

FY 2023-2025 Airport Concession DBE Goal Methodology  
(Non-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 Concessions other than Car Rentals.

**General Information:**

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

Airport: **Melbourne Orlando International Airport**

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**I. Amount of Goal**

The Melbourne Orlando International Airport’s overall goal for concessions other than car rental (i.e. non-car rental) during the period beginning October 1, 2022 and ending September 30, 2025 is the following:

Overall Goal:	<b>8.68%</b>
Race-Neutral:	<b>8.68%</b>
Race-Conscious:	<b>0.00%</b>

The goal is based on total gross receipts for concessions at the Airport. The following are not included in the total gross receipts for concessions: (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.

There are no new concession opportunities anticipated for this time period. The concession revenues anticipated during this goal period for all non-car rental concessions is **\$15,836,263**. If additional 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 FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

**Table 1: Non-Car Rental Lease Dates**

NAICS	Concession Type	Concession	Lease start	Lease end
453220	Gift, Novelty & Souvenir Stores	Core Plus	4/26/2017	6/30/2027
453220	Gift, Novelty & Souvenir Stores	Coastal News and Gifts	4/26/2017	6/30/2027
485999	Shuttle Service	Melbourne Airport Shuttle	Month-to-month	Month-to-month
541810	Advertising	Clear Channel Airports	8/14/2021	8/14/2027
722513	Limited-Service Restaurants	Butcher Block	4/26/2017	6/30/2027
722513	Limited-Service Restaurants	Lucky's Food & Craft	4/26/2017	6/30/2027
722513	Limited-Service Restaurants	Tap Room	4/26/2017	6/30/2027
722515	Snack and Nonalcoholic Beverage Bars	Dunkin Donuts	4/26/2017	6/30/2027

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

Concessions revenue opportunity for the three-year period is based upon FY 2023 gross receipts of **\$5,123,512**. This base number was increased by 3.0% each year to represent the expected growth over the goal period in non-car rental concessions revenue at the airport for a total **non-car rental concessions base of \$15,836,263**.

**Table 2: Gross Receipts for “All Other” (Non-Car Rental Concessions) for FY 2023-2025**

Fiscal Year	All Concessions (excluding car rentals)
FY 2023	\$5,123,512
FY 2024	\$5,277,217
FY 2025	\$5,435,534
<b>Total</b>	<b>\$15,836,263</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 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 table below is based upon the addresses of the current concessionaires in the Airport. The current concessionaire in the area of Ground Transportation is located in Brevard County, Florida. Terminal Advertising, Food & Beverage and Gift, Novelty & Souvenir concessions are headquartered in Pennsylvania. Although the Terminal Advertising and Food & Beverage concession are located in Pennsylvania, the Airport feels that potential ACDBEs will be local. Therefore, the Airport is proposing to use the State of Florida as its market area.

**Table 3: Concession locations**

<b>Concession</b>	<b>Concession type</b>	<b>Location</b>
Melbourne Airport Shuttle	Ground Transportation	Brevard County, FL
Clear Channel Airports	Terminal Advertising	Lehigh County, PA
Metz Culinary Management	Restaurants and Gift, Novelty & Souvenir Stores	Dallas, PA

Source: Airport, Compiled by Ken Weeden & Associates, Inc.

## **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 non-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 4: Determination of Relative Availability of ACDBEs**

NAICS	Concession Type	ACDBEs	All Firms	Availability or Contract Goal	NAICS Dollars	ACDBE Dollars
453220	Gift, Novelty & Souvenir Stores			2.7%	\$5,887,160	\$158,953
485999	Shuttle Service	32	244	13.1%	\$392,065	\$51,418
541810	Advertising			2.7%	\$971,269	\$26,224
722513	Limited-Service Restaurants			2.7%	\$6,306,175	\$170,267
722515	Snack and Nonalcoholic Beverage Bars			2.7%	\$2,279,594	\$61,549
				<b>Total</b>	<b>\$15,836,262</b>	<b>\$406,863</b>
<b>Step 1 Base figure</b>						<b>2.57%</b>

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

*Concessions that are shaded do not have opportunities. Their contract goals were used as availability.*

The Step 1 base goal for non-car rental ACDBEs is 2.57%.

**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:

- Past participation** – The Airport evaluated the current capacity of ACDBEs to perform work in non-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 5: Melbourne Orlando International Airport ACDBE Accomplishments for FY 2021-FY 2023**

Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2021	4.10%	0.73%	-3.37%
FY 2022	4.10%	14.80%	10.70%
FY 2023	4.10%	37.44%	33.34%
<b>Median</b>	<b>4.10%</b>	<b>14.80%</b>	<b>10.70%</b>

Source: ACDBE Accomplishment Reports, Melbourne Orlando International Airport

The median ACDBE accomplishment for the reporting periods as shown above is **14.80%**, compared to the Step 1 DBE base figure for the airport of **2.57%**. 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**

The Airport will adjust the base figure with the median past participation indicated in table 4. 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 **2.57%** upward by **6.11** points. The overall goal for non-car rental concessions is **8.68%**.

The step 1 goal of **2.57%** was averaged with the median past participation of **14.80%** for a non-car rental concessions goal of **8.68%**.

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

Before establishing the ACDBE non-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 8.68%, for a total of 8.68%. The reason for this projected split is the Airport's median over-achievement as indicated in Table 5 is 10.70%.

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 (Non-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](mailto:swyllie-Vitt@mlbair.com) for the appropriate contact information.