



DAYTONA BEACH  
INTERNATIONAL AIRPORT



AIRPORT CONCESSIONS  
DISADVANTAGED BUSINESS  
ENTERPRISE (ACDBE)  
PROGRAM

Car Rental Goals and Methodology  
OCTOBER 2019 – SEPTEMBER 2022

***49 CFR PART 23***

## ATTACHMENT B

### **SECTION 49 CFR §23.45:** **OVERALL GOAL CALCULATION FOR CONCESSIONS CAR RENTALS**

#### **AMOUNT OF GOAL**

Daytona Beach International Airport's (DAB) gross receipts for the previous three year period beginning October 2016 to September 2019 are \$39,955,355. DAB does expect a *decrease* in car rentals for this goal period due to the economic and global impacts of the coronavirus outbreak.

DAB's overall goal for car rentals during the goal period beginning October 1, 2019 and ending September 30, 2022 is 1.0 % of the total gross receipts of car rental operations at Daytona Beach International Airport.

#### **OVERALL THREE-YEAR GOAL**

1.0%, to be accomplished through 1.0% race-neutral (RN) and 0% race-conscious (RC).

The concession opportunities in dollar amount anticipated during this three year goal period is \$9,807,136 of which 1.0% will be available to ACDBEs of which is estimated at \$98,071.

#### **MARKET AREA FOR CAR-RENTAL CONCESSIONAIRES**

Historical data indicates that DAB's past ACDBE participation for car rental concessions was obtained through the purchase of goods and services. Therefore, the market area for car rental concessions is based on the location of these vendors and suppliers. DAB has determined that the majority of its market area is in the State of Florida.

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with DAB are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located. In the case of car rental concessions, the normal market area would be defined as the location of firms which seek to do business where the car rental concessions are located.

*Table 1* indicates the market area(s) for the Car Rental concession activities at DAB. These areas represent the substantial majority of firms which seek to do concession-related business with DAB. The state of Florida accounts for 60% of the concession-related business with DAB, in addition to the combined-share of participation in California (6%) and Pennsylvania (6%) of 12%. This does not include Car Rental operations.

**Table 1: Market Area for Car Rental Concessionaires**

| Location     | # of Vendors/Concessionaires | % Share of Participation |
|--------------|------------------------------|--------------------------|
| Florida      | 54                           | 60.00%                   |
| California   | 6                            | 6.67%                    |
| Pennsylvania | 6                            | 6.67%                    |
| Other States | 24                           | 26.67%                   |
| <b>TOTAL</b> | <b>90</b>                    | <b>100%</b>              |

Sources: DAB Terminal Concession Agreements & Car Rental Concessionaires Vendor/Supplier Lists (FY17-19)

**Base Goal**

To calculate the base of the goal, DAB considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

**Table 2: Gross Receipts (Revenue) for Previous 3 Years  
Car Rental Concessions**

| Fiscal Year | Concessions Revenue |
|-------------|---------------------|
| 2017        | \$11,186,039        |
| 2018        | \$11,293,797        |
| 2019        | \$12,174,356        |
| Total       | \$34,654,192        |
| AVERAGE     | \$11,551,397        |

DAB estimates that revenue to existing concessions will drastically decrease between 65-75% over the next three years. This is due to the global impacts of the coronavirus outbreak with continued flight restrictions abroad, and the decline in passenger traffic, resulting in adverse, long-term economic affects in the airport/airline industry. These circumstances further reduce the opportunity for airport concessions revenue.

The projected revenue for concessions reflects the expected, budgeted reduction in anticipated revenues based on the circumstances of COVID-19. The adjusted concessions revenue for car rental is reduced for FY2020 [50%], FY2021 [75%], and FY2022 [65%], as compared to FY2019. The average is equal to 37%, of which reflects a budgeted decrease of 63% in concessions revenue to establish a realistic base goal.

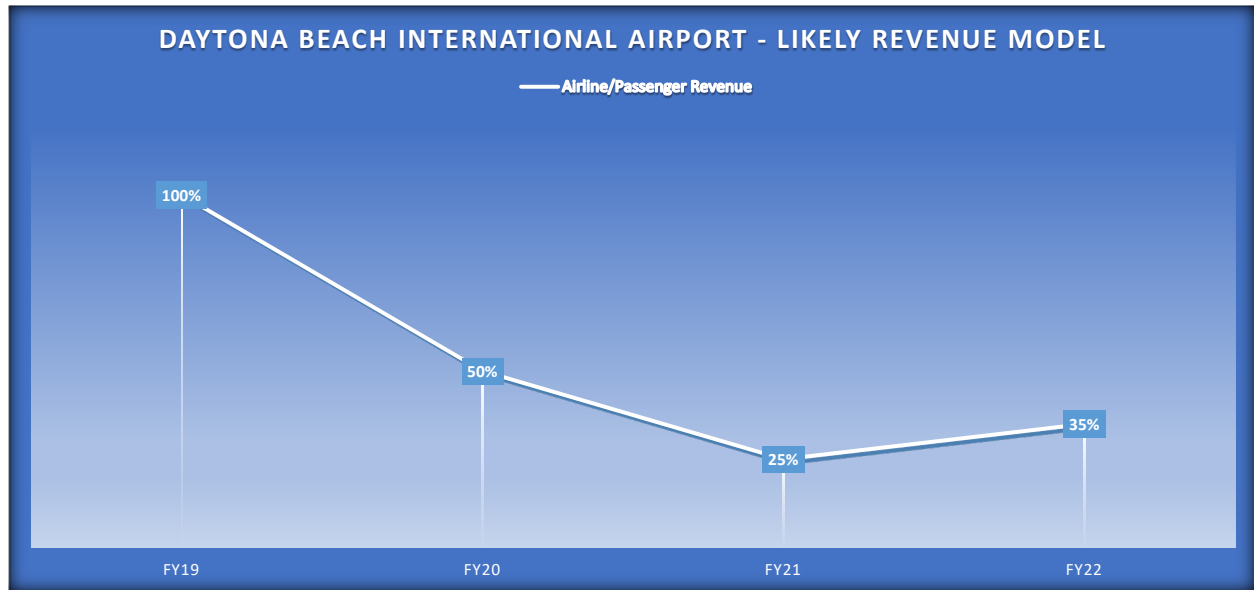
**The airport has modified its expected annual car rental concessions revenue as follows:**

**\$11,551,397 (average concessions revenue) x 37% [COVID-19 adjusted concessions revenue] x 3 Years**  
**BASE GOAL: \$12,822,051**

The concession opportunities anticipated during this goal period are: janitorial, automotive body, general automotive repair, new car dealer, passenger car rental and insurance services with estimated gross receipts of **\$12,822,051**.

If a new concession opportunity (with an estimated average annual gross revenues of which are anticipated to be \$200,000 or greater) arises at a time that falls between normal submission dates for the overall goals, DAB will submit an appropriate adjustment of the overall goal to the FAA for approval, no later than 90 days before issuing the solicitation for the new concession opportunity. (49 CFR §23.45(i))

*The chart below provides a projected-likely revenue model for DAB over the next three years.*



## METHODOLOGY USED TO CALCULATE OVERALL GOAL

During Fiscal Years 2017, 2018 and 2019, seven (7) car rental concessions were in operation at DAB. At this time, none are certified ACDBE passenger car rental (NAICS Code: 532111) concessions.

Using the NAICS codes relevant to each type and historical data available for ACDBE participants, below *table 3* describes the relative availability of ACDBE utilization for each category. This data is based on rental car concessionaires over the past three fiscal years and is described herein.

### Goods and Services

In order to meet the car rental percentage goal, we will include all purchases of goods and services made from ACDBEs by car rentals businesses 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.

### STEP 1 – SECTION 49 CFR §23.51(c)

We determined the base figure for the relative availability of car rental ACDBEs. In order to determine the relative availability of ACDBEs in the area of car rental concessions, the availability of all ACDBE car rental concessions in the market area must be compared to the overall availability of all car rental concessions in the market area.

*Table 3* indicates the relative availability of ACDBEs in the market area for car rental concessions. This includes the total ready, willing, and able ACDBEs in the market area. The base figure was calculated as follows:

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

| Concession Type  | NAICS Code | ACDBE Firms | All Firms     | % of ACDBEs in Market Area |
|--|------------|-------------|---------------|----------------------------|
| <b>Automotive Body, Paint &amp; Interior Repair Services</b> | 811121     | 2           | 2,047         | 0.10%                      |
| <b>Auto Detailing/Car Wash</b>                               | 811192     | 5           | 1,234         | 0.41%                      |
| <b>Insurance</b>   | 524210     | 3           | 9,392         | 0.03%                      |
| <b>Janitorial Services</b>                                   | 561720     | 30          | 5,640         | 0.53%                      |
| <b>New Car Dealers</b>                                       | 441110     | 0           | 1,227         | 0.00%                      |
| <b>Passenger Car Rental</b>                                  | 532111     | 3           | 998           | 0.30%                      |
| <b>Other Auto Mechanical</b>                                 | 811118     | 1           | 250           | 0.40%                      |
| <b>TOTAL</b>   |            | <b>44</b>   | <b>20,788</b> | <b>0.21%</b>               |

Sources: [FL UCP Directory](#), [FAA Matchmaker System](#), [U.S. Census Bureau-County Business Pattern 2018](#)

$$\text{Base Figure} = \frac{\text{Ready, willing, and able car rental ACDBEs in the market area}}{\text{All ready, willing and able car rental commodity firms in the market area}} = \frac{44}{20,788} = 0.21\%$$

As noted in the calculation above, we divided the numerator by the denominator to arrive at the base figure, setting the overall goal for car rental concessions: 0.21%

### **STEP 2 – SECTION 49 CFR §23.51(d):**

#### **ADJUSTMENT TO THE BASE FIGURE**

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was necessary to the *Step 1* base figure in order to arrive at the overall goal.

The median ACDBE accomplishments for each of the reporting periods as shown below is 1.29%, compared to the *Step 1* ACDBE base figure for DAB of 0.21%.

*The following table describes the ACDBE accomplishments for car rental concessions from fiscal years 2015 through 2019. The data used to determine the adjustment to the base figure is the median historical ACDBE accomplishments (below).*

**Table 4: Daytona Beach International (DAB) Car Rental ACDBE Accomplishments**

| Report Period          | Approved Car Rental ACDBE Goal | Total Car Rental ACDBE % Achieved | Difference of Past Participation |
|------------------------|--------------------------------|-----------------------------------|----------------------------------|
| <b>FY 2015</b>         | 2.39%                          | 1.18%                             | -1.21%                           |
| <b>FY 2016</b>         | 9.41%                          | 2.66%                             | -6.75%                           |
| <b>FY 2017</b>         | 9.41%                          | 1.29%                             | -8.12%                           |
| <b>FY 2018</b>         | 9.41%                          | 2.80%                             | -6.61%                           |
| <b>FY 2019</b>         | 9.41%                          | 1.08%                             | -8.33%                           |
| <b>Historic Median</b> | <b>9.41%</b>                   | <b>1.29%</b>                      | <b>-6.20%</b>                    |

Sources: [DAB ACDBE Annual Accomplishment Reports: FY 2015-2019](#)

In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 0.25%. As per the U.S. Department of Transportation, if *Step 1* base figure is under 1% you must adjust the goal upward to at least 1.0% based on planned outreach efforts to certified and potential ACDBEs.

As a result, the overall goal for car rental concessions is increased by 0.25%.

With the factors considered to this point, DAB will adjust the *Step 1* ACDBE base figure of 0.21% by adding it to the annual historic median ACDBE participation of 1.29%, for a total of 1.50%. This total average of 0.75% is then increased by 0.25% to meet the minimum one (1) percent U.S. DOT overall goal requirement.

The final adjusted overall goal for car rental concessions is 1.0%.

**CALCULATION: OVERALL GOAL  $(0.21 + 1.29) = 1.50 \div 2 = 0.75\% + 0.25\% = 1.0\%$**

The adjustment to the base figure was necessary in order to best reflect the potential concession opportunities when compared to previous ACDBE participation, however the decline in passenger traffic is anticipated to further reduce the opportunity for airport concessions revenue and related business activities.

**We feel this adjusted goal figure will accurately reflect ACDBE car rental concession participation that can be achieved during this three-year period. Further, there are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.**

This portion of page intentionally left blank.

**PUBLIC PARTICIPATION - CONSULTATION WITH STAKEHOLDERS - SECTION 49 CFR §23.43**

In establishing the overall goal, DAB provided for consultation and publication. This included consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of 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.

Interest groups may include but not be limited to minority, women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the recipient's efforts to increase participation of ACDBEs within our market area. The following stakeholders received consultation of this proposed goal prior to the submittal to the FAA.

| <b>MINORITY/WOMEN ORGANIZATIONS</b>   |
|---|
| <b>Airport Minority Advisory Council (AMAC)</b>   |
| <b>African American Association Entrepreneurs</b>   |
| <b>African American Chamber of Commerce Central Florida</b>   |
| <b>FDOT DBE Specialized Development Program, Program Administered by FSMSDC &amp; Ariel Business Group</b>    |
| <b>Jacksonville Women's Business Center</b>   |
| <b>Orlando MBDA Business Center, Operated by FSMSDC - Florida State Minority Supplier Development Council</b> |
| <b>North Florida Small Business Development Office</b>  |
| <b>SCORE: Service Corps of Retired Executives – Chapter 87 Volusia/Flagler</b>                                |
| <b>Small Business Development Center (SBDC) at DSC - Daytona State College</b>                                |
| <b>Tampa Bay Women's Business Centre</b>  |
| <b>Volusia County Business Incubator</b>  |
| <b>Volusia County Hispanic Association</b>  |
| <b>Volusia County Hispanic Chamber of Commerce</b>  |
| <b>West Volusia NAACP</b>   |
| <b>Women's Business Enterprise Council (WBEC) Florida</b>   |
| <b>CAR RENTAL COMPANIES</b>   |
| <b>AVIS Rent-A-Car System, LLC.</b>   |
| <b>Budget Rent-A-Car System, LLC.</b>   |
| <b>DTG Operations, Inc.</b>   |
| <b>Enterprise Leasing Company of Orlando, LLC.</b>  |
| <b>The Hertz Corp.</b>  |
| <b>Enterprise – Alamo/National</b>  |

**Written comments on the ACDBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:**

Gregory Winqvist, ACDBELO  
700 Catalina Drive, Suite#300  
Daytona Beach, FL 32114  
Phone: (386) 248-8030  
Email: [gwinquist@volusia.org](mailto:gwinquist@volusia.org)

and/or

Alexander Horton, DBE/ACDBE Compliance Specialist  
FAA Southern Regional Office  
Office of Civil Rights, ASO-9  
1701 Columbia Ave  
College Park, GA 30337  
Phone: (954) 641-6637  
Email: [alexander.horton@faa.gov](mailto:alexander.horton@faa.gov)

*A summary of the information these stakeholders provided is as follows:*

*OR*

*No comments received.*

The Daytona Beach International Airport (DAB) website [www.flydaytonafirst.com](http://www.flydaytonafirst.com) will inform the public of the proposed 1.0% overall goal and its justification are available for inspection. These documents are available at the Daytona Beach International Airport administrative offices at 700 Catalina Drive, Suite# 300, Daytona Beach, Florida, 32114, during normal business hours. DAB will accept comments on the goal analysis.



**BREAKOUT OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION**  
**SECTION 49 CFR §23.51**

The County of Volusia and DAB will meet the maximum feasible portion of its overall goal by using both race-conscious and race-neutral means of facilitating ACDBE participation. DAB, through the County of Volusia, uses one or more of the following race-neutral measures to increase ACDBE participation:

We understand that we will be expected to actually take these steps, and this is not merely a paper exercise.

1. Establish car rental specific goals for particular car rental opportunities;
2. Negotiate with potential car rentals and commodity providers to include ACDBE participation;
3. Workshops and seminars on conducting business with the County of Volusia;
4. Workshops and information exchanges between ACDBEs and prime contractors;
5. Work in correlation with SBA Small Business Development Centers at Daytona State College;
6. Coordination with Bethune Cookman University, a historical minority college, for training and education opportunities;
7. Work with numerous government business development programs to assist with new business startups and expansions, when practical;
8. Work in coordination with the County of Volusia Economic Development grants and assistance programs;
9. Notify ACDBEs of concession opportunities to encourage them to compete, when appropriate;
10. Structure concession activities in order to encourage the participation of ACDBEs, when practical;
11. Provide technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing, when appropriate;
12. Ensure that competitors for concession opportunities are informed during pre-bid meetings about how the sponsor's ACDBE program will affect the procurement process and explain requirements.

We estimate that, in meeting our overall goal of **1.0%**, we will obtain **1.0%** from race-neutral participation and **0%** through race-conscious measures. This is an attainable goal based on the history of ACDBE participation in prior years and the availability of ACDBE contractors within the airport's market area.

DAB through the County of Volusia, uses one or more of the following race-conscious measures to increase ACDBE participation. If we project that race-neutral measures alone are not sufficient to meet an overall goal, we 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, when practical;
3. Locate and identify ACDBEs and/or other small businesses who may be interested in participating as concessionaires under this part, when appropriate;
4. Notify ACDBEs of concession opportunities and encourage participation to compete, when appropriate.
5. Maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

DAB proposes a race-neutral goal of 1.0% and a race-conscious goal of 0%, for a total of 1.0%. The reason for this projected race-neutral goal is the historical ACDBE participation showed that the median annual ACDBE accomplishment is **below** the median established annual goal. The median annual ACDBE participation was **1.29%**, while the median goal was **9.41%**. Therefore, DAB expects to meet 1.0% of its overall goal using race-neutral means of ACDBE participation.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use concession specific goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation, and we 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;
- a subcontract on a prime concession that does not carry ACDBE goals;
- a prime contract exceeding a concession specific goal; or
- a subcontract from a prime that did not consider a firm's ACDBE status in making the award.

Once the overall goals are proposed, DAB will analyze and project the maximum feasible portion of each goal that can be achieved by using race-neutral methods. Where the projected portion of the goal using race-neutral methods is less than the overall goal, the remaining portion will be achieved by using race-conscious methods such as establishing contract goals for particular projects that have concession-related contracting opportunities.

DAB will monitor and adjust the use of contract-specific goals in accordance with the administrative procedures applicable to contract goals in 49 CFR §26.51-53, and apply with respect to concession-specific goals (see 49 CFR §23.25(e)(1)(iv)).

When projecting the percentage of the overall goal to be achieved through establishing race-conscious methods, DAB will analyze the actual achievement of the overall goal through race-neutral methods in the current and previous two years. When establishing race-conscious methods during the current fiscal year, DAB will analyze the progress towards achieving the overall goal and increase or reduce the use of race-conscious methods accordingly.

This portion of page intentionally left blank.