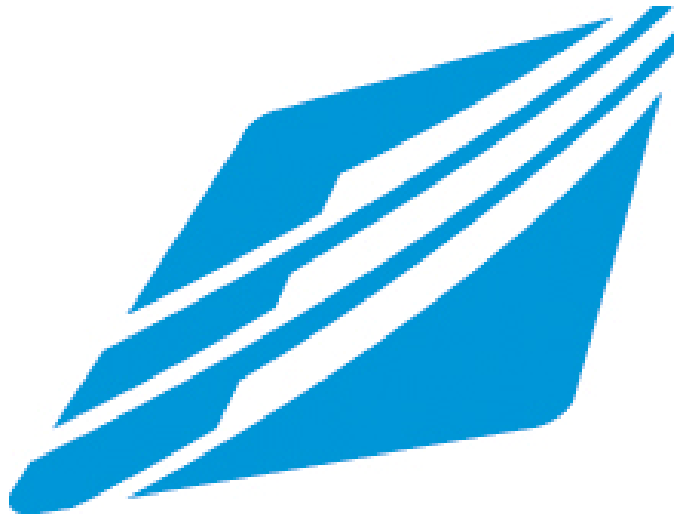


# Metropolitan Nashville Airport Authority



## **FY 2009 – 2011 Airport Concessionaires DBE**

### **Goal Methodology**

### **(Car Rental Concessions)**

for

**Nashville International Airport**

*Nashville, Tennessee*

With Assistance From



Ken Weeden & Associates, Inc.

October 2008

## Attachment 1

### Section 23.45: Overall Goal Calculation for Car Rental Concessions

#### I. Amount of Goal

The Nashville International Airport's overall goal for car rental concessions during the period beginning October 1, 2009 and ending September 30, 2011 is the following: **8.4%** of the total expenditures of car rental operations at the Airport.

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, the Airport will submit an appropriate adjustment to the overall goal. This will be submitted to the Federal Aviation Administration (FAA) Civil Rights office for approval at least 6 months before executing the new concession agreement (23.45(i)).

#### A. Projected Concessions Opportunities: October 1, 2009 - September 30, 2011

Concessions revenue opportunities for the 3-year period are based upon the revenues by the car rental agencies at the airport for the previous three fiscal years. The table below describes the revenues of car rental concessions for that period. **(Note: The table represents the Airport's fiscal year, from July 1 through June 30).**

**Table 1: Expenditures for Car Rental Concessions for FY 2005 – 2007**

Company	2005 Revenues	2006 Revenues	2007 Revenues	3-Year Total
Car Rental Companies	\$89,813,529	\$100,619,949	\$110,904,673	<b>\$301,338,151</b>

**Source:** Airport, compiled by Ken Weeden & Associates, Inc.

Based on the information provided in the table above, the total amount of gross revenues for the preceding three years for car rental concessions is \$301,338,151. This base number was multiplied by 3.00% expected growth in non-car rental concessions revenue<sup>1</sup> at the airport over the next three (3) years. (This figure is estimated based on the average growth in concessions related revenue at the airport over the past three years and input from the concessions regarding their economic forecasts). Therefore, the total car rental concessions base of **\$310,378,296**

#### B. Determination of market area

The market area is normally defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located, and the geographical area in which the substantial majority of concessions-related revenues are generated. However, the Airport is defining its market by the geographical area in which the substantial majority of companies (*with whom the car rental concessions at the Airport make*

<sup>1</sup> 2007 Comprehensive Annual Financial Report, Metropolitan Nashville Airport Authority, www.flynashville.com.

*expenditures*) are located, and the area where the substantial majority of expenditures are made.

Based upon a list of current car rental concessionaires at the airport, the market area for car rental concessions at the Airport was determined to be nationwide. This market area was established based on the fact that car rental concession businesses at the Airport made purchases with vendors who are based in various states across the country. The car rental concessions all maintain local operations at the airport, but many expenditures are made with vendors and corporations that are based in other states.

## **B. Methodology used to Calculate Overall Goal**

### **A. Goods and Services**

The Airport can meet the percentage goal by counting the purchase from ACDBEs of goods and services used in car-rental concessions at the airport. The dollar value from purchases of goods and services from ACDBEs shall be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) shall be added to the denominator.

### **B. Management Contract or Subcontract**

The Airport can meet the percentage goal by counting any car-rental concessions operated through a management contract or subcontract with an ACDBE. The Airport, and the car-rental concessions at the airport, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the airport's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

### **C. Step 1: 23.51 (C)**

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

In order to determine the relative availability of ACDBEs in the area of car rental concessions, the availability of DBE car rental concessions in the market area must be compared to the overall availability of all car rental concessions in the market area. The 2002 US Census Bureau's Survey of Business Owners database was utilized. The two-digit North American Industrial Classification (NAICS) codes were used because information for minority- and women-owned firms for the appropriate vendor descriptions was only available at the two-digit level. The table below describes the relative availability of ACDBEs based on the 2002 Survey of Business Owners. (Note: The Survey of Business Owners is the source for ACBE firms and for all firms.)

**Table 2: Determination of Relative Availability of ACDBEs (Car Rental**

Description	NAICS Code	ACDBE Firms	All Firms	Relative Availability
Fuel Supplies	42	96,157	711,083	13.52%
New & used car dealers; auto parts dealers	44	415,124	2,584,689	16.06%
Rental & leasing services	53	202,181	2,146,154	9.42%
Automotive repair; body shop; glass repair	81	657,674	2,677,613	24.56%
<b>Totals</b>		<b>1,371,136</b>	<b>8,119,539</b>	<b>16.89%</b>

Source: Survey of Business Owners, US Census Bureau, 2002

The Step 1 base goal for car rental ACDBEs is **16.89**

#### D. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

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

Specifically, expenditures that were made available by the car rental agencies at the airport were assessed.

**Table 3: Nashville International Airport ACDBE Accomplishments for FY 2006-FY 2007**

Report Period	Approved ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
2006	11.0%	0.00%	-11.00%
2007	11.0%	0.00%	-11.00%
<b>Median</b>	<b>11.0%</b>	<b>0.0%</b>	<b>-11.0%</b>

Source: Airport, Compiled by Ken Weeden & Associates, Inc.

The median ACDBE accomplishment for each of the reporting periods as shown above is **0.0%**, compared to the Step 1 DBE base figure for the airport of **16.89%**

The Airport will adjust the Step 1 DBE base figure of 16.89% by adding it to the percentage of ACDBE expenditures (0.0%) for a total of 16.89%, and averaging this total, for a final adjusted overall goal of **8.4%**.

2. Disparity Study - The Metropolitan Government of Nashville and Davidson County commissioned a disparity study which was completed in 2006. The study was developed by Griffin & Strong, P.C. and encompassed contracting during the years 1999 – 2003. Since this data is not specific to car rental concessions activities at Nashville International Airport, the data contained in

that document will not be utilized to adjust the Step 1 base goal in this methodology.

**E. Adjustment of the Step 1 Base Figure**

As described above, the Step 1 base figure was adjusted using the historic participation which is an indication of current capacity of ACDBE firms to participate. The Step 2 adjusted goal is 8.4%.

Since there was no other data available with which to adjust the goal, the overall goal for car rental concessions is 8.4%.

Since the projected amount of gross purchases for car rental concessions over the next three years is approximately **\$310,378,296**, this means that the Airport proposes to achieve approximately **\$26,071,777** in ACDBE gross receipts over the next three years.

**F. Consultation with Stakeholders (23.43)**

Prior to submitting this goal to the FAA, the Airport conducted a stakeholder’s meeting for the purpose of soliciting information regarding the proposed ACDBE goal. The following organizations and individuals were *invited and/ or attended* the stakeholder’s meeting, which took place on October 16, 2008:

<b>Organization</b>	<b>Representative</b>
B. F. Nashville, Inc. (Wendy’s)	Marvin Moore
Budget Car Rental	Bob Johnson
Cendant Corporation (Avis)	Mr. Lee Bradford
Central Parking	Cherry Bird
Congressman Jim Cooper Office	Don Majors
Delaware North Companies	Tom Gallo
DTAG	John Schwartz
Enterprise Rent-A-Car	Carissma Cope
Fawknotsion Group dba CitiValet	Ian Fawknotsion
First Transit	Jeff Houghton
HMS Host International	Dave Wagoner
Hudson Group	Lisa Wall & Vannary Gardner
InShuttle Transportation, Inc.	Richard Friley
J. Blackwell & Associates	Candyce Jones
Jefferson Street Baptist Church	Rev. Tex Thomas
Kijiji Coffee House & Deli	Edward Stevenson
Massage Bar, Inc.	Ms. Misty Thurman
Metro Nashville Mayor’s Office	Michelle Lane
NAACP Nashville Branch	Marilyn Robinson
Nashville Area Hispanic Chambers of Commerce	Yuri Cunza
Nashville Black Chamber of Commerce	Roxanne Bethune
Nashville Nails	Ms. Angela Hill
Nashville Minority Business Center	Lethia Mann
National Association of Women Business Owners	Letha Edwards
Neely's Bar-B-Que	Tony Neely
Olympic News	Terri W. Roberts
Tennessee Chinese Chamber of Commerce	Dr. Ming Wang

Tennessee Hispanic Chambers of Commerce	Marcela Gomez
Tennessee Hispanic Chambers of Commerce	Ramon Luis Cisneros
The Hertz Corporation	Mr. David Smith
Thrifty Car Rental	Mr. Don Burgner
Transfare Inc.	Richard and Michael Lewis
Urban League of Middle Tennessee	Patricia Parrish Stokes
Vanguard Car Rental USA	Mr. Eddie Vacas
Shading Indicates Attendance	

**Source:** Airport

The proposed non-car rental goal was presented to the stakeholders and their input or suggestions were solicited. The following comments were received:

- One participant questioned the growth rate used to develop the base. This growth rate, which was an average of the growth in concessions revenues at the Airport over the past three years was **adjusted downward by 3%** to address the concern.
- Another participant commented on the development of the car rental goal: since car rentals are largely nationwide companies, it does not make sense that the Airport should be forced to set local car rental goals for itself.

There were no other comments made which related to the proposed goal or goal development.

## **II. Breakout of Estimated Race-Neutral & Race-Conscious Participation (23.51)**

The Nashville International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the race-neutral measures listed below to increase ACDBE participation. The Airport understands that it will be expected to actually take these steps, and this is not merely a paper exercise.

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.

The Airport estimates that, in meeting its overall goal of 8.4%, it will obtain 0.0% from race-neutral participation and 8.4% through race-conscious measures.

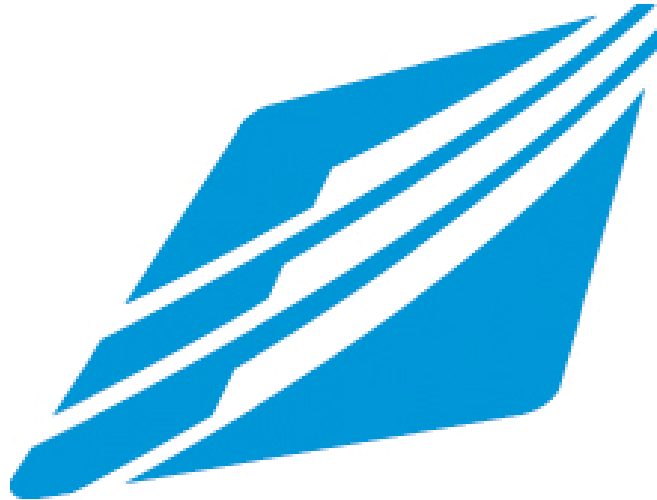
The reason for this projected split is that the historical information on ACDBE participation on car rental concessions *under-achieved* its ACDBE goals in car rental concessions over the past two years. Therefore the Airport will focus its efforts on race-conscious methods of achieving ACDBE participation in car rental concessions.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Airport uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and the Airport 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:

1. ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures
2. ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal
3. ACDBE participation on a prime contract exceeding a concession specific goal
4. ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

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

# Metropolitan Nashville Airport Authority



## **FY 2009 – 2011 Airport Concessionaires DBE Goal Methodology (Non-Car Rental Concessions)**

for

**Nashville International Airport**  
*Nashville, Tennessee*

With Assistance From



Ken Weeden & Associates, Inc.

October 2008

## Attachment 2

### **Section 23.45: Overall Goal Calculation for Concessions Other Than Car Rentals**

#### **I. Amount of Goal**

The Nashville International Airport's overall goal for concessions other than car rental (i.e. non-car rental) during the period beginning October 1, 2008 and ending September 30, 2011 is the following: 16.3% of the total gross receipts for concessions at the Airport. 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.

When new concession opportunities arise prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Airport 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)).

#### **A. Projected Concessions Opportunities: October 1, 2009 – September 30, 2011**

Concessions revenue opportunity for the three-year period is based upon the gross receipts for the preceding three years. The table below describes the gross receipts of non-car rental concessions for that period. **(Note: The table represents the Airport's fiscal year, from July 1 through June 30).**

**Table 1: Gross Receipts for "All Other" (Non-Car Rental Concessions)  
FY 2005-2007**

<b>Fiscal Year</b>	<b>All Concessions (excluding car rentals)</b>
FY 2005	\$53,249,912
FY 2006	\$48,177,235
FY 2007	\$72,086,204
<b>Total</b>	<b>\$173,513,351</b>

**Source:** Airport, Compiled by Ken Weeden & Associates, Inc.

**Note:** The revenues for certain vending machine operators are not included in these figures

The Airport recently (2007-2008) re-bid its concessions packages and re-organized its terminals. Based on the removal of some concessions opportunities and the addition of others, the concessions which were represented in 2005 through 2007 (and their revenues) will not necessarily represent opportunities in 2009, 2010, 2011. The most accurate representation of concessions opportunities at the airport is represented in the *third* year of revenues (i.e. 2007). Therefore this year will be utilized to represent the three year period.

Therefore, the three-year revenue figure for “all other” (non-car rental) concessions is: \$216,258,611. This base number was multiplied by 3.00% expected growth in non-car rental concessions revenue<sup>1</sup> at the airport over the next three (3) years. (This figure is estimated based on the average growth in concessions related revenue at the airport over the past three years and input from the concessions regarding their economic forecasts). Therefore, the total non-car rental concessions base of **\$222,746,370.**

**B. Determination of Market Area**

Market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located.

Based on information provided by the Airport, the market area for “all other” concession (non-car rental) is the state of Tennessee. This is based on the fact that most of the non-car rental concessions currently doing business or interested in doing business at the airport are located in Tennessee, as indicated in the table below. This market area is also supported by discussions with current concessionaires which indicated that many of their *suppliers* of goods and services will come from within the state of Tennessee.

**Table 2: Market Area for Non-Car Rental Concessionaires, Nashville International Airport**

<b>Location of Headquarters/ Main Office</b>	<b># of Concessions</b>	<b>% of Concessionaires</b>	<b># of Bidders</b>	<b>% of Bidders</b>
Tennessee	14	50.0%	30	54.5%
Maryland	2	7.1%	2	3.6%
Minnesota	2	7.1%	1	1.8%
New Jersey	2	7.1%	1	1.8%
Texas	1	3.6%	5	9.1%
New York	1	3.6%	3	5.5%
North Carolina	1	3.6%	3	5.5%
Other States	5	17.9%	10	18.2%
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>55</b>	<b>100.0%</b>

**Sources:** Concessions Activity Reports, Bidder’s Lists; Compiled by Ken Weeden & Associates, Inc.

**II. Methodology Used to Calculate Overall Goal**

**A. Goods and Services**

The Airport can meet the percentage goal by counting the purchase from ACDBEs of goods and services used in non-car rental concessions business conducted at the airport. The Airport, and the non-car rental concessionaires at the airport, should make good faith efforts to explore all available options to achieve, to the

<sup>1</sup> 2007 Comprehensive Annual Financial Report, Metropolitan Nashville Airport Authority, www.flynashville.com.

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.

**B. Management Contract or Subcontract**

The Airport can meet the percentage goal by counting any non-car rental concessions operated through a management contract or subcontract with an ACDBE. The Airport, and the concessionaires at the airport, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the airport's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of concession activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

**C. Step 1: 23.51 (c)**

The Airport determined the base figure for the relative availability of ACDBEs other than car rentals. The base figure was calculated as follows:

The Step 1 DBE Base Figure was determined by dividing the number of ACDBE firms available by the total number of firms available to determine the relative availability of ACDBEs for each concession type.

The US Census Bureau's 2002 Survey of Business Owners was utilized to determine the availability of ACDBE firms in the marketplace. The Survey of Business Owners utilizes the two-digit NAICS codes, codes which are substantially broader in their scope than the six-digit codes available in the County Business Pattern data. While this situation is not ideal, this is the best data available for determining the availability of ACDBEs therefore the two-digit NAICS codes for the Survey of Business Owners data were utilized.

The relative availability described above was multiplied by the percentage of total estimated revenue to determine the weighted availability of ACDBEs in the Airport's market area for each concession type as indicated in Table 2 below.

**Table 3: Determination of Relative Availability of ACDBEs (Non-Car Rental)**

Concession Type	Two-Digit Codes (SBO)	# of DBE Firms in Market Area	Total # of Firms in Market Area	Relative Availability of DBEs in Market Area	Percent of Estimated Revenue (09-11)	Estimated FY 09-11 ACDBE Participation
News & Gifts (Retail)	44-45	22,872	58,307	39.23%	8.58%	3.36%
Vending Machine Operators						
Limo Services	48	4,501	21,614	20.82%	0.09%	0.02%
Shuttle Bus Services						
Wired Telecommunications	51	1,529	5,873	26.03%	0.75%	0.20%
Banking	52	3,784	16,553	22.86%	0.49%	0.11%
Advertising	54	16,375	50,125	32.67%	2.22%	0.72%
Business Services	56	13,700	34,041	40.25%	1.22%	0.49%
Medical Clinic	62	16,755	32,224	52.00%	0.01%	0.01%
Food & Beverage	72	5,566	11,834	47.03%	35.00%	16.46%
Nail Services	81	27,156	59,221	45.86%	51.64%	23.68%
Massage Services						
Parking Lots and Garages						
Personal Services						
<b>Totals</b>		<b>112,238</b>	<b>289,792</b>	<b>0.00%</b>	<b>100.00%</b>	<b>45.06%</b>

Source: US Census Bureau, 2002 Survey of Business Owners

The Step 1 base goal for “all other” (i.e. non-car rental) ACDBEs is 45.06%.

**D. Step 2: 23.51(d)**

After calculating a base figure of the relative availability of ACDBEs, the Airport examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

In order to reflect as accurately as possible the ACDBE participation the Airport Authority would expect in the absence of discrimination, the Airport Authority has adjusted the base figure. The overall goal for non-car rental concessions is 45.06%.

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

1. Disparity Study

The Metropolitan Government of Nashville and Davidson County commissioned a disparity study which was completed in 2006. The study was developed by Griffin & Strong, P.C. and encompassed contracting during the years 1999 – 2003. Since this data is not specific to concessions activities at Nashville International Airport, the data contained in that document will not be utilized to adjust the Step 1 goal.

2. Current Local Conditions

Though the Census Survey of Business Owners (SBO) is a very good indicator of the macro-conditions in the market area of the Airport, this data may not provide specific information about the availability of ACDBE firms. Additionally, the 2002 SBO is the most recent; the data it contains is at least six (6) years old. Therefore, the Airport seeks to supplement this data with more current information. The Airport utilized the 2006 Census County Business Patterns as well as current, local DBE directories to determine a more current relative availability of ACDBE firms in the marketplace, as indicated in Table 4 below. These data sources allow the Airport to conduct searches for both ACDBE and other firms based on the six (6) digit NAICS codes which are specific to the concessions activities at the Airport.

**Table 3: Current Local Relative Availability of ACDBE Firms in the Market Area**

Concession Type	Industry Codes	# of DBE Firms in Market Area	Total # of Firms in Market Area	Relative Availability of DBEs in Market Area	Percent of Estimated Revenue (09-11)	Estimated FY 09-11 ACDBE Participation
News & Gifts (Retail)	453220	5	24,866	0.02%	8.58%	0.00%
Vending Machine Operators	454210					
Limo Services	485320	6	4,398	0.14%	0.09%	0.00%
Shuttle Bus Services	485999					
Wired Telecommunications	517110	6	2,550	0.24%	0.75%	0.00%
Banking	522110	0	9,688	0.00%	0.49%	0.00%
Advertising	541810	5	11,572	0.04%	2.22%	0.00%
Business Services	561510	0	6,242	0.00%	1.22%	0.00%
Medical Clinic	621111	2	14,030	0.01%	0.01%	0.00%
Food & Beverage	722	15	11,144	0.13%	35.00%	0.05%
Nail Services	812113	4	14,552	0.03%	51.64%	0.01%
Other Personal Care Services	812199					
Parking Lots and Garages	812930					
Personal Services	812990					
<b>Totals</b>		<b>43</b>	<b>99,042</b>	<b>0.04%</b>	<b>100.00%</b>	<b>0.07%</b>

**Sources:**

1. 2006 County Business Patterns, US Census Bureau
2. Metropolitan Nashville Airport DBE Directory; ([www.flynashville.com](http://www.flynashville.com); accessed October 2008)
3. Knoxville McGhee Tyson Airport, DBE List; ([www.tys.org](http://www.tys.org); accessed October 2008)
4. Tennessee Department of Transportation, DBE Directory, (<http://www.tdot.state.tn.us/>; accessed October 2008)
5. Jackson Area Chamber of Commerce, Minority Business Development Department, ([www.jacksontn.com](http://www.jacksontn.com); accessed October 2008)

Utilizing the methodology same methodology as described in Step 1, the Airport developed a secondary adjustment figure, which describes current, local conditions. This adjustment factor is 0.07%. The first adjustment to the Step 1 base goal will be an average of the current goal (i.e. 45.06% and this adjustment figure, 0.07%) for an initial adjusted goal of 22.56%. This Step 2 adjusted goal is subject to additional adjustments.

3. Past participation

The Airport Authority evaluated the current capacity of ACDBEs to perform work in the concessions program by measuring the volume of work ACDBEs have performed in the past.

The historical ACDBE accomplishments at the Airports in recent years were examined relative to the above consideration. Specifically, the annual “Concessions Activity Report” for the reporting periods listed below was assessed. Notice the annual DBE percent accomplishment for each year, and the annual median for the periods reported.

**Table 4: MNAA ACDBE Accomplishment Reports, 2006, 2006**

Report Period	Approved ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
2006	15.7%	9.60%	-6.10%
2007	15.7%	10.50%	-5.20%
Median	<b>15.7%</b>	<b>10.1%</b>	<b>-5.7%</b>

**Source:** Concession Activity Reports

The median ACDBE accomplishment for the reporting periods as shown above is 10.1%, compared to the Step 1 DBE base figure for the airport of 45.1% and the adjusted goal of 22.56%. This seems to indicate that the Step 1 base figure overestimates ACDBE capacity at the Airport. Therefore, the first adjustment to the Step 1 DBE base goal is to average the two figures (22.56% and 10.1%) for an initial adjusted base goal of 16.3%. This represents the final, Step 2 adjusted goal **16.3%**.

**E. Consultation with Stakeholders (23.43)**

Prior to submitting this goal to the FAA, the Airport conducted a stakeholder’s meeting for the purpose of soliciting information regarding the proposed ACDBE goal. The following organizations were *invited and/ or attended* the stakeholder’s meeting, which took place on October 16, 2008:

Organization
B. F. Nashville, Inc. (Wendy’s)
Budget Car Rental
Cendant Corporation (Avis)
Central Parking
Congressman Jim Cooper Office
Delaware North Companies
DTAG
Enterprise Rent-A-Car
Fawknotsen Group dba CitiValet
First Transit
HMS Host International
Hudson Group
InShuttle Transportation, Inc.
J. Blackwell & Associates
Jefferson Street Baptist Church

Kijiji Coffee House & Deli
Massage Bar, Inc.
Metro Nashville Mayor's Office
NAACP Nashville Branch
Nashville Area Hispanic Chambers of Commerce
Nashville Black Chamber of Commerce
Nashville Nails
Nashville Minority Business Center
National Association of Women Business Owners
Neely's Bar-B-Que
Olympic News
Tennessee Chinese Chamber of Commerce
Tennessee Hispanic Chambers of Commerce
Tennessee Hispanic Chambers of Commerce
The Hertz Corporation
Thrifty Car Rental
Transfare Inc.
Urban League of Middle Tennessee
Vanguard Car Rental USA
Shading indicates attendance

Source: Airport

The proposed non-car rental goal was presented to the stakeholders and their input or suggestions were solicited. The following comments were received:

- One participant questioned the growth rate used to develop the base. This growth rate, which was an average of the growth in concessions revenues at the Airport over the past three years, was **adjusted downward by 3%** to address the concern.
- Another participant commented on the development of the car rental goal: since car rentals are largely nationwide companies, it does not make sense that the Airport should be forced to set local car rental goals for itself.

There were no other comments made which related to the proposed goal or goal development.

**F. Breakout of Estimated Race-Neutral & Race-Conscious Participation (23.51)**

The Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the race-neutral measures below to increase ACDBE participation. The Airport understands that it will be expected to actually take these steps, and this is not merely a paper exercise.

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.

The Airport estimates that, in meeting the overall goal of **16.3%**, the Airport Authority will obtain **0.0%** from race-neutral participation and **16.3%** through race-conscious measures.

The reason for this projected split is that the historical information on DBE participation showed that the ACDBE non-car rental goals were *underachieved* (i.e. not met) in the previous two years as indicated in Table 4. An under-achievement of the goals indicates that the Airport should focus its attention on race-conscious measures of goal attainment.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Airport uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and 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 in making the award.

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