

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT



CAR RENTAL AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM GOAL SETTING METHODOLOGY

**FEDERAL FISCAL YEARS
2018–2020
(March 2020 Update)**

**NEW ORLEANS AVIATION BOARD (NOAB)
 CAR RENTAL AIRPORT CONCESSIONS
 DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM
 Goal Setting Methodology & Calculations
 Federal Fiscal Years 2018, 2019 and 2020**

GOAL OVERVIEW

The New Orleans Aviation Board (NOAB) proposes an overall Car Rental Airport Concessions Disadvantaged Business Enterprise (ACDBE) Goal applicable to Car Rental concession opportunities anticipated for federal fiscal years beginning October 1, 2018, 2019, 2020, respectively. The goal was developed in compliance with Federal Regulations set forth by 49 CFR Part 23, Subpart D. ***The proposed adjusted overall ACDBE goal for FYs 2018, 2019 and 2020 is 3.45%.***

CAR RENTAL AIRPORT CONCESSIONS OPPORTUNITIES

The airport's non-rental car concession opportunities are projected in Table 1 below. NOAB's historical ACDBE participation for car rental concessions was obtained through the purchase of goods and services. NOAB's car rental goal is based on the purchase of goods and services by car rental companies as outlined in Part 23.5 (c)(5)(ii). The total estimated purchases of goods and services by car rental concessionaries for FFYs 2018-2020 were approximately \$1 million annually, excluding fleet vehicles. The typical car rental concession opportunities are detailed in the following table.

Table 1: OPPORTUNITY

NAICS	RETAIL CATEGORY	EST. ANNUAL VALUE	EST. PERCENTAGE
811111	Auto Repair/Detailing	\$75,000	7.08%
561612	Security Guard Services	\$175,000	16.51%
561720	Janitorial Services	\$10,000	0.94%
	Other Goods/Services*	\$800,000	75.47%
		\$1,060,000	100.00%

LOCAL MARKET AREA

Upon becoming a Certifying Agency in Louisiana's Unified Certification Program (UCP), all federal ACDBE goals are set based on the state's UCP registry as the overall source of ACDBE participation for car rental airport concessions opportunities. While the airport may from time-to-time contract with concessionaires headquartered outside of the primary target market of metropolitan New Orleans, most of the participating ACDBEs are in fact headquartered in the local area, including the eight-parish region utilized by the US Census Bureau which includes Orleans (coterminous with the city of New Orleans), Jefferson, St. John the Baptist, St. James, St. Tammany, St. Bernard, St. Charles and Plaquemines parishes. The eight-parish MSA is the coverage area for the New Orleans International Airport, which is owned by the City of New Orleans and physically located in Jefferson and St. Charles Parishes. The New Orleans Metropolitan Statistical Area (MSA) is the defined Market Area for DBE goal setting. Over 80% of all ACDBE joint venture partners and sub-tenant vendors operating at the airport are based in the local area of metropolitan New Orleans. It is noted that approximately half of the ACDBEs listed on the airport's registry are headquartered outside of the metropolitan New Orleans area. Furthermore, federal and state regulations prohibit the use of local preferences in contracting opportunities.

READY, WILLING AND ABLE CAR RENTAL AIRPORT CONCESSIONS POOL

The Louisiana Unified Certification Program (LAUCP) is the basis of the airport's concessions DBE pool. The Louisiana Department of Transportation and Development (LADOTD) and the New Orleans Metropolitan Certifying Agency (NOMCA) – including the Louis Armstrong New Orleans International Airport – have been identified as agencies authorized to provide certification services in the State of Louisiana. For the purposes of this analysis, only ACDBEs' certified in Region 2 by the New Orleans Metropolitan Certifying Agency, which includes the Louis Armstrong New Orleans International Airport, the New Orleans Regional Transit Authority and the Orleans Levee District are considered as the vendor target market. For the purposes of this analysis, only DBEs' located in the eight-parish New Orleans MSA are considered as the vendor target market.

The list of certified DBE contractors is compared to a more global list of businesses, segregated by NAICS Code, to determine the general market population of ready, willing businesses.

Table 2: CAR RENTAL AIRPORT CONCESSIONS POOL

NAICS	RETAIL CATEGORY	ADJUSTED PERCENTAGE	LAUCP	US CENSUS CBP	BASE ACDBE GOAL
811111	Auto Repair/ Detailing	7%	3	219	.10%
561612	Security Guard Services	16%	8	70	1.83
561720	Janitorial Services	2%	30	225	.27%
524210	Other Goods/Services*	75%	10	598	1.25%
		100%	42	1112	3.45%

*Includes insurance services

The Base Figure calculation weighs the relative availability of ACDBE concessionaires to the relative amount of concessions businesses available for the total pool of businesses located in the metropolitan New Orleans area. Based on raw data, ACDBE-certified businesses represent 3.45% of the total available businesses in the metropolitan New Orleans area

BASE FIGURE ADJUSTMENTS

After calculating the Base Figure of 3.45%, it was determined that this rate of participation would not be adjusted, based on past performance; historical data showed marginal attainment of ACDBE goals. Over the past three fiscal years, only three car rental companies have posted ACDBE participation relative to goods and services at an average rate of less than 2% annually. Due to changes including the opening of the new MSY North Terminal, confirmed historical data for Fiscal Year 2018 and 2019 data are pending at the time of this update (noted as NR in Table 3).

Table 3: HISTORICAL ACDBE PARTICIPATION

FISCAL YEAR	GOAL	ACCOMPLISHMENT	RACE NEUTRAL
Fiscal Year 2011 - 2012 (FY 2012)	1%	1.14%	0.14%
Fiscal Year 2012 - 2013 (FY 2013)	1%	0.55%	-0.45%
Fiscal Year 2013 - 2014 (FY 2014)	1%	0.63%	-0.37%
Fiscal Year 2014 - 2015 (FY 2015)	1%	2.55%	1.55%
Fiscal Year 2015 - 2016 (FY 2016)	1%	0.50%	-0.50%
Fiscal Year 2016 - 2017 (FY 2017)	1%	1.14%	0.14%
Fiscal Year 2017 - 2018 (FY 2018)	NR	NR	NR
	Average	1.07%	.07%
	Median	0.63%	-0.37%

OTHER ADJUSTMENT FACTORS CONSIDERED

Disparity Studies

The airport has inquired about the availability of disparity study data for the New Orleans area and the state of Louisiana from other like-funded agencies such as the Louisiana Department of Transportation and Development (LaDOTD) as well as from other local and regional airports. There are no studies currently available and none conducted within the last seven (7) years for any LADOT or US Department of Transportation (USDOT) assisted agencies in the state. The City of New Orleans recently completed a disparity study, which looks at City funded procurement activity and also at the broader public and private sector marketplace. The study does not look at FAA funded activity or any USDOT funded programs.

Use of Race Neutral Means

Historically, the NOAB achieved ACDBE participation through the use of race-conscious means – contract goals. Establishing contract goals will continue to be used to meet any portion of the overall goal the NOAB does not project being able to meet using race-neutral means. Given the past three (3) year history of ACDBE participation, contract goals will likely continue as a means of encouraging concessionaire opportunities. However, contract goals need not be established on every such contract, the size of contract goals will be adapted to the circumstances of each such contract (e.g., type of product or service and the availability of ACDBEs to provide the particular type of product or service). The NOAB will endeavor to create a contracting environment that facilitates the ACDBE goal through race-neutral means. The following race-neutral measures will be taken to increase ACDBE participation:

1. Encourage master concessionaires to structure concession opportunities to foster and facilitate the participation of ACDBEs when practical.
2. Identify opportunities for technical assistance to ACDBE firms; including assisting with back-office, financial and marketing services.
3. Identify education and training programs to encourage an expansion of services, which are offered to ACDBEs and small businesses.
4. Ensure that the ACDBE website is updated with available opportunities for ACDBE-owned and other small business firms in the community.
5. Utilize emerging technology to include the ACDBE directory in the DBE office's web site.
6. Identify opportunities for business development assistance through financing and loan guarantee programs with local banks and lending organizations.

In order to ensure that the ACDBE program is narrowly tailored to overcome the effects of discrimination, the airport will continue to track and report race-neutral and race-conscious ACDBE participation.

PUBLIC PARTICIPATION AND CONSULTATION

The involvement of interested community and business stakeholders is the ultimate measure to gauge the fairness and effectiveness of ACDBE participation goals. LANOIA is currently and will continue to consult with relevant stakeholders including, but not limited to the following: the New Orleans Regional Black Chamber of Commerce, the New Orleans Hispanic and Asian Chambers of Commerce, the New Orleans Chamber of Commerce, minority and women's business groups, community organizations, trade associations, as well as currently certified disadvantaged businesses, 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 LANOIA's efforts to increase participation of ACDBEs.

A notice of the proposed overall goal will be available to the public for 30 days following the date of the notice and comments regarding these documents will be accepted for 45 days after the date the notice is published. The public notice will indicate the location(s) where the proposal can be reviewed and where comments can be transmitted. The notice will be published in the following publications:

1. *The Louisiana Weekly*
2. *The Times Picayune*
3. *The New Orleans Advocate*
4. *Data News Weekly*
5. LANOIA Website: www.flymsy.com

ESTABLISHMENT OF THE FFYS 2018 - 2020 ACDBE CAR RENTAL GOAL

The proposed ACDBE goal for car rental (goods & services only) calculated for FFYs 2018 - 2020 is 3.45%. Moreover, continued use of Race Conscious (contract goals) means is recommended through FY 2020.