

Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

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

Name of Recipient: Burbank-Glendale-Pasadena Airport Authority

Goal Period: October 1, 2020 and ending September 30, 2023

Overall Three-Year Goal: 5.41% to be accomplished through 0% RC and 5.41% RN

Market Area for Car Rental Concessionaires

The BGPAA has determined that its market area is the greater Los Angeles Area which includes the counties of Los Angeles, Kern, San Bernardino, and Ventura. This is the geographical area in which a substantial majority of firms which seek to do concessions business with the BGPAA are located and the geographical area in which the firms receive a substantial majority of concession related revenues are located.

Due to the fact that the national car rental concessions do not possess ACDBE status, the BGPAA expects to primarily meet the ACDBE goal through the purchase of goods and services from ACDBE certified vendors. The general types of vendors expected to be used and the market area are depicted in the table below:

Company Types	Market Area
Baby and Infant Car Seats Merchant Wholesalers; Petroleum/Petroleum Products Whsl; New Car Dealers Used Car Dealers Automotive Parts and Accessories; Motor Vehicle Towing; Janitorial Services; General Automotive Repair; Automotive Body, Paint, and Interior Repair and Maintenance; Windshield Repair; Automotive Oil Change and Lubrication Shops; and Auto Maintenance	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA

Base of Car Rental Goal

To calculate the base of the goal, the BGPAA considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) 3 years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Rental Concessions

Fiscal Year	Rental Car Concessions Revenue
2017	\$66,009,073.35
2018	\$77,027,211.70
2019	\$49,415,847.53
Total	\$192,452,132.58
Average	\$64,150,710.86

BGPAA does not anticipate that there will be any new rental car concession opportunities available during this goal period. Prior to the COVID-19 pandemic and its impact to the travel industry, forcing the Chapter 11 bankruptcy filing by one of the larger market share rental car concessionaires. BGPAA did not anticipate any major changes that would increase or decrease concession revenues over next three years. However, forecast of concession revenues for the goal period impacted by the pandemic would not be definitive. Therefore, for the purposes of setting a base goal, BGPAA will use an average car rental revenue of \$64,150,710.86.

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 BGPAA will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval at least 90 days before issuance of the solicitation for the new concession opportunity. (Part 23 § 23.45 (I)).

Methodology used to Calculate Overall Goal

Goods and Services

The BGPAA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted 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)

The BGPAA determined the Step 1 base figure for the relative availability of ACDBEs. The base figure was calculated as follows:

Base Figure = $\frac{\text{Ready, willing, and able ACDBEs for purchases of goods and services}}{\text{All ready, willing, and able firms for purchases of goods and services}}$

In order to determine the relative availability of ACDBEs in the market area, the availability of ACDBE car rental vendors in the market area must be compared to the overall availability of all car rental vendors in the market area. The data source for the **numerator** was the California Department of Transportation, Office of Business & Economic Opportunity DBE/ACDBE Database (<https://ucp.dot.ca.gov/licenseForm.htm>). The data source for the **denominator** was the US Census Bureau's Explore Census Data Tables (<https://data.census.gov/cedsci/>).

NAICS	Vendor Type	Los Angeles, Ventura, Kern and San Bernardino County ACDBE Firms	Los Angeles, Ventura, Kern and San Bernardino County All Firms	%
424330	Baby and infant car seats merchant wholesalers	5	2,387	0.21
424720	Petroleum/Petroleum Products Whsl	5	75	6.7%
441110	New Car Dealers	0	617	0.0%
441120	Used Car Dealers	0	490	0.0%
441310	Automotive Parts and Accessories Stores	0	1,237	0.0%
488410	Motor Vehicle Towing	0	357	0.0%
561720	Janitorial services	15	1,682	0.9%
811111	General Automotive Repair	2	3,253	0.1%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	1	1,572	0.1%
811122	Windshield Repair	0	172	0.0%
811191	Automotive Oil Change and Lubrication Shops	1	198	0.5%
811198	Auto Maintenance	1	314	0.3%
Average Availability		30	12,354	.24%

When the BGPAA divided the numerator by the denominator it arrived at the Step 1 base figure for the overall goal for car rental concessions of: $30 / 12,354 = 0.24\%$.

Step 2: 23.51(c)

After calculating a base figure of the relative availability of ACDBEs, the BGPAA examined evidence to determine what adjustment was needed to the Step 1 figure in order to arrive at the overall goal.

In order to reflect as accurately as possible the ACDBE participation the BGPAA would expect in the absence of discrimination and its effects, the BGPAA has adjusted the base figure by 5.17%. The BGPAA's overall goal for rental car concessions is 5.41%

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

Past History Participation

The date used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments. The past three years (2017, 2018, and 2019) were used for this adjustment. It should be noted that the total ACDBE participation figures shown in the tables below differ from the participation figures shown in the BGPAA's uniform reports for the past three years. Typos were identified related to previous calculations and have been corrected in the tables below.

RAC	Period Start	Period End	Total Vendors Paid for BUR	Total ACDBE Vendors Paid for BUR	ACDBE Participation
Hertz/ Thrifty	10/1/2016	9/30/2017	\$21,826,549.00	\$1,979,041.00	9.07%
EHI (Alamo, National, Enterprise)	10/1/2016	9/30/2017	\$4,897,227.68	\$800,544.09	16.35%
Avis	10/1/2016	9/30/2017	\$12,463,419.38	\$3,125,896.19	25.08%
Payless	10/1/2016	9/30/2017	\$2,190,877.26	\$543,396.95	24.80%
Fox	10/1/2016	9/30/2017	\$2,709,110.00	\$183,366.87	6.77%
MCar	10/1/2016	9/30/2017	\$10,750,258.27	\$307,188.63	2.86%
DTG	10/1/2016	9/30/2017	\$726,552.20	\$72,814.20	10.02%
Budget	10/1/2016	9/30/2017	\$10,445,079.56	\$2,364,928.99	22.64%

Total \$66,009,073.35 \$9,377,176.92 14.21%

RAC	Period Start	Period End	Total Vendors Paid for BUR	Total ACDBE Vendors Paid for BUR	ACDBE Participation
Hertz/ Thrifty	10/1/2017	9/30/2018	\$34,568,866.00	\$429,373.00	1.24%
EHI (Alamo, National, Enterprise)	10/1/2017	9/30/2018	\$5,341,058.20	\$978,768.19	18.33%
Avis	10/1/2017	9/30/2018	\$9,904,772.02	\$1,992,395.16	20.12%
Payless	10/1/2017	9/30/2018	\$1,624,397.13	\$323,846.53	19.94%
Fox	10/1/2017	9/30/2018	\$790,841.56	\$0.00	0.00%
MCar	10/1/2017	9/30/2018	\$6,326,103.46	\$104,275.27	1.65%
DTG	10/1/2017	9/30/2018	\$9,913,145.84	\$141,693.05	1.43%
Budget	10/1/2017	9/30/2018	\$8,558,027.49	\$1,559,536.89	18.22%

Total \$77,027,211.70 \$5,529,888.09 7.18%

RAC	Period Start	Period End	Total Vendors Paid for BUR	Total ACDBE Vendors Paid for BUR	ACDBE Participation
Hertz/ Thrifty	10/1/2018	9/30/2019	\$16,451,695.00	\$0.00	0.0%
EHI (Alamo, National, Enterprise)	10/1/2018	9/30/2019	\$3,276,547.00	\$42,443.00	1.30%
Avis	10/1/2018	9/30/2019	\$9,818,844.31	\$1,720,997.31	17.53%
Payless	10/1/2018	9/30/2019	\$1,187,909.04	\$417,794.21	35.17%
Fox	10/1/2018	9/30/2019	\$818,379.47	\$847.75	0.10%
MCar	10/1/2018	9/30/2019	\$8,890,851.30	\$228,420.79	2.57%
DTG	10/1/2018	9/30/2019	\$241,465.69	\$0.00	0%
Budget	10/1/2018	9/30/2019	\$8,730,155.72	\$2,817,030.78	32.27%

Total \$49,415,847.53 \$5,227,533.84 10.58%

Arranging this historical data from low to high, the median is 10.58%. To arrive at an overall goal, the BGPAA added the Step 1 base figure with the Step 2 adjustment figure and then averaged the total arriving at an overall goal of 5.41%. The BGPAA feels this

adjusted goal figure will accurately reflect the ACDBE participation that can be achieved during this 3-year period.

Attachment 6

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

Amount of Goal

Name of Recipient: Burbank-Glendale-Pasadena Airport Authority

Goal Period: October 1, 2020 and ending September 30, 2023

Overall Three-Year Goal:

35.74%, to be accomplished through 0% RC and 35.74% RN

The BGPAA has determined that its market area is as follows:

Company	Market Area
Vending Services	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Food & Beverage Service	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
News/Gifts	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Pet Store	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Airport Advertising	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA

This is the geographical area in which the substantial majority of firms which seek to do concessions business with the BGPAA are located and the geographical area in which the firms receive a substantial majority of concessions related revenues.

Base of Goal

To calculate the base of the goal, the BGPAA considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) 3 years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2017	\$20,966,242.00
2018	\$24,446,696.00
2019	\$28,720,868.00
Total	\$74,133,806.00
Average	\$24,711,268.67

The BGPAA estimates that revenues to existing concessions will grow by 0% over the next three years. There will be no new concessionaire space available in the upcoming 3 years. Upon completion of the planned terminal construction process, growth opportunities will be reevaluated and possibly included in the next goal submittal.

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, the BGPAA will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuance of the solicitation for the new concession opportunity. (23.45(i)).

Methodology used to Calculate Overall Goal

Step 1: 23.51(c)

The BGPAA determined the base figure for its goal as follows:

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

NAICS	Type of Concession	Los Angeles, Ventura, Kern and San Bernardino County DBE/ACDBE Firms	Los Angeles, Ventura, Kern and San Bernardino County All Firms
454210	Vending Machine Operations	6	75
722513	Limited-Service Restaurants	55	11,972
453220	Gift, Novelty & Souvenir Stores	59	702
453910	Pet Store	0	379
541850	Display Advertising	8	126
Total		128	13,254

Therefore, the base goal is $128 / 13,254 = 0.01\%$. The data source for the numerator was the California Department of Transportation, Office of Business & Economic Opportunity DBE/ACDBE Database (<https://ucp.dot.ca.gov/licenseForm.htm>). The data source for the denominator was the US Census Bureau's Explore Census Data Tables (<https://data.census.gov/cedsci/>).

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the BGPAA examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

While there is a low percentage of ACDBE firms available in the market area, the BGPAA has historically been able to achieve ACDBE participation due to the fact that the current food and beverage concessionaire is 100% ACDBE. Therefore, past history participation was used to adjust the base figure. The data used to determine the adjustment to the base figure was:

Past History Participation

Data used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments:

Federal Fiscal Year	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY17	0.00%	74.00%	74.00%	0.00%	69.79%	69.79%
FY18	0.00%	35.45%	35.45%	0.00%	71.46%	71.46%
FY19	0.00%	35.45%	35.45%	0.00%	75.31%	75.31%

Arranging this historical data from low to high, the median is 71.46%

To arrive at an overall goal, the BGPAA added the Step 1 base figure with the Step 2 median figure and then averaged the total arriving at an overall goal of 35.74%. While the impacts of the COVID-19 pandemic during the 3-year period remain uncertain, BGPAA feels this participation can be achieved. While the current food and beverage concessionaire is an ACDBE, if that contract were to end, not be renewed, or their ACDBE status change, the likelihood of being able to achieve future participation would decrease, therefore a 35.74% goal for the period is reasonable.

Goal Accomplishment Alternatives

Goods and Services

The BGPAA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. The BGPAA, 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.

Management Contract or Subcontract

The BGPAA can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The BGPAA, and the businesses 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 BGPAA'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. *While the BGPAA realize that this appears to go against the normal rules and rationale for goal setting, the BGPAA understand that this method is nevertheless required by Part 23 Section 23.47.*