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AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM

CAR RENTAL OVERALL GOAL SETTING METHODOLOGY

For

FFY 2021 - FFY2022 - FFY 2023

(Goal Effective Date: October 1, 2020 to September 30, 2023)

PREPARED BY:

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Car Rentals Overall Goal Calculation
FFY October 1, 2020 – FFY September 30, 2023
Cleveland Airport System

Introduction

The Overall Car Rental Goal for the Cleveland Airport System's (CAS) during the periods beginning October 1, 2020 and ending September 30, 2023 is **0.76%**.

Methodology

CAS has determined that its market area is the State of Ohio.

Goods and Services

We determined the goal shall be based on outreach for the purchases of goods and services from certified ACDBE or potential ACDBE firms. This basis is in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the airport. We will continue to consult with the Ohio DOT, airports in or region and other publications to find prospects. We will work with our car rental agencies and outreach to ACDBEs for car rental goods and services.

We have the following car rentals operating at the airport:

1. Avis Car A Rental Car System, LLC
2. Budget Rent A Car System, Inc.
3. The Hertz Corporation
4. DTG Operations, Inc. dba Dollar and Thrifty Rent A Car

Due to the non-exclusive nature of our lease agreements, we entertain interest from other car rental agencies that are interested in establishing an airport operation provided we have space in the Rental Car Facility and parking spots available for their rental inventory.

We encourage each car rental agency to purchase goods and services from certified ACDBE firms nationally. The car rental managers will assist the Airport to encourage firms to become certified ACDBE with the Ohio Unified Certification Program (UCP). We will outreach to out-of-state ACDBE firms and encourage their participation and certification in Ohio. The Ohio UCP is aware of this requirement and is on board to assist and process certifications as required.

Base Goal

To calculate the base of the goal, CAS considered the previous years of purchases and the projected potential purchases three years into the future.

Fiscal Year	ACDBE Purchases for All Car Rental Concessions	Total Purchases (Expenditures) Car Rental
2018	\$646,653	\$43,026,164
2019	803,608	44,996,542
2020	12,681	40,597,562
3-Year Average	\$487,647	42,873,423

Due to the break-out of Covid-19, the Cleveland Airport System estimated that purchases will decrease each year over the next three (3) years due to decreased of passenger traffic. The Base Goal for FFY 2021-FFY2023 will be based upon the forecasted 2020 total purchases of \$40,597,562 for all car rental concession multiplied by three (3) years.

Base Goal = \$40,597,562 x 3 years = \$121,792,686

Step 1: Relative Availability

To determine the base figure, CAS used the geographic data from United States Census for all firms in market and the Ohio Unified Certification Program directory.

Base Figure = $\frac{\text{Ready, Willing and Able Car Rental ACDBEs in the Market Area}}{\text{All Ready, Willing and Able Firms in the Market Area}}$

The numerator source was from the Ohio DBE Directory:

<https://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/DBE-Directory.aspx>

The denominator source used was from the US Bureau Data: <https://data.census.gov/cedsci/>

NAICS Code	Description	ACDBE Firms	ALL Firms in Ohio Market Area	% of ACDBE Firms that may be Available
441110	Fleet	0	867	0%
336360	Motor Vehicle Seating and Interior Trim Manufacturing	0	38	0%
811111	General Automotive Repair	0	2913	0%
811191	Automotive Oil Change/Lubrication	0	278	0%
811198	Auto Repair and Maintenance	0	78	0%
423710	Keys - Hardware Merchant	0	256	0%
911192	Car Wash	0	567	0%
561612	Security Services	0	220	0%
541214	Payroll Services	0	209	0%
561730	Landscaping services	0	3930	0%
561720	Janitorial Services	1	1870	0.05%
524210	Insurance agencies	1	4703	0.02%

488410	Moto Vehicle Towing	0	316	0.00%
488510	Freight Transportation	0	593	0.00%
453210	Office Supplies and Stationary	0	175	0.00%
441320	Tire Dealers	0	812	0.00%
		2	17,825	.01%

CAS divided the numerator by the denominator as follows to arrive at the base figure of **.01%**.

Relative Availability = 2/17,825 = .01%

Step 2: Adjustment

After calculating the base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the base figure in order to arrive at the overall goal. In order to reflect as accurately as possible the ACDBE participation, we would expect in the absence of discrimination, we have adjusted our base number.

- a. Past participation - CAS made the adjustment based on for FFY 2018 – FFY 2020 history of achievements. By arranging the percentages from lower to higher, CAS determined that the median is **1.50%**:

Fiscal Year	Goal	Accomplishments
2018	2.00%	1.50%
2019	2.00%	1.79%
2020	2.00%	0.03%

Median Accomplishments = 1.50%

Adjustment Goal = (Relative Availability + Median Accomplishment) / 2:
= .01% + 1.50% / 2
= **0.76%**

- b. Disparity Study - No applicable disparity study to use to adjust the goal at this time. We will continue to evaluate the need and possibility of participating in a disparity study.

CAS made the adjustment to the goal because the median accomplishment has been higher than the relative availability.

Consultation with Stakeholders and Results: Section 23:43

Prior to submitting this goal to FAA, the Airport consulted with:

- 1. Airport Minority Advisory Council (AMAC) – amac-org.com

Result: The AMAC meeting was via conference call and AMAC will assist CAS in the planning of a car rental ACDBE focused outreach event. Also, CAS has joined AMAC's Rental Car Committee that is chaired by a Rental Car Industry professional network and gain additional access to ACDBEs and information to assist with increasing CAS participation.

2. City of Cleveland, Office of Equal Opportunity (OEO) – <https://www.clevelandohio.gov/CityofCleveland/Home/Government/CityAgencies/OfficeofEqualOpportunity>

Result: CAS met with OEO and agreed to collaborate on outreach events to assist in increasing CAS's certified pool of firms.

3. Council of Small Business Enterprises – <http://www.cose.org/>

Result: CAS communicated with COSE by phone and email, and participated in outreach event to identify firms that would be able to be certified as ACDBEs to provide good and services to the rental car operations.

4. Commission of Economic Inclusion –

<https://www.gcpartnership.com/See%20What%20Do/Economic%20Inclusion/Commission%20on%20Economic%20Inclusion.aspx>

Result: CAS participated in a meeting with inclusion and procurement professionals with Commission on Economic Inclusion and has permanently joined the committee. The committee meets quarterly to discuss diversity and inclusion in procurements and CAS has used it as a means to discuss its program and needs, and access firms that are potential ACDBEs to provide services for the rental car companies at CAS.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

The **0.76%** ACDBE goal will be achieved by race-conscious means and **0.0%** through race-neutral measures. CAS will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. We will use the following race-neutral measures to increase ACDBE participation:

1. Locate and identify ACDBEs and other small business who may be interested in participating as concessions under 49 CFR Part 23;
2. Notify ACDBEs of concession opportunities and encourage them to compete when appropriate.
3. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination and if concession specific goals are used, CAS will adjust the estimated breakout of race-neutral and race-conscious participation as needed. This is to reflect actual ACDBE participation and race-neutral and race-conscious participation will be tracked separately.

For reporting purposes, race-neutral ACDBE participation includes but is not necessarily limited to the following:

1. ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures;
2. ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal;
3. ACDBE participation on a prime contract exceeding a concession specific goal;
4. ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

CAS will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals respectively.