



# PENSACOLA International Airport

## PROPOSED AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)

Goal Period: October 1, 2024 Through September 30, 2027

**PENSACOLA INTERNATIONAL AIRPORT  
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE  
GOALS AND METHODOLOGY**

The Pensacola International Airport (Airport) is owned and operated by the City of Pensacola (City). The City is known to the Federal Aviation Administration (FAA) as the Sponsor of the Airport.

As a recipient of federal funds, the Airport is required under 49 Code of Federal Regulations (CFR) Part 23 to establish an Airport Concessions Disadvantaged Business Enterprise (ACDBE) program. Under these regulations, recipient airports are required to establish goals for ACDBE participation in airport concessions opportunities if concession revenues annually exceed prescribed amounts. The goals are determined for a three (3) year period on a triennial basis.

The process is intended to provide maximum flexibility, while ensuring that goals are based on the availability of ready, willing, and able ACDBEs in the Airport's "Market Area." This approach is crucial in meeting the obligation to ensure that these goals are narrowly tailored. The process of setting goals is used to estimate the percentage of the base calculation that would be performed by ACDBEs in the absence of discrimination and its effects.

The overall goal period for the City's ACDBE program at the Airport is established on a triennial basis, beginning on October 1, 2024, and ending on September 30, 2027. The overall goals for the goal period have been set using the methodologies described in 49 CFR Part 23 as further detailed in the following pages.

## **OVERALL GOAL CALCULATION FOR CONCESSIONS OTHER THAN CAR RENTALS**

Goal Period: FY2025-2027 – October 1, 2024 through September 30, 2027

Overall Three-Year Goal: 39.04% to be accomplished by Race-Neutral participation

### **METHODOLOGY USED TO CALCULATE OVERALL GOALS**

The following sections detail the methodologies used to determine ACDBE participation goals for non-car rental concessions. The methodology for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure, and recognition of several factors.

The Airport in conducting this goal-setting process is evaluating the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

#### **Market Area**

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located. The Airport has defined the market area for concessions other than car rental as the following counties in the State of Florida: Escambia, Okaloosa, Santa Rosa, and Walton.

#### **Base of Goal**

To calculate the base of the goal the Airport considered the previous three (3) years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

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.

#### **Non-Car Rental Concessions**

Table 1 lists FY 2021-2023 actual gross receipts for the non-car rental concessions offered by the Airport, and Table 2 lists the projected gross receipts of non-car rental concessions for FYs 2025-2027. The Airport estimates that revenues to existing concessions will grow by 3% each year due to increased passenger traffic.

**Table 1**

**Past Federal Fiscal Year Gross Receipts for Non-Car Concessions Revenue**

<b>Fiscal Year</b>	<b>Amount</b>
2021	\$9,811,846
2022	\$12,113,124
2023	\$14,363,732
<b>Total</b>	<b>\$36,288,702</b>

**Table 2**

**Projected Gross Receipts for Non-Car Concessions Revenue**

<b>Fiscal Year</b>	<b>Amount</b>
2025	\$15,238,483
2026	\$15,695,638
2027	\$16,166,507
<b>Total</b>	<b>\$47,100,628</b>

Projected gross receipts were calculated using an annual growth factor of 3% as shown below.

Base year for goal period:

$$(2024) \$14,363,732 + 3\% (\$430,912) = \$14,794,644$$

Goal period:

$$(2025) \$14,794,644 + 3\% (\$443,839) = \$15,238,483$$

$$(2026) \$15,238,483 + 3\% (\$457,154) = \$15,695,638$$

$$(2027) \$15,695,638 + 3\% (\$470,869) = \$16,166,507$$

The current non-rental car concession agreements in place at the time these goals were published are anticipated to remain in place during the goal period. The concession agreements in place are food and beverage, news and gifts, vending, and ATM.

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 \$200,000 or greater, the Airport 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.

## GOAL CALCULATIONS

### Step 1: Determination of the Base Figure

The first step of the goal setting process is based on the demonstrable evidence of the relative availability of ready, willing, and able ACDBEs (relative availability of ACDBEs) to compete for Airport concessions verses all firms in the market area counties.

For each NAICS classification, the number of ACDBE firms is divided by the number of firms found in the market area to come up with the percentage of available ACDBEs. Those percentages are then weighted based on the last reported non-car rental concessions gross receipts to provide a more accurate base figure.

Concession Activity	NAICS Code	ACDBE Firms	All firms	% Availability	% of Concession Dollars	Weighted Availability
Food and Beverage	722511	0	688	0.00%	63%	0.00%
News and Gifts	453220	1	54	1.85%	36%	0.67%
Vending	454210	0	10	0.00%	1%	0.00%
ATM	522320	0	10	0.00%	0%	0.00%
<b>Weighted Step 1 Base Figure</b>						<b>0.67%</b>

The data sources used were:

- All Firms\_U.S. Census Bureau, 2022 County Business Patterns by Legal Form of Organization and Employment Size Class for US, States, and Selected Geographies
  - <https://data.census.gov/>
- ACDEB Firms\_Florida Department of Transportation DBE Directory
  - <https://fdotxwp02.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/CustomSearch.aspx>.

When compiled, we arrived at the Step 1 figure for our overall base goal for non-car rental concessions of 0.67%.

### Step 2: Adjustments to Base Figure

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 figure in order to arrive at the overall goal.

Past ACDBE participation attainment provides demonstrable evidence of ACDBE availability and capacity to perform on the Airport’s non-car rental concessions. The following table shows the median ACDBE participation achieved on non-car rental concessions for the last three (3) FYs.

<b>FY</b>	<b>RC</b>	<b>RN</b>	<b>Total Achievement</b>
21	0.00%	77.42%	77.42%
22	0.00%	77.90%	77.90%
23	0.00%	76.66%	76.66%
<b>Median ACDBE Participation Within Last Three (3) =Years</b>			<b>77.42%</b>

Source: Filed Uniform Reports of ACDBE participation.

### **Step 3. Overall 3-Year Goal**

To arrive at an overall goal, the Airport added the Step 1 base figure with the Step 2 adjustment figure and then averaged the total arriving at an overall goal of 39.05% prior to considering any adjustments for the continuation of existing concession contracts.

$$\begin{array}{rcl}
 \text{Non-Car Rental} & & \text{Non-Car Rental Median} \\
 \text{ACDBE Base} & + & \text{ACDBE Participation Within the} \\
 \text{Figure} & & \text{Last Three (3) Years} \\
 (0.67\%) & & (77.42\%) \\
 & & \div 2 = \\
 & & \text{Non-Car Rental} \\
 & & \text{ACDBE Triennial} \\
 & & \text{Goal} \\
 & & (39.05\%)
 \end{array}$$

The Airport believes this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 3-year period.

### **PUBLIC PARTICIPATION**

In establishing the overall goal, the Airport provided for consultation and publication. This includes consultation with the UWF Small Business Development Center, the Gulf Coast Minority Chamber of Commerce and their membership, the Greater Pensacola Chamber of Commerce and their membership, the City of Pensacola’s Purchasing Department and their registered vendors and general public. This process included could be expected to have 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. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process and was conducted before the goal methodology was submitted to the FAA. Details of the consultation are as follows.

The consultation engaged in was (1) a discussion with primary partners for feedback on the draft goal calculations and (2) a video conference, which was held in person as well as on Microsoft Teams on Thursday, September 26, 2024 at 10:30am CST. A list of attendees is available upon request.

The following comments were received during the consultation:

TBD

### **Breakout of Estimated Race-Neutral & Race Conscious Participation**

The Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Race-neutral participation includes any time that an ACDBE wins a contract through customary competitive procedures. Race-conscious methods are those that are focused specifically on assisting only ACDBEs, such as establishing a contract goal of ACDBE participation. The Airport will continue its efforts in executing the following race-neutral measures to achieve the non-car rental ACDBE goal:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities to encourage and facilitate the participation of ACDBEs.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Airport's ACDBE program will affect the procurement process.

We estimate that, in meeting our overall goal of 64.05%, we will obtain the full goal through race-neutral participation based on current concession agreements. 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:

- We will establish concession-specific goals for particular concession opportunities.
- We will negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.

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 race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation in a concession opportunity that does not have an ACDBE goal; ACDBE participation that exceeds 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.

The Airport will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals and report accordingly.

DRAFT



## **OVERALL GOAL CALCULATION FOR CAR RENTALS**

Goal Period: FY2025-2027 – October 1, 2024 through September 30, 2027

Overall Three-Year Goal: 1.78% to be accomplished by Race-Neutral participation

### **METHODOLOGY USED TO CALCULATE OVERALL GOALS**

The following sections detail the methodologies used to determine ACDBE participation goals for car rental concessions. The methodology for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure, and recognition of several factors.

The Airport in conducting this goal-setting process is evaluating the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

#### **Goal Based on Goods and Services Purchases - Determination**

Upon review of the market, it appears that all or most of the goal is likely to be met through the purchases by car rental companies of goods and services from ACDBEs. There are no ACDBE rental car companies in the market area. The Airport has therefore structured the goal entirely in terms of the purchase of goods and services.

#### **Market Area**

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located. The Airport has defined the market area for car rental concessions to be the State of Florida as car rental firms generally operate on a regional basis, shifting cars and resources among a region as needs dictate.

#### **Base of Goal**

To calculate the base of the goal the Airport considered the previous 3 years of car rental expenditures/purchases and the projected potential car rental expenditures three years into the future, including upcoming new opportunities.

#### **Car Rental Concessions**

Table CR-1 lists FY 2021-2023 actual car rental expenditures/purchases offered by the Airport, and Table CR-2 lists the car rental expenditures/purchases for FYs 2025-2027. The Airport estimates that revenues to existing concessions will grow by 3% each year due to increased passenger traffic.

**Table CR-1**

**Past Federal Fiscal Year Car Rental Expenditures/Purchases**

<b>Fiscal Year</b>	<b>Amount</b>
2021	\$21,357,896
2022	\$24,598,500
2023	\$26,022,553
<b>Total</b>	<b>\$71,978,949</b>

**Table CR-2**

**Projected Car Rental Expenditures/Purchases**

<b>Fiscal Year</b>	<b>Amount</b>
2025	\$26,607,327
2026	\$28,435,547
2027	\$29,288,613
<b>Total</b>	<b>\$85,331,487</b>

Projected car rental expenditures/purchases were calculated using an annual growth factor of 3% as shown below.

Base year for goal period:

$$(2024) \$26,022,553 + 3\% (\$780,677) = \$26,803,230$$

Goal period:

$$(2025) \$26,803,230 + 3\% (\$804,097) = \$26,607,327$$

$$(2026) \$26,607,327 + 3\% (\$828,220) = \$28,435,547$$

$$(2027) \$28,435,547 + 3\% (\$853,066) = \$29,288,613$$

The current rental car concession agreements in place at the time these goals were published are anticipated to remain in place during the goal period.

The following are not included in the total car rental expenditures/purchases: concessions other than car rental.

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 \$200,000 or greater, the Airport 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.

**GOAL CALCULATIONS**

**Step 1: Determination of the Base Figure**

The first step of the goal setting process is based on the demonstrable evidence of the relative availability of ready, willing, and able ACDBEs that provide car rental services or provide goods and services to car rental concessionaires and dividing that number by the total number of ready, willing, and able firms verses all firms in the market area counties. For the purpose of determining this goal, the market area is considered to be the State of Florida.

For each NAICS classification, the number of ACDBE firms is divided by the number of firms found in the market area to come up with the percentage of available ACDBEs.

Concession Type	NAICS Code	ACDBE Firms	All Firms in Market Area	% of ACDBE Firms that may be available
Car Supplies and New Parts	423120	0	952	0.00%
Tires	423130	0	233	0.00%
Car Wash Supplies	423850	10	365	2.74%
Office Supplies	424120	4	196	2.04%
New Vehicles	441110	0	1,281	0.00%
Automobile parts	441310	1	2,561	0.04%
Towing Services	488410	3	637	0.47%
Insurance Services	524210	7	10,533	0.07%
Locksmith Services	561622	1	461	0.22%
Janitorial Services	561720	196	6,549	2.99%
Landscaping Services	561730	9	10,548	0.09%
Collision Repair Services	811111	0	5,092	0.00%
Body, Paint, and Interior Repair	811121	5	2,042	0.24%
Glass Repair Services	811122	0	563	0.00%
Oil Change Services	811191	2	541	0.37%
Car Wash and Detailing	811192	17	1,659	1.02%
<b>Total</b>		<b>255</b>	<b>44,213</b>	<b>0.58%</b>

The data sources used were:

- All Firms\_U.S. Census Bureau, 2022 County Business Patterns by Legal Form of Organization and Employment Size Class for US, States, and Selected Geographies
  - <https://data.census.gov/>
- ACDEB Firms\_Florida Department of Transportation DBE Directory
  - <https://fdotxwp02.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/CustomSearch.aspx>

When compiled, we arrived at the Step 1 figure for our overall base goal for car rental concessions of 0.58%.

**Step 2: Adjustments to Base Figure**

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 figure in order to arrive at the overall goal.

Past ACDBE participation attainment provides demonstrable evidence of ACDBE availability and capacity to perform on the Airport’s car rental concessions. The following table shows the median ACDBE participation achieved on car rental concessions for the last three (3) FYs.

<b>FY</b>	<b>RC</b>	<b>RN</b>	<b>Total Achievement</b>
21	0.00%	1.71%	1.71%
22	0.00%	2.98%	2.98%
23	0.00%	4.64%	4.64%
<b>Median ACDBE Participation Within Last Three (3) =Years</b>			<b>2.98%</b>

Source: Filed Uniform Reports of ACDBE participation.

**Step 3. Overall 3-Year Goal**

To arrive at an overall goal, the Airport added the Step 1 base figure with the Step 2 adjustment figure and then averaged the total arriving at an overall goal of 1.78%.

Car Rental ACDBE Base Figure (0.58%)	+	Median Car Rental ACDBE Participation Within the Last Three (3) Years (2.98%)	÷ 2 =	Car Rental ACDBE Triennial Goal (1.78%)
---	---	--	-------	---

The Airport believes this adjusted goal figure will accurately reflect ACDBE car rental concession participation that can be achieved during this 3-year period.

**CONSULTATION**

In establishing the overall goal, the Airport provided for consultation with the existing car rental concessioners and the City of Pensacola’s Purchasing Department. This process included could be expected to have 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. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process and was conducted before the goal methodology was submitted to the FAA. Details of the consultation are as follows.

The consultation engaged in was a discussion with primary partners for feedback on the draft goal calculations during annual Rental Car meeting. A list of attendees is available upon request. After consulting with stakeholders, the Airport has not been made aware of any such action that would cause further adjustment to the overall ACDBE goals.

### **Breakout of Estimated Race-Neutral & Race Conscious Participation**

The Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Race-neutral participation includes any time that an ACDBE wins a contract through customary competitive procedures. Race-conscious methods are those that are focused specifically on assisting only ACDBEs, such as establishing a contract goal of ACDBE participation. The Airport will continue its efforts in executing the following race-neutral measures to achieve the car rental ACDBE goal:

- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities to encourage and facilitate the participation of ACDBEs.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Airport's ACDBE program will affect the procurement process.

We estimate that, in meeting our overall goal of 1.78%, we will obtain the full goal through race-neutral participation based on current car rental concession agreements. 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:

- We will establish concession-specific goals for particular concession opportunities.
- We will negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.

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 race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation in a concession opportunity that does not have an ACDBE goal; ACDBE participation that exceeds 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.

The Airport will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals and report accordingly.