

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT



CAR RENTAL CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISES GOAL SETTING METHODOLOGY

FISCAL YEARS 2015 – 2017



**NEW ORLEANS AVIATION BOARD (NOAB)
CAR RENTAL
AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM
Goal Setting Methodology and Calculations**

**Federal Fiscal Years 2015, 2016 and 2017
(Beginning October 1, 2014 through September 30, 2017)**

Goal Overview

The New Orleans Aviation Board (NOAB) proposes an overall Airport Concessions Disadvantaged Business Enterprise (ACDBE) Goal applicable to Car Rental concession opportunities anticipated for federal fiscal years beginning October 1, 2014, 2015 and 2016 and ending on September 30, 2015, 2016 and 2017, respectively. The goal was developed in compliance with Federal Regulations set forth by 49 CFR Part 23, Subpart D. The proposed overall Car Rental - ACDBE goal for FYs 2015, 2016 and 2017 is 10.24%.

ACDBE Car Rental Opportunities

Historical data indicates that NOAB's past ACDBE participation for Rental Car 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 23.51 (c)(5)(ii). The average purchases by car rental concessionaires of goods and services for FFYs 2011 - 2014 were less than \$1 million annually excluding fleet vehicles. The typical car rental concession opportunities as evidenced by historic data over the past three years is detailed in the table following.

NAICS	Retail Category	Estimated Annual Value	Percentage
811111	Auto Repair/Detailing	\$ 43,223	4.55%
561612	Security Guard Services	165,664	17.45%
324191	Petroleum Products	0	0.00%
561720	Janitorial Services	0	0.00%
	Other Goods/Services*	740,329	77.99%
		\$ 949,216	100.00%

Local Market Area

Upon becoming a Certifying Agency in Louisiana’s Unified Certification Program, all federal ACDBE goals are set based on the state’s UCP registry as the overall source of ACDBE participation for 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 parishes of Orleans, Jefferson, St. Tammany, Plaquemines, St. John, Tangipahoa and St. Bernard. Notably, both federal and state regulations prohibit local preference in contract opportunities.

Ready, Willing and Able 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 will be 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. The U.S. Census Bureau’s County Business Pattern (USCBP) database is used to determine the general market population of ready, willing businesses.

NAICS	Retail Category	Adjusted Percentage	LAUCP	US Census CBP	Base ACDBE Goal
811111	Auto Repair/Detailing	5%	3	191	0.08%
561612	Security Guard Services	17%	7	68	1.75%
324191	Petroleum Products	0%	0	5	0.00%
561720	Janitorial Services	0%	22	196	0.00%
	Other Goods/Services*	78%	10	97	8.04%
		100%	42	557	9.87%

* Includes Towing, Office Supplies, Building Maintenance, Signage, Landscaping, etc.

The Base Figure calculation weighs the relative availability of DBE providers of goods and services to car rental concessionaires to the total pool of these businesses in the metropolitan New Orleans area. Based on raw data, goods and service providers represent 10.19% of the total available businesses in the New Orleans region.

Base Figure Adjustments

After calculating the Base Figure of 9.87% it was determined that this rate would not be adjusted based on past performance as historical data showed only 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.

However, the estimated annual value data indicated no data on utilization of DBE janitorial companies indicating missed opportunities for enhanced participation. Given these missed opportunities the base figure was adjusted to reflect the relative availability of DBE janitorial firms as illustrated in the table below.

NAICS	Retail Category	Adjusted Percentage	LAUCP	US Census CBP	Base ACDBE Goal
811111	Auto Repair/Detailing	1%	3	191	0.02%
561612	Security Guard Services	19%	7	68	1.96%
324191	Petroleum Products	0%	0	5	0.00%
561720	Janitorial Services	2%	22	196	0.22%
	Other Goods/Services	78%	10	97	8.04%
		100%	42	557	10.24%

The adjustment indicates opportunity for DBE janitorial services companies in addition to the other services category which includes building maintenance and office supplies.

Moreover, the weighting of auto repair/detailing and security guard services was adjusted based on the availability of opportunity in these categories as reported by the car rental concessionaires. As such, the adjusted DBE goal is calculated as 10.24%.

Other Adjustment Factors Considered

Disparity Studies

The airport has inquired about the availability of disparity study data in the New Orleans area as well as the state of Louisiana from other like-funded agencies, such as the Louisiana Department of Transportation as well as other local and regional airports. There are no studies currently available and none conducted within the last seven (7) years. The airport continues to seek viable options relative to a disparity study including coordination and linkage with other federal, state and local agencies with mandated DBE programs.

Use of Race Neutral Means

Historically, the NOAB achieved ACDBE car rental 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 spotty history of ACDBE participation in the car rental program, contract goals will likely continue as a means of encouraging concessionaire opportunities. However, the NOAB will endeavor to create a contracting environment that facilitates the ACDBE goal through race neutral means. The following race neutral measures are taken to increase ACDBE participation:

1. Encourage master concessionaires to structure concession opportunities to foster and facilitate the participation of ACDBEs when practical; and
2. Identify opportunities to provide 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 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, but not limited to, the following stakeholders: the New Orleans Regional Black Chamber of Commerce, Louisiana Minority Business Council, Hispanic and Asian Chamber of Commerce, the New Orleans Chamber, 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 thirty (30) days following the date of the notice and comments regarding these documents will be accepted for forty-five (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. Data News Weekly
4. LANOIA Website: www.flymsy.com

Establishment of the FFYs 2015 - 2017 ACDBE Car Rental Goal

The proposed ACDBE goal for car rental (goods and services only) is proposed at 10.24% for federal fiscal years 2015 through 2017. Moreover, continued use of Race Conscious (contract goals) means is recommended through FY 2017.