

FY 2023-2025 Airport Concession DBE Goal Methodology
(Car Rental Concessions)
for



MELBOURNE ORLANDO INTERNATIONAL AIRPORT • MLB

Melbourne, FL

With Assistance From



Ken Weeden & Associates, Inc.

May 2024

METHODOLOGY for Establishing the FY 2023 – FY 2025 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

Melbourne Orlando International Airport, Melbourne, Florida (49 CFR Part 23)

In fulfillment of the requirements of 49 CFR Part 23, the Melbourne Orlando International Airport has developed a proposed Overall Goal for FY 2023 – FY 2025 for Car Rentals.

General Information:

Airport Sponsor: **City of Melbourne, Melbourne Airport Authority**

Airport: **Melbourne Orlando International Airport**

DBELO: **Summer L. Wyllie-Vitt**
Procurement Manager
Melbourne Orlando International Airport
One Air Terminal Parkway, Suite 220
Melbourne, FL 32901
(321) 723-6227
swyllie-vitt@mlbair.com

I. Amount of Goal

The Melbourne Orlando International Airport’s overall car rental goal for the period beginning October 1, 2022 and ending September 30, 2025 is the following:

Overall Goal:	4.47%
Race-Neutral:	4.47%
Race-Conscious:	0.00%

The goal is based on total purchases of goods and services for car rental operations at the Airport.

There are no 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 is anticipated to be \$200,000 or greater, the Airport will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

Table 1: Car Rental Lease Dates

Concession	Lease start	Lease end
Avis	Month-to-month	Month-to-month
Budget	Month-to-month	month-to-month
Dollar/Thrifty	Month-to-month	Month-to-month
Hertz	Month-to-month	Month-to-month
National/Enterprise/Alamo	Month-to-month	Month-to-month

A. Projected Concessions Opportunities: October 1, 2022 - September 30, 2025

The goods and services opportunity for the three (3)-year period is based upon the car rental expenditures on goods and services for FY 2023. FY 2023 expenditures by car rental concessions at Melbourne Orlando International Airport was **\$6,669,105**. This base number was increased by 3.0% each year to represent the expected growth for a total **car rental concessions base of \$20,613,537**.

**Table 2: Projected Car Rental Expenditures
FY 2023 – FY 2025**

Fiscal Year	Projected Expenditures
FY 2023	\$6,669,105
FY 2024	\$6,869,178
FY 2025	\$7,075,253
Total	\$20,613,537

B. Determination of Market area

The market area is defined by the geographical area in which the substantial majority of firms that seek to do concessions business with the Airport are located and the geographical area in which the firms that receive the substantial majority of concessions-related revenues are located.

The Airport believes that although firms currently doing business with the Airport are located nationally, participating Airport Concession Disadvantaged Business Enterprises (ACDBE) would more likely be local, especially for the purchase of goods and services; therefore, the Airport is proposing to use the **State of Florida** as the market area.

Table 2: Car rental market area

State of Florida

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. While the Airport realizes that this appears to go against the normal rules and rationale for goal-setting, the Airport understands that this method is nevertheless required by statute.

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
(suppliers of goods and services)**

Concession Type	NAICS	ACDBEs	All Firms	Percent
Service Establishment Equipment and Supplies Merchant Wholesalers	423850	20	360	
Stationery and Office Supplies Merchant Wholesalers	424120	8	202	
Other Chemical and Allied Products Merchant Wholesalers	424690	9	585	
New Car Dealer	441110	0	376	
Tire Dealers	441320	2	1,606	
Automobile carrier trucking	484230	15	648	
Insurance	524126	4	892	
Janitorial	561720	186	6,604	
Auto Repair	811111	3	5,059	
Auto Body Repair	811121	7	2,086	
Auto Oil Change	811191	1	551	
Car Washes	811192	13	1,608	
Total		268	20,577	1.30%

Sources: 1. Florida UCP DBE Directory, May 2024.
2. 2021 County Business Patterns, US Census Bureau.

The Step 1 base goal for car rental ACDBEs is **1.30%**.

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 programs by measuring the volume of work ACDBEs have performed in the past. Notice the annual DBE percent accomplishment for each year, and the median for the periods reported.

Table 4: Melbourne Orlando International Airport ACDBE Accomplishments for FY 2021-FY 2023

Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2021	1.30%	1.45%	0.15%
FY 2022	1.30%	24.91%	23.61%
FY 2023	1.30%	7.64%	6.34%
Median	1.30%	7.64%	6.34%

Source: ACDBE Accomplishment Reports, Melbourne Orlando International Airport

The median ACDBE accomplishment for the reporting periods as shown above is **7.64%**, compared to the Step 1 DBE base figure for the Airport of **1.30%**. This may indicate that the Step 1 base figure underestimates ACDBE capacity at the Airport.

2. Disparity Study

The Airport is not aware of any disparity studies that have been conducted in the Melbourne area.

E. Adjustment of the Step 1 Base Figure

In order to reflect as accurately as possible the ACDBE participation the Airport would expect in the absence of discrimination, the Airport has adjusted the base figure of 1.30% upward by 3.17 points. The step 1 goal of 1.30% was averaged with the median past participation of 7.64% for a car rental concessions goal of **4.47%**.

III. Consultation with Stakeholders (23.43)

Before establishing the ACDBE car rental goal, the Airport consulted with stakeholders in its concession program 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.

The Airport held a web conference on May 29, 2024, where stakeholders were given an overview of the ACDBE program and an opportunity to comment on the goal methodology. Comments from the meeting and the attendee list can be found in Appendix A.

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 will use 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. Providing technical assistance to ACDBEs in overcoming limitations.
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. 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 0.00% and a race-neutral goal of 4.47%, for a total of 4.47%. The reason for this projected split is that the median amount by which the Airport over-achieved its goals as shown in Table 4 is 6.34%.

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 direct ownership arrangements or measures, 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 goals; 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.

Resources: Melbourne Orlando International Airport FY 2023 - 2025 Airport Concession DBE Program Methodology (Car Rental Concessions)

Resource Documents:

1. Florida UCP DBE Directory, May 2024.
2. 2021 U.S. Census County Business Patterns

Appendix A: Stakeholder Meeting – Melbourne-Orlando International Airport

Summary of Meeting: Wilfred Nixon, of Ken Weeden & Associates gave a PowerPoint presentation that covered and explained the following:

- Background, purpose, and goal requirements of the FAA-ACDBE program.
- Overview of the ACDBE goal methodology and basic requirements, such as use of most refined data, identification of a normal market area, and employment of a two-step process in establishing the overall 3-year ACDBE goals.
- Calculation of the base-figure goal (step 1), and adjusted goal (step 2), through “weighting” and consideration of indicators of “capacity”.

Melbourne- Orlando International Airport Stakeholder Meeting Attendee List

Name	Organization/Company
Saad Ahmad	Brevard Capital Group Inc
Cynthia Bocharski	Enterprise Leasing
Leslie Dantzler	Enterprise Mobility Inc
Sameh Faragalla	Sunshine Enterprise USA LLC
Villard Houston Jr	V. H. Jr. & Associates, Inc
Nelson Mendez	Rico Foods Company
Ozzie Onoz	Pioneer Concessions
Deshaun Scott	Lago Dora, LLC
Josh Weiss	Enterprise
Brittany Williams- Leverett	Legacy Consulting Group LLC
Summer Wyllie-Vitt	Melbourne Orlando International Airport
Melissa Naughton	Melbourne Orlando International Airport
Wilfred Nixon	Ken Weeden & Associates

Questions/Comments

1. Q: What is required for Car Rental GFEs?
A: Car Rental companies must make a good faith effort to meet its ACDBE goal by exploring all options available to meet the goal to the maximum extent possible.
2. Q: How do you become ACDBE certified?
A: You must apply for certification through the Florida Uniform Certification Program (UCP) administered by the Florida Department of Transportation (FDOT).
<https://www.fdot.gov/equalopportunity/dbecertification.shtm>
3. Q: How do I participate as an ACDBE at the Airport?
A: The Airport does not have any opportunities at this time. However, interested parties should contact our current concessionaires for opportunities to provide goods and services for their operations at the Airport. Please contact Summer Wyllie-Vitt swyllie-Vitt@mlbair.com for the appropriate contact information.