

Overall Goal Calculation for Concessions Other Than Car Rentals

A. Amount of Goal: 20.64%

B. Name of Recipient: City of Charlotte/Charlotte Douglas International Airport (CLT)

C. Goal Period: FFYs 2024-2026 (October 1, 2023 through September 30, 2026)

D. Overall Three-Year Goal: 20.64%, to be accomplished 0% through race-neutral measures and 100% through race-conscious measures.

E. Methodology Used to Calculate Overall Goal:

Market Area. CLT's market areas for non-car rental concessions is 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 firms receiving a substantial majority of concessions related revenues are located. CLT has established the following market areas for new concession opportunities anticipated during this goal setting period:

Valet Parking Goods and Services – Mecklenburg County, North Carolina

Goods and Services. CLT can meet the percentage goal by including the purchase from ACDBEs of goods and services used in concessions conducted at the Airport. CLT, and the businesses at the Airport, will make good faith efforts to explore all available options to achieve, to the maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. 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.

Management Contract or Subcontract. CLT can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. CLT, 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.

Base of Non-Car Rental Goal. To calculate the base of the goal, CLT considered the previous three years of non-car rental gross concession receipts (shown in Table 1) and projected potential concession revenue (gross receipts) three years into the future.

Table 1 – Non-car Rental Concessions Gross Receipts for Previous 3 Years

Federal Fiscal Year	Gross Receipts
2020	\$206,134,234.00
2021	\$250,051,064.00
2022	\$347,451,102.55
Total	\$803,636,400.55
Average	\$267,878,800.18

Source: CLT Uniform Reports of ACDBE Participation, FFYs 2020-2022

New concession opportunities anticipated during this goal period are Valet Parking Goods and Services.

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.

If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,00 or greater, CLT will submit to the FAA 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)).

Step 1: Base Figure (\$23.51(c)). The North Carolina UCP Directory (UCP Directory) and the FAA National Certified Directory (FAA Directory) were the sources utilized to determine the number of ready, willing and able ACDBEs in CLT's market areas for new concession opportunities other than car rentals. The UCP Directory includes ACDBE-, DBE-, MBE- WBE- and HUB-certified firms. The FAA Directory includes ACDBE- and DBE-certified firms. As suggested in USDOT's tips for goal setting guidance¹, potentially ACDBE-certifiable firms (e.g., DBEs, MBEs, WBEs, and Historically Underutilized Businesses (HUB)) that are listed in the UCP Directory were also included in the Step 1 base figure calculation (numerator).

US Census Bureau 2021 County Business Patterns data (denominator) was the source used to determine the number of all ready, willing and able businesses available in our market areas for new concession opportunities other than car rentals.

When we divided the numerator by the denominator we arrived at an overall goal of 37.03% for Valet Parking Goods and Services, representing the relative availability of ACDBEs for these new concession opportunities, as shown in Table 2.

¹ <https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

Table 2 – Relative Availability of ACDBEs for Valet Parking Goods & Services

NAICS	Description	ADCBE+	Census
541850	Signage	16	20
541613	Marketing Services	129	276
423850	Car Wash Supplies	7	25
541219	Billing Services	34	146
448190	Uniform	1	38
Total	—	187	505
Percentage	—	—	37.03%

CLT then calculated its overall ACDBE availability Step 1 Base Figure of 21.74% for all new and existing non-car rental concessions by dividing the estimated non-car rental gross receipts from ACDBEs by the estimated gross receipts from all non-car rental concessions, as shown in Table 3.

Table 3 – Relative Availability of ACDBEs – FFYs 2021-2023

Concession Opportunity	Estimated Total Gross FY 24-26	Estimated ACDBE FY 24-26	Estimated ACDBE FY24–26 Goal
Advertising	\$40,000,000	\$8,000,000	20.00%
ATMs	\$3,000,000	\$600,000	20.00%
Luggage Carts	\$3,000,000	\$600,000	20.00%
Food and Beverage	\$650,000,000	\$141,000,000	21.69%
Non-Exclusive Common Use Lounge Goods & Services	\$5,000,000	\$1,085,000	21.70%
Non-Exclusive Customer Lounge Goods & Services	\$5,000,000	\$1,085,000	21.70%
News, Gifts & Specialty Retail	\$200,000,000	\$43,400,000	21.70%
Parking Facility Management *	\$150,000,000	\$32,550,000	21.70%
Parking Facility Goods & Services	\$50,000,000	\$10,850,000	21.70%
Valet Parking Goods & Services	\$7,939,437	\$1,860,985	23.44%
Total	\$1,113,939,437	\$242,130,985	21.74%

*Excludes estimated non-ACDBE management fees

Step 2: Adjustment to the Base Figure (§23.51(d)). Step 2 of the goal setting process requires an assessment of whether an adjustment to the base figure is necessary to reflect as accurately as possible the level of ACDBE participation expected to be achieved, or to provide an explanation of why an adjustment to the base figure was not made.

The following data was examined to determine whether an adjustment to the Step 1 base figure was needed in order to arrive at the overall goal:

Past Participation. Past ACDBE achievements from FFYs 2018 through 2022 were examined. As shown in Table 4 below,

median past ACDBE participation in CLT's concessions other than car rental concessions from FFYs 2018 through 2022 was 19.55%.

Table 4 - Past Participation Achievements

Federal Fiscal Year	Total Goods & Services Purchases	ACDBE Goods & Services Purchases	ACDBE Goal	ACDBE Participation Achievement	ACDBE Under/Over Achievement
2018	\$280,303,319.00	\$47,646,768.00	18.67%	17.00%	-1.67%
2019	\$300,147,526.00	\$50,394,785.00	18.67%	16.79%	-1.88%
2020	\$206,134,234.00	\$40,300,356.00	19.02%	19.55%	0.53%
2021	\$250,051,064.00	\$53,129,616.62	19.02%	21.25%	2.23%
2022	\$347,451,102.55	\$71,923,722.00	19.02%		

Source: CLT Uniform Reports of ACDBE Participation, FFYs 2015-2019

F. Proposed Overall Goal. To arrive at an overall goal, the Step 1 base figure (21.74%) was added to the Step 2 adjustment figure (19.55%) and then averaged, arriving at an overall goal of 20.64%.

CLT will review its overall non-car rental goal annually to determine whether it is appropriate or can be adjusted. CLT will inform the FAA of any significant adjustments to the goal before the next scheduled plan submission.

G. Consultation with Stakeholders (\$23.43). Prior to submitting the ACDBE goal for non-car rental concessions to the FAA, CLT sponsored a virtual stakeholder consultation meeting on October 31, 2023 at 1:00 p.m. to consult with minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as with existing and potential concessionaires, 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 CLT's efforts to increase participation of ACDBEs.

At the stakeholder meeting, CLT's ACDBE program consultant (Armand Resource Group, Inc) presented the ACDBE Program objectives and goal-setting requirements. The methodology that was utilized to develop the proposed 20.64% race-conscious goal for ACDBE participation in CLT's non-car rental concessions was discussed. The consultant also explained USDOT regulatory requirements and guidance for determination of the market areas and availability of firms; both resources were used to prepare CLT's goal methodology. The steps of goal setting process were outlined. No questions were posed during the meeting or the public comment period specific to the goal.

The meeting attendees were as follows:

Turman, Jasmyne (host)
Terry Wimpy
Sam Willhite

Ellis, Michael
Long, Jennifer
Vasquez Chaver, Elyana
Coleman, Jonathan
Philip Richardson
Compton, Diana

BREAKOUT OF ESTIMATED RACE-NEUTRAL & RACE CONSCIOUS PARTICIPATION

CLT estimates that, in meeting its overall goal of 20.64%, it will be obtained 100% from race-conscious participation. This estimate is based on past participation and the extent that our ACDBE goals have been underachieved in the past (see Table 4).

Race-Neutral Measures. CLT uses the following race-neutral measures in its ACDBE Program:

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 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 CLT's ACDBE program will affect the procurement process;
6. Providing information to competitors concerning the availability of ACDBE firms to assist them in obtaining ACDBE participation;
7. Providing information to ACDBE firms about CLT, its function and range of concession needs;
8. Offering instructions and clarifications on solicitation requirements, CLT's procurement policies, procedures, and general proposal requirements;
9. Conducting debriefing sessions to explain why certain proposals were unsuccessful;
10. Providing information to ACDBE and other small businesses on future concession opportunities, contracting schedules, contracting opportunities and bonding requirements;
11. Providing instructions about job performance requirements; and
12. Taking other race-neutral steps to foster ACDBE participation in CLT's concession opportunities.

Race-Conscious Measures. If CLT projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, the airport will use the following race-conscious measures to meet the overall goal:

1. Establishing concession-specific goals for particular concession opportunities.
 - a. If the objective of the contract-specific goal is to obtain ACDBE participation through a direct ownership arrangement with an ACDBE, the goal will be calculated as a percentage of the total estimated annual gross receipts from the concession.
 - b. If the goal applies to purchases and/or leases of goods and services, the goal will be calculated by dividing the estimated dollar value of such purchases from ACDBEs by the total estimated dollar value of all purchases to be made by car rental companies.
 - c. To be eligible to be awarded the concession, competitors must make good faith efforts to meet the 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.
 - d. The administrative procedures applicable to contract goals in part 26, §26.51–53, apply with respect to CLT’s concession-specific goals.
2. Negotiating with a potential concessionaire to include ACDBE participation, through direct ownership arrangements or measures, in the operation of the concession.
3. With FAA’s prior approval, other methods that take a competitor’s ability to provide ACDBE participation into account in awarding a concession.

In order to ensure that CLT’s 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 (see 26.51(f)) and we will track and report race-neutral and race conscious participation separately. We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

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 goal; 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.