

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

Introduction

The Overall Non-Car Rental ACDBE Concessions goal for periods beginning October 1, 2020 and ending September 30, 2023 is **11.94%** of the total gross receipts on non-car rental concession operations at City of Cleveland, Cleveland Airport System. In accordance with the federal regulations, the Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participations. The race-neutral portion of the goal is **10.88%** and the race-conscious portion of the goal is **1.06%**.

The concessions opportunities anticipated during this goal period include but are not limited to the following:

1. Other general merchandise;
2. Full service restaurants, catering, confectionary and nuts;
3. Catering;
4. Food service contractors;
5. Limited service restaurants;
6. Other specialty food service restaurants and kiosks;
7. News dealers, gift and novelty stores;
8. Cosmetic and beauty suppliers;
9. All other specialty food stores;
10. Grocery stores;
11. Beer, wine, liquor stores;
12. Grocery stores;
13. Baked goods;
14. Women's clothing retailer;
15. Personal care services.

The Airport has determined that the geographical market area in which a substantial number of firms seeking to do business with the airport non-car rental concessions are located in the State of Ohio and surrounding states.

Methodology

The data source used to derive the numerator was from the State of Ohio UCP database:
<https://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/DBE-Directory.aspx>

The data source for the denominator was gathered from the United States Census Bureau for the geographic market are for the entire State of Ohio. The base figure was derived by dividing the numerator by the denominator. The base figure was determined to be <.08%. The steps for determining the base figure are outlined below at:

Step 1: Relative Availability Base Calculation

Numerator Source

NAICS CODE	DESCRIPTION	NUMBER
445291	Baked goods	1
445299	All other specialty food service	2
445310	Beer, wine and liquor store	1
448120	Women’s clothing	1
452990	Other general merchandise	1
453222	News dealers, gifts and novelty stores	6
453998	Tobacco stores	1
722251	Limited service retailers	10
722310	Food service contractors	12
722320	Food caterers	5
722511	Full service restaurants	10
812111	Barber shops	1
812112	Beauty salons	1
812113	Nail salons	1
812199	Other Personal Care Services	1
812990	All other Personal Services	6
Total	All Services	60

Denominator Source

As stated above, the denominator was determined from data from United States Census Bureau for the geographic market are for the entire State of Ohio at:

<https://data.census.gov/cedsci/table?q=2017%2044-45%3A%20Retail%20Trade%20-%20OH&tid=ABSCS2017.AB1700CSA01>

Numbers were calculated based on the counties and the NAICS code.

NAICS	NUMBER
44 -45	35,500
72	24346
81	18425
TOTAL	78,271

The results and calculation are provided below:

Base Figure

Base figure = Ready, willing and able non-car rental ACDBEs in the market area
All ready, willing, and able non-car rental concession firms in the market area

$$60/78,271 = \underline{.08\%}$$

The Airport will adjust the goal upward to 1%.

Step 2: Adjusted Overall Goal

After calculating a base figure of the relative availability of ACDBEs, we examined previous participation to determine what adjustment was needed to the base in order to arrive at the overall goal. To accurately reflect potential ACDBE participation, we adjusted our base figure. The adjustments that we made was based on percentage ACDBE participation for FFY 2017, 2018 and 2019 as follows:

Past ACDBE Participation Percentage

2017 = 20.61%

2018 = 22.88%

2019 = 23.21%

Median participation % = 22.88%

Adjustment to Step 2:

$$\begin{aligned} \text{Adjusted Participation} &= \frac{\text{Step 1} + \text{Step 2}}{2} \\ &= \frac{1\% + 22.88\%}{2} \\ &= \underline{\underline{11.94\%}} \end{aligned}$$

The Airport's adjusted Overall Non-Car Rental Goal for FFY 2021 – 2023 = 11.94%

Consultation with Stakeholders and Results

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

1. Jumpstart Cleveland – <https://www.jumpstart.org#1>.

Result: The Airport had a meeting with Jumpstart regarding its upcoming concession opportunities. Jumpstart refers to its membership that own concession related business to the Airport

2. City of Cleveland, Office of Equal Opportunity (OEO) – <http://city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/OfficeofEqualOpportunity>
Result: The Airport 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: The Airport 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 operate as concessionaires.

4. Commission of Economic Inclusion – <https://www.gcpartnership.com/See%20What%20Do/Economic%20Inclusion/Commission%20on%20Economic%20Inclusion.aspx>
Result: The Airport 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; CAS has used its program and needs, and access firms that can be potential ACDBEs be concessionaires.

Breakout of Race-Neutral (RN) and Race-Conscious (RC) Participation

The Airport has exceeded its participation for the past three (3) FFY years. In FFY 2017 and 2018, the overall ACDBE overall goals were 12% and FFY 2019 was 10%. The Airport will meet the majority of its Overall Non-Car Rental goal through race-neutral means. Calculations of Race Neutral and Race-Conscious participation will be as follows:

a) Median Race Neutral

2017 = 20.61% - 12% = 10.61%
 2018 = 22.88% - 12% = 10.88%
 2019 = 23.21% - 10% = 13.21%

The median RN participation is 10.88%

b) RC Participation

Adjusted Base Percentage	11.94%
Minus median RN participation =	<u>(10.88%</u>
RC participation	= <u>1.06%</u>

In FFY 2017, 2018 and 2019, the Airport has planned, implemented, or partnered in approximately 150 outreach events. This is in conjunction with it providing advance notification of opportunities, information of the importance of the program at all pre-solicitation meetings, encouraging joint venture partnerships and providing all potential concessionaires with a listing of potential ACDBE partners.

In 2017, the Airport began development of a new concessions program adding two-pop-up shops that will be tagged for the ACDBEs and a kiosk concessions program. Due to the recent COVID -19, this program was put on hold. However, the Airport will continue this program when the pandemic will be clear and opportunity will be allowed.

The Airport will meet the maximum feasible portion of its overall goal by using RN means of facilitating and increasing ACDBE participation as follows:

1. Holding outreach events for the recruitment of ACDBEs and other small businesses that maybe interested in participating as concessionaires under 40 CFR Part 23.
2. Advanced notification to ACDBEs and potential ACDBEs of concessions opportunities and encouraging them to compete when appropriate.
3. Ensuring that competitors of concession opportunities are informed during pre-solicitation meetings about how recipient's ACDBE program will affect the procurement process.
4. Providing information about the availability of ACDBEs to potential prime concessionaires.

We project that the RN measures are not sufficient to meet the established overall goal; we will use the following RC measures to meet the other portion of the overall goal:

1. We will 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;
3. With prior FAA approval, other methods that takes a competitors' ability to provide ACDBE participation into account in awarding a concession.

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 RN and RC participations as needed to reflect actual ACDBE participation and we will track and report RN and RC participation separately.