

Overall Goal Calculation for Car Rentals

A. Amount of Goal: 1.72%

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: 1.72%, to be accomplished 1.32% through race-neutral measures and 0.40% through race-conscious measures.

E. Methodology Used to Calculate Overall Goal

Market Area. CLT's market area for car rental concessions is National. This is the geographical area in which the substantial majority of firms that seek to do concessions business with CLT are located and the geographical area in which the firms receiving the substantial majority of concessions-related revenues are located.

Goods and Services. CLT determined the goal based on purchases of goods and services from certified ACDBEs or potential/ACDBE firms in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the Airport. CLT will make a good faith effort to pursue opportunities to meet the goal. We will continue to consult with the North Carolina UCP, our car rentals at the Airport, airports in our region, minority and women businesses in the State and other publications to find prospects. We will work with our car rental agencies and outreach to ACDBEs for car rental goods and services and encourage certified ACDBEs to apply for certification in North Carolina so we can count the ACDBE participation in goals and uniform form reports. The North Carolina UCP is aware of this requirement and is on board to assist and process certifications as required.

Advantage, Alamo, Avis, Budget, Dollar, Enterprise, Hertz, and National currently operate at CLT. These car rental companies¹ stated that the goods and services they may need are: auto detailing, auto repair, auto parts, tires, auto windshields, recruiting services, temporary labor, office and cleaning supplies, auto cleaning supplies, electrical service, marketing, locksmith, alarm and security, janitorial, copy/printing, towing, vehicle transportation, vehicle reposition, printer ink, crowd control products, computer equipment, signs, appraisals, IT services, pest control, uniforms, uniform cleaning services, fuel, and fence repairs.

Base of Car Rental Goal. To calculate the base of the goal, CLT considered the previous three years of car rental goods and services purchases (shown in Table 1) and the car rental companies' projected goods and services purchases three years into the future.

¹ Advantage; Avis Budget Group; Enterprise Holdings; Hertz

Table 1 - Goods and Services Purchases for Previous 3 Years

FFY	Total Goods & Services Purchases
2020	\$89,718,318.51
2021	\$77,534,545.54
2022	\$71,136,662.27
Total	\$238,389,526.32
Average	\$79,463,175.44

Source: CLT Uniform Reports of ACDBE Participation, FFYs 2020, 2021 and 2022

As in previous years, this estimate excludes vehicle purchases because there are not ACDBE-certified car dealerships in North Carolina.

Step 1: Base Figure (\$23.51(c)). Based on information concerning CLT's proposed projects for FFY 2024-2026, the relative availability of DBEs to non-DBE firms was developed based on the specific North American Industry Classification System (NAICS) code and descriptions corresponding to the projects identified in Table 1.

The data sources used for this analysis include:

1. 2019 County Business Patterns (CBP), US Census Bureau
2. State Unified Certification Program (UCP) DBE Directory for North Carolina

Table 2 shows the Step 1 calculation with an average availability of DBE firms of 2.32%. Considering the CLT defined Market Areas, the North Carolina UCP Directories noted above were used to identify the number of firms certified to perform work in each NAICS code, as represented in the column labeled ACDBE adjusted count. The total number of all firms identified in the US Census Bureau County Business Patterns data base is represented in the column labeled "Census Number of Establishments".

Table 2. Availability by NAICS Codes

NAICS	Description	ACDBE Adj Count	2021 – Census NC. Number of establishments	%ALL/ %1NCC
334220	GPS Devices	3	11	27.27%
339950	Signage	14	148	9.46%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	5	369	1.36%
423130	Tire and Tube Merchant Wholesalers	2	92	2.17%
423140	Motor Vehicle Parts (Used) Merchant Wholesalers	1	52	1.92%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	7	130	5.38%
424720	Fuel/Oil/Energy	15	62	24.19%
441110	New Car Dealers	1	700	0.14%
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	47	244	19.26%
488410	*Roadside Assistance/Towing	4	335	1.19%
561720	Janitorial Services	81	2256	3.59%
621999	Drug Testing	7	207	1.92%
811111	General Automotive Repair	5	2724	0.18%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	7	1004	0.70%
811191	Automotive Oil Change and Lubrication Shops	2	279	0.72%
811192	Car Washes	12	625	1.92%
812331	*Linen and Uniform Supply	2	24	8.33%
Totals	—	215	9262	2.32%

Step 2: Adjustment to the Base Figure (\$23.51(d)). After calculating a base figure of the relative availability of ACDBEs, CLT examined the following evidence to determine whether an adjustment to the Step 1 base figure was needed in order to arrive at the overall goal:

a. Past Participation. Past ACDBE achievements from goods and/or services purchases by the car rental concessionaires from FFYs 2018 through 2022 were examined. As shown in Table 3, the median past ACDBE participation in CLT’s car rental concessions from FFYs 2018 through 2022 was 1.12%.

Table 3 - Past ACDBE Participation Achievements

Federal Fiscal Year	Total Goods & Services Purchases	ACDBE Goods & Services Purchases	ACDBE Goal	ACDBE Participation Achievement
2020	\$ 89,718,318.51	\$ 1,004,500.90	1.00%	1.12%
2021	\$ 77,534,545.54	\$ 1,047,557.08	1.00%	1.35%
2022	\$ 71,136,662.27	\$ 1,596,169.00	1.00%	2.24%
3 Year Total	\$ 238,389,526.32			Median
Average 3 Years	\$ 79,463,175.44			1.12%

Source: Uniform Report of ACDBE Participation, CLT, FFYs 2020-2022 Note: ACDBE participation achievement percentages are rounded.

F. Proposed Overall Goal. When the Step 1 base figure (2.32%) was added to the median historical ACDBE participation achievements (1.12%) and this sum was averaged, the result was 1.72%. An adjustment was not made to the base figure because there is an insignificant difference between the base figure and the Step 2 adjustment figure. CLT’s overall ACDBE participation goal for car rental goods and services is 1.72% for the FFYs 2024-2026 goal period. This goal is set as a race-conscious goal.

CLT will review its car rental goal annually to determine whether the 1.72% goal is appropriate or can be adjusted. CLT will inform the FAA of any significant adjustments to the goal before our next scheduled plan submission.

G. Consultation with Stakeholders. Prior to submitting the ACDBE goal for 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 1.72% race-conscious goal for ACDBE participation in CLT’s car rental concessions was discussed. The consultant also explained USDOT regulatory requirements and guidance for the determination of the market areas and availability of firms; both resources were used to prepare CLT’s goal methodology. The steps of the 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 (\$23.51)

CLT estimates that, in meeting the overall goal of 1.72%, we will obtain 1.32% from race-neutral participation and 0.40% from race-conscious participation. The reason for this projected split is because CLT has overachieved its goals over the preceding three-year period (see Table 3).

In accordance with the provisions of §23.53, rental car concessionaires' purchases of goods and services from ACDBEs certified by the North Carolina UCP will be counted as follows:

1. All purchases or leases of vehicles from an ACDBE vendor;
2. The entire amount of the cost charged by an ACDBE for repairing vehicles, provided that such cost is reasonable and not excessive as compared with fees customarily allowed for similar services;

² Armand Resource Group, Inc.

3. No portion of a fee paid by a manufacturer to an ACDBE car dealership for reimbursement of work performed under the manufacturer's warranty will be counted toward ACDBE goals.
4. The entire amount of the fee charged by an ACDBE to manage a car rental concession under an agreement with a rental car concessionaire, provided that such fee is reasonable and not excessive as compared with fees customarily allowed for similar services;
5. For other goods and services, ACDBE participation will be counted as provided in 49 CFR Part 26, §26.55 and Part 23, §23.55. In the event of any conflict between these two sections, §23.55 controls; and
6. If a rental car company has a national or regional contract with an ACDBE, the pro-rated share of the amount of that contract that is attributable to its car rental concession at CLT will be counted toward ACDBE participation.
Example to 6. Car Rental Company X signs a regional contract with an ACDBE car dealer to supply cars to all five airports in a state. The five airports each account for 20 percent of X's gross receipts in the state. Twenty percent of the value of the cars purchased through the ACDBE car dealer would count toward the goal of each airport.

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 we project that race-neutral measures, standing alone, are not sufficient to meet an overall goal, we 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.