



Midland International Air & Space Port

AIRPORT SPONSOR: CITY OF MIDLAND

***OVERALL GOAL CALCULATIONS
FOR RENTAL CAR AND NON-RENTAL CAR
AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISE
(ACDBE) PROGRAM
FOR FISCAL YEARS 2019 to 2021***

(October 1, 2018 to September 30, 2021)

**Attachments 4 & 5 to the
Overall MAF ACDBE Program**

ACDBE Point of Contact: **Kim Watkins**
Midland International Air & Space Port
P.O. Box 60305
Midland, TX 79711
432-560-2200
kwatkins@midlandtexas.gov

May 6, 2019

Attachment 4
Section 23:45
Overall Goal Calculation for Concessions Other Than Car Rentals

Amount of Goal (submit if gross receipts exceed \$200,000)

The Midland International Air & Space Port's overall goal for concessions other than car rental during the period beginning October 1, 2018 and ending September 30, 2021 is the following: **0.78%** of the total gross receipts for concessions at MAF. 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

The concession opportunities anticipated during this goal period are concessions contracts for Food/Beverage, Retail/News/Gifts, and Advertising. 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, MAF will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement. (23.45(i)).

MAF has determined that its market area is the State of Texas. This is the geographical area in which the majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms receive a majority of concessions related revenues are located.

Methodology used to Calculate Overall Goal

Goods and Services:

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. We, and the businesses at the Airport, shall make good faith efforts to explore all available options to achieve, to the



maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

Step 1: 23.51(c) – Relative Availability

We determined the base figure for the relative availability of ACDBEs other than car rentals by identifying the types of goods and services currently being purchased by non-car rental concessionaires, then determining the number of ACDBEs providing those services in the market area. We then compared that number to the overall number of firms in the market area to calculate a base figure.

$$\text{Base figure} = \frac{\text{Ready, willing, and able non-car rental ACDBEs in the market area}}{\text{All ready, willing, and able non-car rental firms in the market area}}$$

The data source or demonstrable evidence used to derive the numerator was the TXDOT DBE directory, at: <https://txdot.txdotcms.com/>

The data source or demonstrable evidence used to derive the denominator was the U.S. Census Bureau Data, American Fact Finder, at:

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

When we divided the numerator by the denominator, we arrived at the relative availability for our overall goal for non-car rental concessions of **1.29%**.

Relative Availability =

$$\frac{\text{Ready, willing, and able non-car rental ACDBEs in the market area}}{\text{All ready, willing, and able firms in the market area}}$$



NAICS CODE	Type of Work	Total DBEs in Texas	All Firms in TX
423990	durable goods wholesalers	26	763
424410	food wholesalers	0	193
424490	beverage wholesalers	57	879
424820	liquor distributors	6	155
524126	insurance	3	1164
541211	accounting services	8	4261
339950	Signs	3	486
333241	restaurant equipment	0	21
337127	restaurant furniture	0	43
424120	office products	4	300
	TOTAL:	107	8,265

Relative Availability = 107 / 8,265

Relative Availability = 1.29%

Step 2: 23.51(d) – Adjusted Overall Goal

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the base figure in order to arrive at the overall goal. In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base number. Our adjusted overall goal for non-car rental concessions is **0.78%**.

The data used to determine the adjustment to the base figure was

- a) Past participation - We evaluated the current capacity of ACDBEs to perform work in our concessions program by measuring the volume of work ACDBEs have performed in the past. We compared the total ACDBE expenditures against total



Non-Car Rental revenue over the last three years, as outlined in the following table. We then calculated the median accomplishment over the three year period.

FY	ACDBE Goal	Total DBE Expenditure	Total Revenue	Accomplishment
2016	0.5%	\$13,614	\$4,415,058	0.31%
2017	0.5%	\$13,098	\$4,773,653	0.27%
2018	0.5%	\$12,952	\$6,187,577	0.21%
		\$39,664	\$15,376,288	Median: 0.27%

MEDIAN ACCOMPLISHMENT: 0.27%

ADJUSTED GOAL = relative availability + median accomplishment / 2

ADJUSTED GOAL = 1.29% + 0.27% / 2

ADJUSTED GOAL = 0.78%

- b. Disparity study – There are no disparity studies conducted within our jurisdiction that relate to concessions. We will continue to contact state and local agencies to determine when disparity study becomes available.
- c. Differences in Market Area and Concessions Program – Not Applicable
- d. Available evidence from related fields that affect opportunities for ACDBEs to form, grow, and compete – Not Applicable

We feel this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during FYs 2019-2021.

Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA, MAF consulted via phone with the following stakeholders:

1. **Odessa Chamber of Commerce:** (432) 332-9111, 700 North Grant Avenue, Odessa, TX 79761
2. **Midland Chamber of Commerce:** (432) 683-3381, 109 North Main Street, Midland, TX 79701



3. **Midland College Business & Economic Development Center:** (432) 684-4309, 3600 North Garfield, Midland, TX 79705
4. **Midland Hispanic Chamber of Commerce:** (432) 682-2960, 208 South Marienfield Street, Midland, TX 79701
5. **Permian Basin Regional Planning Commission:** (432) 563-1061, 2910 LaForce Boulevard, Midland, TX 79711
6. **Permian Basin Workforce Development Board:** (432) 563-5239, 2911 LaForce Boulevard, Midland, TX 79711

The responses from these stakeholders indicated that none were aware of any regional disparity studies having been conducted over recent years. All indicated that they were aware of MAF's efforts regarding the encouragement of DBE firms in the area since all were invited to attend a teleconference related to MAF DBE goals for FYs 2018-2020, which was held on April 2, 2019. Several of the stakeholders commented that obstacles to DBE participation in the Odessa Region can be attributed to a general lack of knowledge of the DBE process.

Breakout of Estimated Race-Neutral & Race Conscious Participation Section 23.51

MAF will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the following race-neutral measures to increase ACDBE participation.

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;
3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process; and
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.



We estimate that, in meeting our overall goal of **0.78%** for non-car rental concessions, we will obtain **0.0%** from race-neutral participation and **0.78%** through race-conscious measures.

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious ACDBE participation: Since our non-rental car accomplishments over the last three years did not meet the goal of 0.5%, we have determined that all of the non-car rental accomplishment that will be obtained through race-conscious means.

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: List what you will use (examples as stated in 23.25(e)):

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 take a competitor's 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 race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal; ACDBE participation on a prime contract exceeding 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.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.



Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

Amount of Goal

MAF's overall goal for car rentals during the period beginning October 1, 2018 and ending September 30, 2021, is **3.72%** of the total gross receipts of car rental operations at the Midland International Air & Space Port.

The concession opportunities anticipated during this goal period are: Tire Dealers, Auto Part Suppliers, Towing, General Auto Repair, Auto Repair/Body Work, Office Equipment, Accounting/Bookkeeping, Insurance, and Janitorial Services. If a new car rental 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, MAF will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 6 months before executing the new concession agreement (23.45(i)).

The Midland International Air & Space Port has determined that its market area is the state of Texas. This is the geographical area in which the majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms receive a majority of concessions related revenues are located.

Methodology used to Calculate Overall Goal

Goods and Services

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses at the airport. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

Step 1: 23.51(c) – Relative Availability

We determined the base figure for the relative availability of car rental ACDBEs. The base figure was calculated as follows:

$$\text{Base figure} = \frac{\text{Ready, willing, and able car rental ACDBEs in the market area}}{\text{All ready, willing, and able firms in the market area}}$$



The data source or demonstrable evidence used to derive the numerator was the TXDOT DBE directory, at: <https://txdot.txdotcms.com/>

The data source or demonstrable evidence used to derive the denominator was the U.S. Census Bureau Data, American Fact Finder, at:

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

The following table presents the summary of the relevant data:

NAICS CODE	Type of Work	Total DBEs	All Firms
441320	Tire dealers	1	1780
441310	Auto Parts	1	3284
488410	Towing	3	730
811111 811198	General Auto Repair	10	5734
423420	Office Equipment	4	570
541211 541219	Accounting/Bookkeeping	6	4261
524126	Insurance	1	1164
561720	Janitorial	30	3068
	TOTALS	56	20,591

When we divided the numerator by the denominator we arrived at the base figure for our overall goal for car rental concessions of: **0.27%**.

Relative Availability = $56 / 20,591 = 0.27\%$



Step 2: 23.51(d) – Adjustment of Overall Goal

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the base figure in order to arrive at the overall goal. In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base number.

The data used to determine the adjustment to the base figure was:

- a. Past participation – We evaluated the current capacity of ACDBEs to perform work in our car rental concessions program by measuring the volume of work ACDBEs have performed in the past.

FY	Goal	Accomplishment
2016	0.5%	7.16%
2017	0.5%	5.62%
2018	0.5%	8.63%

MEDIAN ACCOMPLISHMENT: 7.16%

$$\begin{aligned} \text{Adjusted Goal} &= (\text{Relative Availability} + \text{Median Accomplishment}) / 2 \\ &= (0.27\% + 7.16) / 2 \\ &= 3.72\% \end{aligned}$$

- b. Disparity study – There are no disparity studies conducted within our jurisdiction that relate to concessions. We will continue to contact state and local agencies to determine when disparity study becomes available.
- c. Differences in Market Area and Concessions Program – Not Applicable
- d. Available evidence from related fields that affect opportunities for ACDBEs to form, grow, and compete – Not Applicable

The reason we chose to adjust our figure using this data was because the median accomplishment has historically been higher than the relative availability. Consequently, the adjusted goal calculation is the average of the relative availability and the median accomplishment.



Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA, MAF consulted with the following stakeholders:

1. **Odessa Chamber of Commerce:** (432) 332-9111, 700 North Grant Avenue, Odessa, TX 79761
2. **Midland Chamber of Commerce:** (432) 683-3381, 109 North Main Street, Midland, TX 79701
3. **Midland College Business & Economic Development Center:** (432) 684-4309, 3600 North Garfield, Midland, TX 79705
4. **Midland Hispanic Chamber of Commerce:** (432) 682-2960, 208 South Marienfield Street, Midland, TX 79701
5. **Permian Basin Regional Planning Commission:** (432) 563-1061, 2910 LaForce Boulevard, Midland, TX 79711
6. **Permian Basin Workforce Development Board:** (432) 563-5239, 2911 LaForce Boulevard, Midland, TX 79711

The responses from these stakeholders indicated that none were aware of any regional disparity studies having been conducted over recent years. All indicated that they were aware of MAF's efforts regarding the encouragement of DBE firms in the area since all were invited to attend a teleconference related to MAF DBE goals for FYs 2018-2020, which was held on April 2, 2019. Several of the stakeholders commented that obstacles to DBE participation in the Odessa Region can be attributed to a general lack of knowledge of the DBE process.

Breakout of Estimated Race-Neutral & Race Conscious Participation Section 23.51

The Midland International Air & Space Port will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. MAF uses the following race-neutral means to increase ACDBE participation:

1. Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
2. Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;



3. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;
5. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
6. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
7. Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.

We estimate that, in meeting our overall goal of **3.72%** for car rental concessions, we will obtain **3.72%** from race-neutral participation and **0.0%** through race-conscious measures.

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious ACDBE participation: Since our previous car rental accomplishments have exceeded the goal, we have determined that all of the car rental ACDBE participation can be accomplished through race-neutral means.

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:

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 take a competitor's 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 race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)), and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following:



- ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures;
- ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal;
- ACDBE participation on a prime contract exceeding 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.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.



WEBSITE PUBLIC NOTICE

ACDBE Goals for Federal Fiscal Years 2019 – 2021

POSTED ON MAF WEBSITE: The Midland International Air & Space Port hereby announces the availability of its Airport Concessions Disadvantaged Business Enterprise Program. This includes the goals set out under Federal Aviation Regulations, which will remain in effect until September 30, 2021, at which time the goals will be updated. The Airport has set a goal of **0.78%** of the annual revenue realized from Non-Car Rental Concessions that occur at the Airport and a goal of **3.72%** of the annual revenue realized from Car Rental Concessions that occur at the Airport. The Program, as well as the proposed goals and goal setting methodology, are available for inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, from May 6, 2019 until June 5, 2019, in the Airport office at 9506 La Force Boulevard, Midland, TX 79706.

Comments on the ACDBE goals can be sent to either of the following addresses:

Kim Watkins, DBELO
Midland International Air & Space Port
P.O. Box 60305
Midland, TX 79711
432-560-2200
kwatkins@midlandtexas.gov

Federal Aviation Administration
Civil Rights Staff, ASW-9
Post Office Box 92007
Los Angeles, CA 90009-2007

Public Comments

If any public comments are received, we will notify the FAA's Office of Civil Rights.

