

FAA ACDBE Car Rental Goal Methodology Yellowstone Airport (WYS) Federal Fiscal Year 2023 – 2025

The Montana Department of Transportation (MDT), in accordance with United States Department of Transportation (USDOT) guidelines, determines MDT's Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) Goal for the Yellowstone Airport (WYS) on a staggered three-year schedule.

WYS recently became a primary airport. Two firms currently operate car rentals out of the airport, Avis Car Rental and Budget Car Rental. Combined gross receipts from car rentals exceeded \$200,000 whereas concessions other than car rentals did not meet the \$200,000 threshold. Therefore, this is the first ACDBE goal submission for WYS and contains the goal methodology for car rentals only.

MDT calculated the ACDBE car rental goal using the criteria set forth in 49 CFR Part 23. For Federal Fiscal Years (FFY) 2023 – 2025, MDT has established a proposed overall ACDBE goal of 2.0% to be accomplished through race-neutral means.

Methodology used to Calculate Overall Goal

Market Area

The market area is where the substantial majority of firms working with the car rental concessions at the airport are located. MDT reviewed vendor data from the car rental concessions to determine what vendors were used, their location, and the types of goods and services they provided. The data indicated that a majority of firms were located outside of Montana ranging from California to Florida; therefore, the market area is determined to be nationwide.

Step 1: Determine a base figure for the relative availability of ACDBEs.

In accordance with 49 CFR 23.51(c)(1), MDT used the Federal Aviation Administration's (FAA) National DBE/ACDBE Directory and Census Bureau data to set the base figure. MDT chose to set the goal based on purchases of goods and services as all or most of the goal is likely to be met through car rental companies purchases of goods and services. Table 1 indicates the NAICS codes used and the number of ACDBE firms and total firms for the market area. NAICS codes that accounted for less than 0.1% of total expenditures were excluded from the availability analysis.

Table 1 – ACDBE^a and Total Firm^b Availability by NAICS Code

NAICS Code	Description	Number of Firms	ACDBE
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	6,067	4
441110	Automobile dealers, new only or new and used	21,383	3
457110	Gasoline stations with convenience stores	98,940	6
484230	Automobile carrier trucking, long-distance	11,260	16
488410	Motor Vehicle Towing	9,609	11
513210	Software Publishers	15,199	3
517112	Wireless Telecommunications Carriers (except Satellite)	26,231	1
524210	Insurance Agencies and Brokerages	134,902	14
531120	Commercial building rental or leasing	33,959	7
541211	Accounting Services	55,565	19
541519	Other Computer Related Services	10,845	96
541611	Administrative Management and General Management Consulting Services	89,291	738
541612	Human Resources Consulting Services	8,417	136
721211	RV (Recreational Vehicle) Parks and Campgrounds	4,604	-
811111	General Automotive Repair	81,617	23
811191	Automotive Oil Change and Lubrication Shops	8,117	8
TOTAL		616,006	1,085

To derive the base figure for relative availability of ACDBE firms in the market area, the number of ACDBE firms was divided by the number of total firms and converted to a percentage as shown below. MDT considered weighting the availability, however, weighting would result in a 0.0% base figure (see Appendix A).

$$1,085 \text{ ACDBE firms} / 616,006 \text{ Total Firms} \times 100 = 0.2\%$$

The base figure for relative availability of ACDBE firms is 0.2%.

Step 2: Adjust the base figure using factors relevant to MDT’s marketplace.

MDT examined all evidence available in its jurisdiction to determine if an adjustment to the base figure was needed to arrive at the overall goal. To determine the impacts of the current local market conditions and work performed by DBE firms, MDT reviewed the past participation according to FAA Uniform Reports for FFY 2020 through 2022, which is summarized in Table 2.

Table 2 – ACDBE Participation for FFY 2020 - 2022

Year	ACDBE Participation
2020	5.7%
2021	3.7%
2022	1.7%

USDOT’s “Tips for Goal Setting” indicates that the goal setting process will be more accurate if using the median of your past participation to make an adjustment because the process of determining the median excludes all outliers (abnormally

^a ACDBE Firms by NAICS code were obtained from FAA Matchmaker System in March 2023 at <https://faa.dbesystem.com/Default.asp?>

^b Total Firms by NAICS code were obtained from 2020 County Business Pattern Census Data in March 2023 at <https://data.census.gov/table>

high or abnormally low) past participation percentages.^c The median for the past three years is 3.7%. FAA advised that an upward adjustment for past participation is warranted.

$$(0.2 + 3.7) / 2 = 2.0\%$$

Since MDT's 2022 Disparity Study did not include any findings related to the ACDBE Program and/or car rental concessions, MDT determined that no further adjustments to the base figure calculated in Step 1 are warranted.

Race Conscious / Race Neutral Evaluation

The overall ACDBE Car Rental goal for WYS is 2.0%. MDT projects to obtain ACDBE participation through race neutral means. WYS achieved ACDBE utilization in FFY 2020-2022 when an ACDBE goal was not required. MDT will continue to monitor participation of minority- and women-owned firms with the car rental firms. MDT will also continue outreach to identify firms that may be eligible to be ACDBE certified that can provide goods and services to the car rental companies.

Submission and Public Notice

On April 24, 2023, MDT published its proposed DBE goal and methodology (FFY 2023-2025) for airport concessionaire rental car contracts at WYS. MDT posted the information on MDT's website and sent the information to interested parties, including MDT's certified ACDBE and DBE firms, Native American Development Center, Procurement Technical Assistance Centers, and Small Business Development Centers.

The proposed Goal Methodology was available for review on MDT's website and at MDT's Headquarters Building, Office of Civil Rights, 2701 Prospect Avenue, Room 201, Helena, Montana.

MDT held a virtual public meeting on May 9, 2023, at 12:00 pm concerning the proposed overall ACDBE goal with 10 people in attendance. The hearing was recorded and added to MDT's website for those unable to attend the meeting. Public comments were accepted through verbal testimony at the hearing, email, or mail. MDT received no comments.

^c Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program, Part III A 5
<https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

Appendix A – Weighted ACDBE Availability^{d, e, f}

NAICS Code	Description	Amount of Expenditure	Percent of Total Expenditures	Number of Firms	ACDBE	ACDBE Availability	Weighted ACDBE Availability
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$ 975.70	0.1%	6,067	4	0.1%	0.0%
441110	Automobile dealers, new only or new and used	\$ 622,199.95	74.0%	21,383	3	0.0%	0.0%
457110	Gasoline stations with convenience stores	\$ 8,265.30	1.0%	98,940	6	0.0%	0.0%
484230	Automobile carrier trucking, long-distance	\$ 30,770.00	3.7%	11,260	16	0.1%	0.0%
488410	Motor Vehicle Towing	\$ 7,449.90	0.9%	9,609	11	0.1%	0.0%
513210	Software Publishers	\$ 11,603.94	1.4%	15,199	3	0.0%	0.0%
517112	Wireless Telecommunications Carriers (except Satellite)	\$ 2,183.31	0.3%	26,231	1	0.0%	0.0%
524210	Insurance Agencies and Brokerages	\$ 34,217.75	4.1%	134,902	14	0.0%	0.0%
531120	Commercial building rental or leasing	\$ 2,151.90	0.3%	33,959	7	0.0%	0.0%
541211	Accounting Services	\$ 779.58	0.1%	55,565	19	0.0%	0.0%
541519	Other Computer Related Services	\$ 821.50	0.1%	10,845	96	0.9%	0.0%
541611	Administrative Management and General Management Consulting Services	\$ 3,866.58	0.5%	89,291	738	0.8%	0.0%
541612	Human Resources Consulting Services	\$ 2,196.57	0.3%	8,417	136	1.6%	0.0%
721211	RV (Recreational Vehicle) Parks and Campgrounds	\$ 18,100.00	2.2%	4,604	-	0.0%	0.0%
811111	General Automotive Repair	\$ 1,246.13	0.1%	81,617	23	0.0%	0.0%
811191	Automotive Oil Change and Lubrication Shops	\$ 92,670.04	11.0%	8,117	8	0.1%	0.0%
TOTAL		\$ 841,173.62	100%	616,006	1,085	0.2%	0.0%

^d ACDBE Firms by NAICS code were obtained from FAA Matchmaker System in March 2023 at <https://faa.dbesystem.com/Default.asp?>

^e Total Firms by NAICS code were obtained from 2020 County Business Pattern Census Data in March 2023 at <https://data.census.gov/table>

^f Amount of Expenditures were obtained from data provided by the two car rentals operating in WYS during Federal Fiscal Year 2022