

FY 2025-2027
Airport Concession Disadvantaged Business Enterprise
(ACDBE) Goal Methodology
(Car Rental Concessions)
For



Tallahassee, Florida

With Assistance From



April 2025

Section 23.45: Overall Goal Calculation for Car Rentals Concessions

In fulfillment of the requirements of 49 CFR Part 23, the City of Tallahassee ("the City") has developed a proposed Overall Goal for FY 2025-2027 for Car Rental concessions at the Tallahassee International Airport.

General Information:

Airport Sponsor: **City of Tallahassee**

Airport: **Tallahassee International Airport**

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I. Amount of Goal

The Tallahassee International Airport's ("Airport") overall goal for car rental concessions for the period beginning October 1, 2024 and ending September 30, 2027 is the following:

Overall Goal:	<u>1.54%</u>
Race-Neutral:	<u>0.96%</u>
Race-Conscious:	<u>0.58%</u>

The base of the goal will be the total purchases of goods and services for car rental operations at the Airport.

There are 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 are anticipated to be \$200,000 or greater, the Airport will submit an appropriate adjustment to the overall goal. This will be submitted to the Federal Aviation Administration (FAA) for approval no later than ninety (90) days before issuing the solicitation for the new concession opportunity (49 Code of Federal Regulations Part 23.45(i)).

Table 1: Car Rental Lease Dates

Car Rental	Beginning Lease Date	Ending Lease Date
Avis/Budget	2/1/2017	1/31/2025
Enterprise	2/1/2017	1/31/2025
Alamo/National	2/1/2017	1/31/2025
Hertz	2/1/2017	1/31/2025
Capital Leasing dba Priceless Car Rental	5/1/2019	1/31/2025

A. Projected Concessions Opportunities: October 1, 2024 - September 30, 2027

The goods and services opportunity for the three-year period is based upon FY 2023 expenditures on goods and services of \$27,641,983. FY 2025, FY 2026 and FY 2027 expenditures are expected to increase 3% each year based on FY 2023 expenditures.

The projected **car rental concessions base** is **\$88,001,765**.

Table 2: Projected Car Rental Expenditures – FY 2025-FY 2027

Fiscal Year	Projected Expenditures
FY 2025	\$28,471,243
FY 2026	\$29,325,380
FY 2027	\$30,205,142
Total	\$88,001,765

Source: City of Tallahassee

B. Determination of Market Area

The market area is normally defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located, and the geographical area in which the substantial majority of concessions-related revenues are generated. However, the Airport is defining its market by the geographical area in which the substantial majority of companies (*with whom the car rental concessions at the Airport make expenditures*) are located, and the area where the substantial majority of expenditures are made.

Although firms that are currently doing business with the Airport for car rental concessions are located nationally, Airport Concession Disadvantaged Business Enterprises (ACDBE) that would participate would more likely be local and regional, particularly for the purchase of goods and services. Therefore, the Airport proposes to establish the State of Florida as the market area.

II. Methodology Used to Calculate Overall Goal

A. Goods and Services

Per 49 CFR 23.51(c)(5)(ii), the City expresses its car rental ACDBE goal as a percentage of expenditures made by the rental car agencies who conduct business at the airport. The City determined the goal based on outreach for the purchases of goods and services from certified ACDBE firms and potential ACDBE firms in the market area.

This basis is in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the Airport. The City will make a good faith effort to pursue opportunities to meet the goods and services goal. The City will continue to consult and work with the car rental concessionaires at the Airport, similarly situated airports in the region, minority and women businesses in the state, minority serving institutions, local pro-business organizations, and targeted media publications to find prospective ACDBE firms. The City will work with car rental companies to strategize outreach to certified ACDBEs that may be able to provide car rental goods and services, to encourage current vendors who may be eligible for ACDBE certification to apply, and to encourage firms already working at the airport but certified as ACDBE in other states, to apply via the interstate certification process. The Florida UCP is aware of this requirement and is on board to assist and process certifications as required by 49 CFR Subpart C.

B. Management Contract or Subcontract

The Airport can meet the percentage goal by counting any car rental concessions operated through a management contract or subcontract with an ACDBE. The Airport, and the car rental concessions 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:

In order to determine the relative availability of ACDBEs in the area of car rental concessions, the availability of DBE car rental concessions in the market area must be compared to the overall availability of all car rental concessions in the market area. The Airport utilized the U.S. Census Bureau's County Business Patterns database, as well as the DBE directory noted below. The table below describes the relative availability of ACDBEs for car rental concessions for the market area.

**Table 3: Determination of Relative Availability of ACDBEs
(suppliers of goods and services)**

Goods/Services Type	NAICS* Code	Potential ACDBE Firms	All Firms	% of ACDBE Firms Available
Service Establishment Equipment and Supplies Merchant Wholesalers	423850	7	365	0.43%
Stationery and Office Supplies Merchant Wholesalers	424120	4	196	
Other Chemical and Allied Products Merchant Wholesalers	424690	2	577	
Car Dealer	441110	0	1,281	
Tire Dealers	441320	2	1,562	
Automobile Carrier Trucking	484230	0	680	
Insurance	524126	0	891	
Janitorial	561720	55	6,549	
Auto Repair	811111	1	5,092	
Auto Body Repair	811121	6	2,042	
Auto Oil Change	811191	1	541	
Car Washes	811192	15	1,659	
TOTAL		93	21,435	

Sources:

1. 2022 County Business Patterns database, US Census Bureau.
2. Florida Department of Transportation UCP Directory, July 2024.

*NAICS – North American Industry Classification System

The Step 1 base figure for car rental ACDBEs is **0.43%**.

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.

1. **Past participation** – The Airport evaluated the current capacity of ACDBEs to perform work in car rental concessions program by measuring the volume of work ACDBEs have performed in the past.

Specifically, expenditures that were made available by the car rental agencies at the Airport were assessed.

Table 4: Tallahassee International Airport ACDBE Accomplishments for FY 2020 - FY 2023

Report Period	ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
FY 2020	1.10%	3.37%	2.27%
FY 2021	1.10%	1.93%	0.83%
FY 2022	2.35%	3.44%	1.09%
FY 2023	2.35%	1.79%	-0.56%
Median =		2.65%	0.96%

Source: City of Tallahassee

The median ACDBE accomplishment as shown above is **2.65%**, compared to the median Step 1 DBE base figure for the Airport of **0.43%**.

E. Adjustment of the Step 1 Base Figure

The Airport will adjust the Step 1 DBE base figure of 0.43% by averaging it with the median past participation (2.65%).

$$0.43\% + 2.65\% = 3.08\% / 2 = 1.54\%$$

The overall ACDBE goal for the Airport for car rental concessions is **1.54%**.

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.

As part of the consultation process, the Airport held a meeting on April 2, 2025. Attendees were given an overview of the Airport's ACDBE program and the draft goals. After the presentation, attendees were given an opportunity to comment on the draft goals. Please see Appendix A for the attendee list and comments.

Breakout of Estimated Race-Neutral & Race-Conscious Participation **Section 23.51**

Race-conscious means a measure or program that is focused specifically on assisting only ACDBEs, including women-owned ACDBEs. For the purposes of this part, race-conscious measures include gender-conscious measures.

Race-neutral means a measure or program that is, or can be, used to assist all small businesses, without making distinctions or classifications on the basis of race or gender.

The Tallahassee International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses 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, such as the inability to obtain bonding or financing;
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; and
7. Establishing a business development program (see 49 CFR Part 26.35), technical assistance program or taking other steps to foster ACDBE participation in concessions.

The Airport proposes a race-conscious goal of **0.58%** and a race-neutral goal of **0.96%**, for a total of **1.54%**. The reason for this projected split is that the median amount by which the Airport over-achieved its goals over the preceding three (3) year period as shown in [Table 4](#) is 0.96%.

If the Airport Authority 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.
 - a. In setting concession-specific goals for concession opportunities other than car rental, the Airport Authority will explore, to the maximum extent practicable, all available options to set goals that concessionaires can meet through direct ownership arrangements. A concession-specific goal for any concession other than car rental may be based on purchases or leases of goods and services only when the analysis of the relative availability of ACDBEs and all relevant evidence reasonably supports that there is *de minimis* availability for direct ownership arrangement participation for that concession opportunity.
 - b. In setting car rental concession-specific goals, the Airport Authority will not require a car rental company to change its corporate structure to provide for participation via direct ownership arrangement. When the overall goal for car rental concessions is based on purchases or leases of goods and services, the Airport Authority is not required to explore options for direct ownership arrangements prior to setting a car rental concession-specific goal based on purchases or leases of goods and services.
 - c. If the objective of the concession-specific goal is to obtain ACDBE participation through a direct ownership arrangement with an ACDBE, the Airport Authority will calculate the goal as a percentage of the total estimated annual gross receipts from the concession.
 - d. If the goal applies to purchases or leases of goods and services from ACDBEs, the Airport Authority will calculate the goal as a percentage of the total estimated dollar value of all purchases to be made by the concessionaire.
 - e. When a concession-specific goal is set, the Airport Authority will require competitors to make good faith efforts to meet this goal. A competitor may do so either by obtaining enough ACDBE participation to meet the goal or by documenting that it made sufficient good faith efforts to do so.
 - f. The administrative procedures applicable to contract goals in part 26, § § 26.51 through 26.53. apply with respect to concession-specific goals.

2. Negotiate with a potential concessionaire to include ACDBE participation, through direct ownership arrangements or measures, in the operation of the non-car rental concessions.
3. Utilize other methods, with the prior approval of FAA, 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 an ACDBE goal
- ACDBE participation on a prime contract exceeding a concession-specific goal

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