

Overall ACDBE Participation 3 Year Goal for Car Rental Contracts

Name of Recipient:

Wayne County Airport Authority

Goal Period:

FY-2024-2025-2026 – October 1, 2023 through September 30, 2026

Overall Three-Year Goal:

2.42% to be accomplished through RC and 0% RN

Market Area:

The Airport Authority has determined that its market area is the state of Michigan.

3-YEAR ACDBE CAR RENTAL GOAL

The Airport Authority will structure the ACDBE car rental goal entirely in terms of purchases of goods and services, which is a permissible alternative in accordance with 49 CFR Part 23, §23.51(c)(5)(ii).

Purchases of Goods and Services

To determine the baseline car rental ACDBE overall goal, the Airport Authority deems it prudent to ascertain the number of firms that could participate on the Car Rental contracts. This is accomplished by researching 9 categories of goods and services (G&S) that a major car rental company posted as the G&S it required.

Base of Goal

To calculate the base of the goal Airport Authority considered the previous 3 years of purchases and the projected potential purchases three years into the future.

Car Rental Companies Goods and Services Purchases - previous 3 Years

Fiscal Year	Purchases (expenditures) Goods & Services	Increase
2021	\$100,483,858	
2022	\$85,286,520	-15.12
2023	\$100,504,270	+17.84

The Airport Authority estimates that purchases will grow over the next three years by 7%, 6%, and 5%, respectively, due to a rebound in passenger traffic from the post-Covid-19 Pandemic . The following is an explanation outlook for the next 3 years on a year-over-year basis:

Car Rental Companies Projected Change for Goods & Services Purchases – next 3 Years

Year	Prior Year Amount	% + or -	\$ + or -	Projected Change + or -
2024	\$100,504,270	7%	\$7,035,299	\$107,539,569
2025	\$107,539,569	6%	\$6,452,374	\$113,991,943
2026	\$113,991,943	5%	\$5,699,597	\$119,691,540
			Total	\$341,223,052

As such, \$341,223,052 is the Airport Authority's base for the car rental goal.

Step 1

The Airport Authority used the Michigan Intergovernmental Trade Network or MITN directory and Michigan UCP directory to determine Step 1.

Potential Participants in Car Rental Opportunities

<u>Goods & Service Type</u>	<u>NAICS Code</u>	<u>ACDBEs (MUCP)</u>	<u>NIGP Code</u>	<u>All Businesses (MITN)</u>	<u>ACDBE Availability</u>
Motor Vehicle Towing	488410	1	96890	27	3.70%
Janitorial Services	561720	13	1039	268	4.85%
Landscaping	561730	23	98852	299	7.70%
Other Auto Mechanical & Electrical Repair & Maintenance	811118	-	92854	29	0.00%
Auto Body, Paint, and Interior Repair and Maintenance	811121	1	92819	41	2.44%
Auto Glass Replacement Shops	811122	-	91030	130	0.00%
Auto Oil Change & Lubrication Shops	811191	-	92847	50	0.00%
Car Washes	811192	2	92893	58	3.45%
New Car Dealers	441110	0	07104	134	0.00%
				Average	2.46%

Step 2

Our history of achievements are as follows:

ACDBE Accomplishments for FY 2021 – FY 2023

Fiscal Year	ACDBE Achieved
2021	1.59%
2022	2.53%
2023	2.24%
Median	2.24%

The median is 2.24% which is our Step 1 adjustment figure.

Overall Goal:

To arrive at our overall goal, we averaged Step 1 and Step 2:

Example: 2.46% plus 2.24% = 4.84% divided by 2 = 2.42% which is our overall goal.

Conditions That Impacted Car Rental ACDBE Participation Achievement

A review of the previous three-year period shows that the Airport Authority's ACDBE car rental goals were met primarily due to: 1) acknowledging and correcting for consolidation of buying by car rental companies into national or regional contracts for goods and services and lessening the available local spend dollars; 2) the narrow scope of the work types of qualified ACDBEs that could thus impact the actual amount of local spend dollars available; and 3) car rental companies participating and engaging with Airports nationwide in Outreach Events to bolster participation going forward towards meeting goals for ACDBE participation in accordance 49 CFR Part 23.

After considering all relevant factors, the Airport Authority has decided to set an ACDBE car rental goal of 2.42% for FY2024–2026. This goal acknowledges that historical data, while seemingly lackluster, is realistically trending upward as car rental companies are engaging at a local level to carve out the needed local spend dollars in attempts to offset the regional and national contracts for goods and services. Recent Outreach Event participation shows that car rental companies are willing to make genuine good faith efforts to locate and contract with MUCP-certified ACDBEs to increase overall participation as well as encourage their existing business partners that may be eligible, to apply for ACDBE certification.

Race/Gender Neutral and Race/Gender Conscious Split Analysis

As described in Table 2, the Airport Authority's ACDBE car rental goal was predominantly met during the last two years. Acknowledging the challenges in finding new local ACDBE participation, the Airport Authority does not anticipate meeting its ACDBE car rental goals through race/gender neutral means. Therefore, the entire 2.42% ACDBE car rental goal for the Airport Authority will be met through race/gender conscious efforts.

To increase ACDBE participation within the car rental concession area, the Airport Authority will initiate various efforts to provide additional support to the vendors. The following is a list of representative efforts:

- Continued collaboration with MUCP partners and other government agencies to 1) identify ACDBEs with the capacity to work on WCAA car rental opportunities and 2) work with ACDBEs to grow their capacity;
- Provide one-on-one coaching/mentoring to ACDBEs by our Business Diversity Unit;
- Develop targeted outreach forums and training materials for ACDBEs with NAICS codes that are prominent in WCAA rental car opportunities;
- Identify and encourage DBEs with applicable NAICS codes to seek ACDBE designation;
- Continue building relationships with car rental companies with desired outcomes of increasing opportunities for ACDBEs, educating ACDBEs and ultimately successfully obtaining rental car subcontract and sub-concession opportunities for ACDBEs;

- Provide training opportunities to WCAA Business Diversity staff to be properly prepared to administer/implement our ACDBE Program in good faith; and
- WCAA will document and monitor these prescribed efforts to measure their impact.

E. Consultation

The Airport Authority has consulted with a variety of resource agencies and persons in developing the FY 2024 - FY 2026 ACDBE goal. These resources included:

- Michigan Unified Certified Program (MUCP) partners; and
- Michigan Intergovernmental Trade Network (MITN) database.

F. Interim Reporting

Pursuant to 49 CFR Part 23, § 23.45 (i), in the event that a new concession opportunity with estimated annual gross receipts of \$200,000 or greater arises between normal submission dates for overall goals, the Airport Authority will submit an appropriate adjustment to the overall goal at least six months prior to executing the concession agreement for the new concession opportunity.

G. Current Car Rental Contracts

The Airport Authority currently has contracts the following Rental Car Agencies; Alamo, Avis, Budget, Dollar Rent A Car, Enterprise, Hertz, National, Payless, and Thrifty. We will meet with these companies in the coming months to ensure that both existing as well as new participants in the program understand their obligations and expectations in meeting the ACDBE goal.