WELCOME AND INTRODUCTIONS

• Diane Gillam

• Properties and Senior DBE Manager
OVERVIEW

• ACDBE Program Definitions

• Goal Setting Methodology for Non-Car Rental and Car Rental Triennial ACDBE Goals

• Market Availability Analysis for both goals

• Specific Concessions Opportunities

• Questions/Comments
ACDBE PROGRAM DEFINITIONS

• What is an ACDBE?

• Airport Concession Disadvantaged Business Enterprise (ACDBE) a concession that is a for-profit small business concern

• Owners must meet the requirements under 49 CFR Parts 23 and 26
  • (1) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals;
  • (2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

• This program applies to contracts and concessions administered by airports that receive financial assistance from the Federal Aviation Administration.
GOAL SETTING METHODOLOGY FOR TRIENNIAL ACDBE GOALS

• **Why set Overall Goals?**

• The Birmingham Airport Authority is required to comply with the United States Department of Transportation’s regulations, its Disadvantaged Business Enterprise Program and its Airport Concession Disadvantaged Business Enterprise Program.

• “To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance.”

• FAA recipients that expect to award more than $250,000 in FAA funds in a Federal fiscal year are required to set three-year goals for DBE participation for this DOT-assisted work.
ACDBE GOAL/METHODOLOGY REQUIREMENT

• Submission of triennial goal proposal due by **August 1**

• What does the Birmingham Airport Authority need to submit?
  
  •  Letter stating the overall goal for the three Federal Fiscal years
  
  •  Copy of the methodology used to develop the goal (ex. Worksheet, spreadsheet, charts, etc.)
  
  •  Copy of the published notice informing the public of the ACDBE goal comment period, which was published in both The Birmingham News and The Birmingham Times publications once per week for four weeks.

•  Consultation Process/Outreach Conducted
ACDBE GOAL SETTING METHODOLOGY

• **Overall Goals for BHM have been determined by:**
  
  • Evaluating the total estimated gross revenues and estimated ACDBE gross revenues for continuing and new or anticipated concession agreements that will become effective during the goal period
  
  • Analysis of the opportunity, potential for ACDBE participation and the relative availability of ACDBE firms “ready, willing and able” to perform under the agreement
• **Step 1**
  • Develop a base figure

• **Step 2**
  • Adjust your base figure
• **Step 1** - Develop a base figure
  • Continuing Contracts for Food and Beverage and Retail Contracts
  • Expiring Contracts: Advertising, ATM, Vending
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;B</td>
<td>7,306,080</td>
<td>7,349,006</td>
<td>7,344,726</td>
<td>5,500,000</td>
<td>5,500,000</td>
<td>6,000,000</td>
<td>72%</td>
</tr>
<tr>
<td>Retail</td>
<td>3,669,778</td>
<td>3,926,680</td>
<td>4,140,080</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>25%</td>
</tr>
<tr>
<td>Advertising</td>
<td>348,441</td>
<td>351,746</td>
<td>331,300</td>
<td>150,000</td>
<td>150,000</td>
<td>150,000</td>
<td>2%</td>
</tr>
<tr>
<td>Vending</td>
<td>119,833</td>
<td>119,139</td>
<td>115,683</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>1%</td>
</tr>
<tr>
<td>ATM</td>
<td>144,000</td>
<td>132,000</td>
<td>141,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,588,131</strong></td>
<td><strong>11,878,572</strong></td>
<td><strong>12,072,789</strong></td>
<td><strong>7,695,000</strong></td>
<td><strong>7,695,000</strong></td>
<td><strong>8,195,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**TOTAL 3 YEARS ESTIMATED GROSS RECEIPTS**: $23,585,000
In estimating the base figure, we used the following data:

- Alabama Unified Certification Program ACDBE Database
- Active Participants List for Concession Opportunities from the Birmingham Airport Authority.
<table>
<thead>
<tr>
<th>Active Participants List (APL)</th>
<th>Concession Opportunity</th>
<th>Census / Active Participants List</th>
<th>UCP Database ACDBE</th>
<th>% ACDBE Availability</th>
<th>% of Estimated Gross Receipts per Concession Opportunity</th>
<th>Weighted Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL</td>
<td>Food &amp; Beverage</td>
<td>19</td>
<td>5</td>
<td>26%</td>
<td>72%</td>
<td>19%</td>
</tr>
<tr>
<td>APL</td>
<td>Retail Shops</td>
<td>16</td>
<td>3</td>
<td>19%</td>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>APL</td>
<td>Indoor / Display Advertising</td>
<td>4</td>
<td>1</td>
<td>25%</td>
<td>2%</td>
<td>.5%</td>
</tr>
<tr>
<td>APL</td>
<td>Vending</td>
<td>2</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>APL</td>
<td>ATMs</td>
<td>3</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>WEIGHTED AVAILABILITY</strong></td>
<td><strong>24.22%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Past History of ACDBE Participation

- **24.22% Base Goal**
- **+10% (Median Past ACDBE Participation)**
- **Equals - 34.22%**
- **Divide 34.22% by 2 = 17.11% Adjustment**

<table>
<thead>
<tr>
<th>Federal Fiscal Year</th>
<th>Total Gross Receipts / Total Value of Management Agreement</th>
<th>ACDBE Gross Receipts</th>
<th>% of ACDBE Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 2015</td>
<td>$11,588,131</td>
<td>$1,100,933</td>
<td>10%</td>
</tr>
<tr>
<td>FFY 2016</td>
<td>$11,878,571</td>
<td>$1,178,004</td>
<td>10%</td>
</tr>
<tr>
<td>FFY 2017</td>
<td>$12,072,789</td>
<td>$1,276,250</td>
<td>11%</td>
</tr>
<tr>
<td><strong>MEDIAN PAST</strong></td>
<td><strong>ACDBE</strong></td>
<td><strong>PARTICIPATION</strong></td>
<td><strong>10%</strong></td>
</tr>
<tr>
<td>Federal Fiscal Year</td>
<td>ACDBE (Goal)</td>
<td>Percentage ACDBE Participation</td>
<td>Percentage Variance</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------</td>
<td>--------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>FFY 15</td>
<td>14.55%</td>
<td>28.34%</td>
<td>13.79%</td>
</tr>
<tr>
<td>FFY 16</td>
<td>14.55%</td>
<td>12.28%</td>
<td>-2.27%</td>
</tr>
<tr>
<td>FFY 17</td>
<td>14.55%</td>
<td>10.62%</td>
<td>-3.93%</td>
</tr>
<tr>
<td><strong>AVERAGE</strong></td>
<td><strong>PERCENTAGE</strong></td>
<td><strong>VARIANCE</strong></td>
<td><strong>7.59%</strong></td>
</tr>
</tbody>
</table>

• \(7.59\% + 17.11\% = 24.70\%)
AMOUNT OF GOAL
FEDERAL FISCAL YEARS 2019, 2020, AND 2021

• The Birmingham Airport Authority proposes an overall ACDBE Concessions participation in Non-Car Rental is 24.70%

• The Birmingham Airport Authority will continue our outreach efforts.
DBE GOAL SETTING METHODOLOGY – CAR RENTAL GOAL

• Car Rental Background
  • Our airport currently has seven (7) car rental firms based on property.
  • We are working with the firms to provide a new Agreement.
  • Car rental concessions average approximately $46 Million per year.
EVALUATING ACDBE PARTICIPATION IN CAR RENTALS

• There are no ACDBE car rental companies currently operating at the airport.

• Car Rental ACDBE goal is based on the purchase of goods and services from ACDBE firms.
49 CFR Part 23 provides the guidance for establishing rental car concession goals.

We have determined that the ACDBE participation will be derived from Goods and Services only.
RELEVANT MARKET AREA

• Based on the types of goods/services purchased by the firms (e.g. auto repair, insurance, fuel, etc.)

• Relevant Market Area for the purchase of goods and services (exception of vehicle purchases) is the State of Alabama
**PREVIOUS 3 YEAR PARTICIPATION**

<table>
<thead>
<tr>
<th>TOTAL GOODS AND SERVICES</th>
<th>TOTAL ACDBE PARTICIPATION</th>
<th>ACDBE BASE PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,546,548.02</td>
<td>$696,415</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

*15.3% is the initial Base Percentage for Car Rental ACDBE Participation*
ADJUSTED GOAL

• We adjusted our Base Goal Percentage by 1%.

• $15.3\% + 1\% = 16.3\%$ GOAL
2019-2021 ACDBE RENTAL CAR GOAL

• **16.3%** is the CAR RENTAL GOAL PERCENTAGE

• The Authority will continue their outreach efforts.
BIRMINGHAM AIRPORT AUTHORITY ACDBE GOALS

NON-RENTAL CAR CONCESSIONS
2019, 2020 AND 2021 ACDBE GOAL
• 24.70%

RENTAL CAR CONCESSIONS
2019, 2020 AND 2021 ACDBE GOAL
• 16.3%
BIRMINGHAM AIRPORT AUTHORITY RENTAL CAR DIVERSITY WORKSHOP/FORUM

• WHEN: APRIL 30, 2019

• WHERE: Birmingham-Shuttlesworth International Airport

• WHO: We are inviting interested DBEs/ACDBEs in the following categories to meet Rental Car Managers and the Goods and Service Decision Makers:
  • Insurance
  • Tires
  • Fuel Providers
  • Key Cutters
  • Tow Trucks
  • Car Wash Mechanics
  • AND MORE!
QUESTIONS?

THANK YOU FOR YOUR PARTICIPATION.