



**PUBLIC NOTICE: AIRPORT CONCESSIONS DISADVANTAGED BUSINESS  
ENTERPRISE (ACDBE) PROGRAM  
TRIENNIAL GOAL FOR FFY 2024 – FFY 2025 - FFY 2026**

As required by Section 49 Code of Federal § 23.43, the Cleveland Airport System hereby publishes a proposed Federal Aviation Administration Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program triennial goals for **Car Rental at 0.09%** and **Non-Rental at 1.51%** covering FFY 2024, FFY 2025 and FFY 2026. The proposed goals were calculated using data from Ohio Unified Certification Program Directory, previous three fiscal year achievements and the US Census Bureau data.

The CAS invites public participations and solicits comments regarding the proposed goals. A complete description of this proposed goal is available for public inspection for 30 days from the date of this notice online at: <https://www.clevelandairport.com/about-us/business-cle/office-of-compliance-and-inclusion> . Click on the link PUBLIC NOTICE OF FFY 2024-2026 PROPOSED ACDBE TRIENNIAL GOAL.

Comments on the proposed ACDBE Goal will be accepted until 5:00 pm on September 10, 2023, and can be sent to the following:

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**AIRPORT CONCESSIONS DISADVANTAGED  
BUSINESS ENTERPRISE (ACDBE)  
PROGRAM**

**CAR RENTAL AND NON-CAR RENTAL  
TRIENNIAL GOAL SETTING METHODOLOGY**

for

**FFY 2024 – FFY 2025 – FFY 2026**

Prepared By:  
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## **Car Rental Triennial Goal Calculation**

### **FFY 2024 – FFY 2025 – FFY2026**

### **Cleveland Airport System (CAS)**

#### **Introduction**

The overall rental car goal for the Cleveland Airport System is calculated at **0.09%** for the periods beginning October 1, 2024, and ending September 30, 2026.

#### **Methodology**

The State of Ohio is the market area that the CAS employed.

#### **Goods and Services**

The CAS determined the goal shall be based on outreach for the purchases of goods and services from certified ACDBE or potential ACDBE firms. This basis is in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the airport. We will continue to consult with airports in or region and other publications to find prospects. We will work with our car rental agencies and outreach to ACDBEs for car rental goods and services.

We have the following car rentals operating at the CAS:

1. Avis Car A Rental Car System, LLC
  - a. Avis Car A Rental
  - b. Budget Rent A Car System, Inc.
2. The Hertz Corporation
  - a. Dollar Thrifty
  - b. DTG Operations, Inc.
3. CLERAC
  - a. Enterprise
  - b. Rent-a-Car

Due to the non-exclusive nature of our lease agreements, we entertain interest from other car rental agencies that are interested in establishing an airport operation provided we have space in the Rental Car Facility and parking spots available for their rental inventory.

We encourage each car rental agency to purchase goods and services from certified ACDBE firms nationally. The car rental managers will assist the Airport to encourage ACDBE firms to

become certified with the OHIO Unified Certification Program (UCP). We will outreach to out-of-state ACDBE firms and encourage their participation and certification in Ohio.

The concession opportunities anticipated during this goal period include but are not limited to keys – hardware, oil change services, insurance, office supplies, janitorial services, tires, auto repair services, auto part supplies, security services, upholstery, payroll services, towing services, car wash, landscaping services and freight transportation.

**Base Goal**

With the regression of the Covid – 19, car rentals slowly recuperated from providing services and the CAS anticipates that they will continue to grow during the goal period FFY 2024 - FFY2026. To calculate the base of the goal, the previous three fiscal years of purchases and the projected potential purchases three years into the future were used.

Fiscal Year	ACDBE Purchases for All Car Rental Concessions	Total Purchases (Expenditures) Car Rental
2020	\$12,681	\$40,597,562
2021	\$34,742	\$51,906,239
2022	\$1,525,007	\$72,026,808
<b>Average</b>	<b>\$524,143</b>	<b>54,843,536</b>

The CAS utilizes the forecasted 2020 purchases of \$40,597,562 to be the Base Goal for FFY 2024- FFY 2026 for all car rental concession multiplied by three (3) years.

**Base Goal = \$40,597,562 x 3 years = \$121,792,686**

**Step 1: Relative Availability**

To determine the base figure, the CAS use the geographic data from the United States Census for all firms in the market as the denominator source <https://data.census.gov/deeplinks?url=https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> and the Ohio Unified Certification Program Directory as the numerator source <https://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/DBE-Directory.aspx>

**Base Figure = Ready, Willing and Able Car Rental ACDBEs in the Market  
All Ready, Willing and Able Firms in the Market Area**

NAICS Code	Description	Ohio Unified Uniform Program Directory ACDBE Firms	US Bureau Data All Firms in Ohio Market Area	Percentage of ACDBE Firms that Maybe Available
441110	Fleet	0	873	0%

336360	Motor Vehicle Seating and Interior Trim Manufacturing	0	40	0%
811111	General Automotive Repair	0	2902	0%
811191	Automotive Oil Change/Lubrication	0	292	0%
811198	Auto Repair and Maintenance	0	96	0%
423710	Keys – Hardware Merchant	1	256	0.39%
811192	Car Wash	3	600	0.50%
561620	Security Services	0	234	0%
561730	Landscaping Services	0	4163	0%
561720	Janitorial Services	12	1931	0.62%
524210	Insurance Agencies	1	4573	0.02%
488410	Motor Vehicle Towing	0	329	0%
488510	Freight Transportation	1	590	0.17%
453210	Office Supplies and Stationery	0	150	0%
441320	Tire Dealers	0	794	0%
441310	Automotive Parts and Accessories	0	1518	0%
		<u>18</u>	<u>19,341</u>	<u>.09%</u>

The CAS divided the numerator by the denominator as follows to arrive at the base figure:

**Relative Availability = 18 / 19,341 = .09%**

**Step 2: Adjustment**

After calculating the base figure of the relative availability of ACDBE’s, the evidence was examined to determine what adjustment was needed to the base figure to arrive at the overall goal. To reflect accurately as possible, the ACDBE participation the CAS would expect in the absence of discrimination, the base number was not adjusted. The CAS overall goal for car rental concessions is **0.09%**.

Past History Participation

If past three fiscal years’ participation were to be used, the overall car rental goal would decrease. Therefore, the CAS adopted its Step 1 base figure as its overall goal for this 3-year goal period.

Disparity Study

No applicable disparity study to use to adjust the goal currently. The CAS will continue to evaluate the need and possibility of participating in a disparity study.

**Consultation with Stakeholders: Section 23:43**

1. Airport Rental Car Supplier Diversity (ARCSD)  
The Airport Rental Car Supplier Diversity (ARCSD) spearheaded by Salt Lake City Department of Airports, Salt Lake City, Utah via conference calls will assist CAS in the

planning of a rental car ACDBE focused outreach event. Also, the CAS has joined ARCSA Committee that is chaired by a Rental Car Industry professional network and gain additional access to ACDBEs and information to assist with increasing CAS participation.

2. Greater Cleveland Regional Transit Authority (GCRTA) – <https://www.riderta.com/>  
CAS met with GCRTA and agreed to collaborate on outreach events to assist in increasing CAS's certified pool of firms.
3. Black Page of Ohio - <https://blackpagesohio.com/>  
Collaborating with Black Page of Ohio to meet with minority business firms through a Matchmaker event to assist in increasing CAS's certified pool of firms. and has permanently joined the committee. The committee meets quarterly to discuss diversity and inclusion in procurements and CAS has used it to discuss its program and needs, and access firms that can be potential AC/DBEs and provide services.
4. Greater Cleveland Partnership/COSE - <https://greatercle.com/>  
CAS communicated with GCP/COSE by phone and email to participate in outreach event to identify firms that would be able to be certified as ACDBEs to provide good and services to the rental car operations.
5. Ohio University Local Business Resources - <https://inclusionmarketplace.com/neobusinessgrowthcompass>  
CAS participated in a webinar outreach with inclusion and procurement professionals with Ohio University on Business Opportunities in Transportation Related Contracting.

### **Breakout of Estimated Race-Neutral and Race-Conscious Participation**

The calculated **0.09%** Car Rental Overall Goal will be achieved by Race-Conscious means and **0.0%** through Race-Neutral measures.

CAS will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. CAS will use the following race-neutral measures to increase ACDBE participation:

1. Locate and identify ACDBEs and other small business who may be interested in participating las concessions under 49 CFR Part 23.
2. Notify ACDBEs of concession opportunities and encourage them to compete when appropriate.
3. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

To ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination and if concession specific goals are used, CAS will adjust the estimated breakout

of race-neutral and race-conscious participation as needed. This is to reflect actual ACDBE participation and race-neutral and race-conscious participation will be tracked 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 CAS will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals respectively. Annual reports from car rent companies will be evaluated to track their progress toward meeting these goals, to document their good faith effort if they do not meet these goals and to work with the car rental companies and AC/DBEs to see what can be done to attain these goals.

## **Non-Car Rental Triennial Goal Calculation**

### **FFY 2024 – FFY 2025 - FFY 2026**

### **Cleveland Airport System**

#### **Introduction**

The Overall Goal for Non-Car Rental ACDBE Concessions for periods beginning October 1, 2024, and ending September 30, 2026, is **10.79%** of the total gross receipts on non-car rental concession operations at City of Cleveland, Cleveland Airport System. In accordance with the federal regulations, the Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participations. The race-neutral portion of the goal is **9.28%** and the race-conscious portion of the goal is **1.51%**.

The Airport has determined that the geographical market area in which a substantial number of firms seeking to do business with the airport non-car rental concessions are in the State of Ohio and surrounding states.

The concession opportunities anticipated during this goal period include but are not limited to the following:

1. Electronics Stores
2. Vending Machine Operators
3. Luggage and Leather Goods Stores

4. Baked Goods
5. All Other Specialty Food Stores
6. Beer, Wine, Liquor Stores
7. News Dealers and Newsstands
8. Gift, Novelty and Souvenirs
9. All Other General Merchandise
10. Cosmetics, Beauty Supplies and Perfume
11. Food Service Contractors
12. Catering
13. Full-service Restaurants
14. Barber Shops
15. Beauty Salons and Nail Salons
16. Other Personal Care

### **Methodology and Data Sources**

The data source used to derive the numerator is from the State of Ohio UCP database as well as local Greater Cleveland area minority business directories. The data source for the denominator was gathered from the United States Census Bureau for the geographic market are for the entire State of Ohio. The base figure was derived by dividing the numerator by the denominator. The base figure was determined to be .08%. The steps for determining the base figure are outlined below:

#### **Step 1: Base Figure Calculation**

Numerator Source: <https://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/DBE-Directory.aspx>

The number of ACDBEs came from the Ohio Unified Certification Program directory:

<b>NAICS CODE</b>	<b>DESCRIPTION</b>	<b>Ohio Unified Uniform Program Directory ACDBE Firms</b>
443142	Electronics Stores	1
445132	Vending Machine Operators	2
448320	Luggage and Leather Goods Stores	0
445291	Baked Goods	1
445299	All Other Specialty Food Service	1
445310	Beer, Wine, and Liquor Store	1
451212	News Dealers and Newsstands	5
453222	Gifts, Novelty and Souvenirs Stores	4
454210	Vending Machine Operators	2



455219	All Other General Merchandise	4
456120	Cosmetics, Beauty Supplies and Perfume	2
722310	Food Service Contractors	14
722320	Caterers	6
722410	Drinking Places (Alcoholic Beverages)	4
722511	Full-Service Restaurants	12
812111	Barber Shops	1
812112	Beauty Salons	2
812199	Other Personal care	2
812990	All Other Personal Services	2
<b>Total</b>	<b>All Services</b>	<b>68</b>

Denominator Source: <https://data.census.gov/table?n=44-45&tid=CBP2021.CB2100CBP>

The denominator was calculated based on the NAICS codes of non-ACDBEs gathered from the United States Census Bureau: *CB2100CBP All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2021.*

2 Digits NAICS Codes	US Census All Establishments
44 -45	34,090
72	24,819
81	26,992
<b>TOTAL</b>	<b>85,901</b>

The Base Figure was calculated as follows:

$$\begin{aligned}
 \text{Base Figure} &= \frac{\text{Ready, Willing and Able Non-Car Rental ACDBEs in the Market Area}}{\text{All ready, Willing, and Able Non-Car Rental Concession Firms in the Market Area}} \\
 &= 68 / 85,901 \\
 &= \underline{0.08\%}
 \end{aligned}$$

The Airport will adjust the Base Figure upward to 1%.

### Step 2: Adjustment to the Base Goal

After calculating a base figure of the relative availability of ACDBEs, we examined previous participation to determine what adjustment was needed to the base to arrive at the overall goal. To accurately reflect potential participation, we adjusted the base figure. The adjustments were made based on percent ACDBE participation for FFY 2020, FFY2021 and FFY2022. The methodology for the adjustment is as follows:

Past Three FFY	Non-Car Rental Achievements
2020	20.58%

2021	21.22%
2022	16.97%
<b>Median Participation Percentage</b>	<b>20.58%</b>

Adjustment to Step 1:

$$\begin{aligned}
 \text{Adjusted Participation} &= \frac{\text{Step 1} + \text{Step 2}}{2} \\
 &= \frac{1\% + 20.58\%}{2} \\
 &= \mathbf{10.79\%}
 \end{aligned}$$

The CAS' adjusted Over-all Non-Car Rental Goal for FFY2024-FFY2026 is **10.79%**.

**Breakdown of Race-Neutral (RN) and Race Conscious (RC) Participation**

The CAS has exceeded its non-car rental participation for the past three (3) years. However, the CAS will continuously make the effort to meet most of its Overall Non-Car rental goal through race-neutral means. Calculations of Race Neutral and Race-Conscious participations are as follows:

a) Median Race Neutral (RN) Participation

FFY	Non-Car Rental Goal	Non-Car Rental Achievements	
2020	10.00%	20.58%	10.58%
2021	11.94%	21.22%	9.28%
2022	11.94%	16.97%	5.03%

**Median Race Neutral Participation**                      **9.28%**

b) Race Conscious (RC) Participation

Adjusted Base Percentage	10.79%
Less: Median Race Neutral Participation	<u>9.28%</u>
<b>Race Conscious Participation</b>	<u><b>1.51%</b></u>

Due to the breakout of the COVID-19, the CAS only recovered in promoting the ACDBE program in FFY 2021 and 2022. The CAS partnered approximately 8 outreach events and the effort was to meet maximum feasible portion of its overall goal by:

1. Using RN means of facilitating and increasing ACDBE participations.
2. Providing advance notifications of opportunities and information of the importance of the Program at all pre-solicitation meetings.
3. Encouraging joint venture partnerships and providing all potential concessionaires with a listing of potential ACDBE partners.

In addition, the CAS is collaborating with the CAS consultant not only to energize the airport concessions, but also to help new eligible concessionaires to get ACDBE certified. The CAS also planned to continue collaborating with different agencies in promoting the Program. The CAS also revived the pop-up shops as part of the new concessions program that will tag for the ACDBEs and a kiosk concessions program.

The CAS will use the following race conscious measures to meet the other portion of the overall goal by:

1. Establishing concession-specific goals for concession opportunities.
2. Negotiating with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures in the operation of the concessions.
3. Locate and identify ACDBEs and other small business who may be interested in participating in concessions under 49 CFR Part 23.
4. Notify ACDBEs of concession opportunities and encourage them to compete when appropriate.
5. Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

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.

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 RN and RC participations as needed to reflect actual ACDBE participation and we will track and report RN and RC participation separately.

#### **Consultation with Stakeholders: Section 23:43**

1. *Airport Rental Car Supplier Diversity (ARCSD)* - <http://www.slairport.com/business-services/disadvantaged-business-enterprise/>

The Airport Rental Car Supplier Diversity (ARCSD) spearheaded by Salt Lake City Department of Airports, Salt Lake City, Utah via conference calls will assist CAS in the planning of a rental car ACDBE focused outreach event. Also, the CAS has joined ARCSD

Committee that is chaired by a Rental Car Industry professional network and gain additional access to ACDBEs and information to assist with increasing CAS participation.

2. *Greater Cleveland Regional Transit Authority (GCRTA)* – <https://www.riderta.com/>  
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CAS communicated with GCP/COSE by phone and email to participate in outreach event to identify firms that would be able to be certified as ACDBEs to provide good and services to the rental car operations.
5. *Ohio University Local Business Resources* - <https://inclusionmarketplace.com/neobusinessgrowthcompass>  
CAS participated in a webinar outreach with inclusion and procurement professionals with Ohio University on Business Opportunities in Transportation Related Contracting.
6. *The National Association of Women in Construction* – <https://www.nawiccleveland.org/>  
CAS collaborated with the organization to educate members a great opportunity how to participate in and be a part in industry-related programs in CAS.

In accordance with public participation regulatory requirement of 49 CFR 23.43, “*minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, 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 the recipient's efforts to increase participation of ACDBEs*” and community organizations within the market area are to be consulted and provided an opportunity to provide comments on the proposed ACDBE goal and methodology and triennial goal analysis.