs in the relevant market area. Second, the Commission examines relevant evidence to determine what adjustment to the base figure, if any, is needed in order to arrive at the overall goal. The final adjusted figure is the Commission's overall goal, which represents the proportion of participation by ACDBEs in car rentals concessions during the subsequent three fiscal years. Once the adjusted overall goal is determined, the regulations require considering what portion of the goal will be met by race and gender-neutral measures.

**Amount of Goal**

The Commission's overall goal for car rentals during the period beginning October 1, 2021 and ending September 30, 2024 is the following: **0.10%**, to be accomplished through **0.00%** race and gender conscious (RC) measures and **0.10%** through race and gender-neutral (RN) measures.

**1. Projected Concession Opportunities: October 1, 2021 – September 30, 2024**

The Commission does anticipate car rental concession opportunities during this goal period, as the current car rental concession leases are set to expire June 30, 2024. Current car rental companies consists of 2 national corporations and 1 local franchisee who is not a certified ACDBE. Consequently, since there are no certified ACDBE car rental companies in the Airport's market area, it is unlikely that ACDBE participation will be obtained through the competitive bids process for the car rental concession. Consequently, purchases from ACDBEs of goods and services used in businesses conducted at the airport will be considered. However, obtaining ACDBE participation through goods and services is limited due to the very small number of ACDBE companies located in the State of Iowa in the goods and services areas normally utilized by the rental car companies. This includes companies performing transmission work, body shop work, auto glass repair, brake repair, janitorial services, and temporary services; and companies selling office supplies and security key drop containers. In reviewing the Iowa DOT UCP DBE Directory Listing, 3 ACDBE firms certified by the Iowa DOT were found in the service areas listed above and 1 ACDBE firm listed in providing goods. The Commission excluded the purchase of vehicles since there are no certified ACDBE vehicle dealerships in the Airport's market area. Therefore, the Commission reviewed information from each car rental company regarding the total expenditure on goods and services for the last three fiscal years, excluding the purchase of vehicles, consisting of fiscal years 2018, 2019, and 2020. The projected expenditures for FY2022 was based on 95% of FY2019 expenditures due to the pandemic effect on concessions beginning in FY2020 that has greatly reduced their operations. FY2023 expenditures gross revenue projected to increase 5% and FY2024 expenditures are projected to increase 3%. Rental car expenditures are projected to follow passenger enplanement growth rate for the three-year goal period.

**Projected Expenditure of Goods and Services  
for Car Rental Concessions  
FY2022-FY2024**

<u>Fiscal Year</u>	<u>Car Rental Concessions</u>
FY2022	\$1,218,966
FY2023	\$1,279,914
FY2024	\$1,318,312
<b>Total Expenditures</b>	<b>\$3,817,192</b>

*Source: Airport records*

**2. Determination of Market Area**

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

The Commission has determined that its market area is the State of Iowa. Historical data and anecdotal evidence indicates that the Commission's best opportunity for ACDBE participation for car rental concessions is through the purchase of goods and services. Therefore, the market area for car rental concessions is based on the location of vendors and suppliers.

**Methodology Used to Calculate Overall Goal**

**Goods and Services**

The Commission can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses at the airport. The dollar value from purchases of goods and services from ACDBEs will be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) will be added to the denominator.

**Step 1: 23.51(c)**

The Commission determined the base figure for the relative availability of car rental ACDBEs.

The Step 1 base figure was determined by dividing the number of potential ACDBE firms available by the total number of firms available to determine the relative availability of ACDBEs as indicted in Table 1 below.

<b>NAICS Code</b>	<b>Type of Work</b>	<b>Total ACDBE's <sup>(1)</sup></b>	<b>All Firms <sup>(2)</sup></b>	<b>% of ACDBE Firms Available</b>
423990	Other Misc. Durable Goods	1	130	0.77%
453210	Office Supplies	0	60	0.00%
524210	Insurance Agencies	1	2,113	0.05%
561320	Temporary Help	1	328	0.30%
561720	Janitorial Services	1	616	0.16%
811111	General Auto Repair	0	1,090	0.00%
811118	Brake Repair	0	23	0.00%
811121	Auto Collission Repair	0	499	0.00%
811122	Auto Glass Repair	0	68	0.00%
<b>TOTAL</b>		<b>4</b>	<b>4,927</b>	<b>0.08%</b>

*Source:*  
(1) ACDBE data obtained form IDOT Disadvantaged Business Directory, 2021  
(2) Census Bureau Information, 2019 County Business Patterns, State of Iowa

The Step 1 base goal for car rental ACDBEs is **0.08%**.

**Step 2: 23.51(d)**

After calculating a base figure of the relative availability of ACDBEs, the Commission examined evidence to determine what adjustment was needed to the base figure in order to arrive at the overall goal. In order to reflect as accurately as possible the ACDBE participation the Commission would expect in the absence of discrimination it did not adjust our base figure. Our overall goal for car rental concessions is **0.10%**.

The data used to determine the adjustment to the base figure was:

**1. Past participation**

The Commission evaluated the current capacity of ACDBEs to perform work in the car rental concessions program by measuring the volume of work ACDBEs have performed in the past the fiscal years of 2018-2020 as shown below in Table 2:

<b>Report Period</b>	<b>Total ACDBE Dollars</b>	<b>Total Goods and Services Dollars</b>	<b>Estimated ACDBE %</b>
FY2018	\$2,550	\$2,367,637	0.11%
FY2019	\$1,429	\$1,283,122	0.11%
FY2020	\$4,820	\$1,134,893	0.42%
<b>MEDIAN</b>			<b>0.11%</b>
Airport Records			

Arranging the historical data from low to high, (0.11%, 0.11%, 0.42%) the median ACDBE achievement for the reporting periods as shown above is 0.11%, compared to the Step 1 ACDBE base figure of 0.08%. This indicates that the Step 1 base fire overestimates ACDBE capacity at the Airport.

### **Adjustment of the Step 1 Base Figure**

To arrive at an overall goal, the Step 1 base figure was added with the Step 2 adjustment figure and then averaged the total arriving at an overall goal of 0.10%. We believe this adjusted goal figure will accurately reflect ACDBE car rental concession participation that can be achieved during this 3-year period.

$$\text{ACDBE Car Rental Goal} = (0.08\% + 0.11\%) / 2$$

$$\text{ACDBE Goal} = 0.10\%$$

The Commission chose to adjust our figure using this data because it believes that past and current ACDBE participation by car rental concessions provides a more accurate prediction of future ACDBE participation at the Airport.

### **Consultation with Stakeholders (23.43)**

Prior to submitting this goal to the FAA, the ACDBELO consulted with the following stakeholders via mass e-message: National Minority Supplier Development Council, Airport Minority Advisory Council (AMAC), Women's Business Development Center, The Women's Business Enterprise National Council (WBENC), car rental companies at the airport, Iowa's Small Business Development Centers (SBDC), Iowa ACDBE supplier firms, and national ACDBE supplier firms that provide goods and services to car rental companies. No comments have been received.

### **Breakout of Estimated Race-Neutral & Race Conscious Participation**

#### **Section 23.51**

The Commission intends to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Commission uses the following race-neutral means to increase ACDBE participation:

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-proposal meetings about how the sponsor's ACDBE program will affect the procurement process; and
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

Since our overall goal is 0.10%, the Commission estimates 0.10% from race-neutral participation and 0.00% through race-conscious measures.

Based upon limited historic data as well as census data on available firms and the limited number of ACDBEs in the State of Iowa, it is believed from past operating procedures that the Commission may have a difficult time to obtain ACDBE participation on concessions through race-neutral measures.

If the Commission projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, the Commission will use the following race-conscious measures to meet the overall goal:

1. The Commission may establish concession-specific goals for particular concession opportunities.
2. With prior FAA approval, other methods that consider a competitor's ability to provide ACDBE participation into account in awarding a concession.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Commission uses concession specific goals the Commission 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 Commission 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:

1. ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures;
2. ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal;
3. ACDBE participation on a prime contract exceeding a concession specific goal; and
4. ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

The Commission will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

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, the Commission will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least ninety days before issuing a solicitation for the new concession opportunity. (23.45(i)).