

**City of Laredo**  
**Laredo International Airport**  
**Proposed Triennial Goal Calculation for the Participation of**  
**Airport Concession Disadvantaged Business Enterprises (ACDBEs)**

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

**Name of Recipient:** Laredo International Airport (LRD)

**Goal Period:** *Federal Fiscal Years 2023-2025 - October 1, 2022 - September 30, 2025*

**Overall Three-Year Goal:** *0.42%, to be accomplished through 0.42% RC and 0.0% RN*

**Market Area**

In conducting this goal setting process, LRD is determining the extent, if any, to which the firms in its market area have suffered discrimination or its effects in connection with concession opportunities or related business opportunities.<sup>1</sup>

The 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.<sup>2</sup>

The Market Area selected for this analysis is the State of Texas.

**Available Non-Car Rental Concession Opportunities**

For fiscal years 2017-2019, LRD had no new non-rental car concession opportunities. The restaurant went out of business in 2020. The one restaurant concession, Villa Laredo, paid only monthly rental payments to LRD and was not required to maintain total revenues because of its capacity and the relatively small enplanements

Laredo International Airport determined through a study that a new concession opportunity will be pursued during fiscal years 2023-2025. This opportunity includes a full-service restaurant.

If any additional 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 to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity.

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<sup>1</sup> 49 CFR § 23.51 (a) (2)

<sup>2</sup> 49 CFR § 23.51 (a) (3)

## Methodology used to Calculate Overall Goal

### Goods and Services

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

We can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. We, 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 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. While we realize that this appears to go against the normal rules and rationale for goal setting, we understand that this method is nevertheless required by statute.

### Step 1- Determine a base figure for the relative availability of ACDBEs

In order to determine base availability figures for each concession area we determined the base figure for the relative availability of ACDBEs other than car rentals pursuant to 49 CFR, Section 23.51(c)(1).

The base figure was calculated as follows:

*Methodology:*

*All active DBE/ACDBE non-car rental concession firms in the market area*

Base figure = \_\_\_\_\_

*All ready, willing and able non-car rental concession firms in the market area*

NAICS	Description	U.S .Census Texas County Business Patterns	TXUCP DBE	%
424120	General line grocery merchant wholesalers	170	1	0.6%
424820	Wine and distilled alcoholic beverage merchant wholesalers	170	2	1.2%
445299	All Other Specialty Food Stores	272	0	0.0%
561710	Exterminating and pest control services	1375	6	0.4%
561720	Janitorial Services	3697	9	0.2%
722515	Snack and Nonalcoholic Beverage Bars	5582	13	0.2%
722511	Full-Service Restaurants	18944	29	0.2%
722310	Food concession contractors	2036	76	3.7%
	<b>Average Availability Non-Car Rentals</b>	<b>32,246</b>	<b>136</b>	<b>0.42%</b>

The data source or demonstrable evidence used to derive the **numerator** was the Texas Unified Certification Program (TUCP) list of certified ACDBE and DBE companies in the corresponding NAICS codes shown above in Table II. This data is attached as **Exhibit A1-A12**.<sup>3</sup>

The data source or demonstrable evidence used to derive the **denominator** was the United States Census Bureau’s 2020 State of Texas County Business Patterns.<sup>4</sup> This data is attached as **Exhibit B**.

Using the United States Census Bureau's 2020 County Business Patterns, Texas data base, we determine the number of all ready, willing and able businesses available in our market area that perform work in the same NAICS codes. We then divided the number of ACDBEs in the TUCP database by the number of all businesses in our market area. Using this methodology, we arrived at **the step one availability goal of 0.42%**.

### **Step 2 Calculation under 23.51(d)**

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

No Adjustments made to base figure.

<sup>3</sup>

<https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=6633&TN=txdot>

<sup>4</sup>

<https://data.census.gov/cedsci/table?t=Business%20and%20Economy&g=0400000US48&y=2020&d=ECNSVY%20Business%20Patterns%20County%20Business%20Patterns>

**Our overall goal for non-car rental concessions is 0.42%**

### **Past Participation**

There is no historical DBE data to reference to make an adjustment to the Step 1 base figure.

### **Disparity Study**

There are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.

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

The Airport will attempt to meet the maximum feasible portion of its overall goal by using race-neutral (RN) means of facilitating ACDBE participation. As part of its business practices, the Airport uses the following race-neutral measures.

The Airport understands that we will be expected to actually take these steps, and this is not merely a paper exercise.

1. Locating, identifying, and soliciting 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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
6. Working with entities, departments, and organizations, both within and outside the city structure to foster ACDBE participation.

We estimate that, in meeting our overall goal of 0.42%, we will obtain 0% through RN participation and the remaining 0.42% of the goal amount through race-conscious measures.

This was determined through information we received from our stakeholders during our public consultation event September 28, 2022. We feel that there will be ACDBE certified business that will allow us to meet this aggressive goal.

In order 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 race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we 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 status in making the award.

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

**City of Laredo**  
**Laredo International Airport**  
**Proposed Triennial Goal Calculation for the Participation of**  
**Airport Concession Disadvantaged Business Enterprise (ACDBE)**

**Section 23.51 Calculation of ACDBE Goal for Car Rentals**

**Name of Recipient: Laredo International Airport**

**Goal Period: *Federal Fiscal Years 2023-2025 - October 1, 2022 - September 30, 2025***

**Overall Three-Year Goal: 0.4%, to be accomplished through 0.4% RC and 0% RN**

**Market Area Analysis**

The market area is 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 receive a substantial majority of concessions related revenues are located. Using the same rationale for the non-rental car concessions, LRD has determined that its market area for Car Rentals is the State of Texas.

Current car rental companies include those shown in Table V below:

**TABLE V – CURRENT RENTAL CAR COMPANIES**

<b>Company</b>	<b>Type of Concession</b>	<b>Expiration Date</b>
Enterprise/National	Rental Car	11/30/2024
Avis/Budget	Rental Car	11/30/2024

**Methodology used to Calculate Overall Goal**

**Goods and Services**

We 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- Determine a base figure for the relative availability of DBE and ACDBEs**

We determined the base figure for the relative availability of DBEs and ACDBEs who can provide the goods and services to the car rental companies pursuant to 49 CFR, Section 23.51(c)(1).

The base figure was calculated as follows:

*Methodology:*

*All active DBE/ACDBE firms in the market area per NAICS Code*

Base figure = \_\_\_\_\_

*All ready, willing and able firms in the market area per NAICS Code*

**TABLE VI – STATE OF TEXAS MARKET AREA CAR RENTAL CONCESSION GOODS AND SERVICES AVAILABILITY ANALYSIS**

NAICS	Description	U.S. Census Texas CBP TOTAL	TXUCP DBE	%
424330	Baby and infant car seats merchant wholesalers	303	0	0.0%
424720	PETROLEUM/PETROLEUM PRODUCTS WHSL	395	17	4.3%
561720	Janitorial services	3697	10	0.3%
441310	Automotive Parts and Accessories Stores	3,284	2	0.1%
488410	Motor Vehicle Towing	790	6	0.8%
811191	Automotive Oil Change and Lubrication Shops	985	2	0.2%
811111	General Automotive Repair	5,703	19	0.3%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	2,533	11	0.4%
811122	Windshield Repair	488	1	0.2%
811198	Auto Maintenance	448	9	2.0%
	<b>Average Availability</b>	<b>18626</b>	<b>77</b>	<b>0.4%</b>

The data source or demonstrable evidence used to derive the **numerator** was the Texas Unified Certification Program (TUCP) list of certified ACDBE and DBE companies in the

corresponding NAICS codes shown above in Table VI.<sup>5</sup> This data is attached as **Exhibit C-1 to C-10.**<sup>6</sup>

The data source or demonstrable evidence used to derive the **denominator** was the United States Census Bureau's 2020 State of Texas County Business Patterns.<sup>7</sup> This data is attached as **Exhibit C-11.**

Using the United States Census Bureau's 2020 County Business Patterns, Texas data base, we determine the number of all ready, willing, and able businesses available in our market area that perform work in the same NAICS codes. We then divided the number of ACDBEs in the TUCP database by the number of all businesses in our market area. Using this methodology, we arrived at **the step one availability goal of 0.4%.**

### **Step 2: 23.51(d)**

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

In order to reflect as accurately as possible, the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 0%. Our overall goal for non-car rental concessions is 0.4%

### **Past History Participation**

There is no historical DBE data to reference to make an adjustment to the Step 1 base figure.

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

The Airport will attempt to meet the maximum feasible portion of its overall goal by using race-neutral (RN) means of facilitating ACDBE participation. As part of its business practices, the Airport uses the following race-neutral measures.

The Airport understands that we will be expected to actually take these steps, and this is not merely a paper exercise.

1. Locating, identifying, and soliciting ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;

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<sup>5</sup>

<https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=6633&TN=txdot>

<sup>6</sup> There are no exhibits for NAICS codes 424330

<sup>7</sup><https://data.census.gov/cedsci/table?t=Business%20and%20Economy&g=0400000US48&y=2020&d=ECNSVY%20Business%20Patterns%20County%20Business%20Patterns>

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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and
6. Working with entities, departments, and organizations, both within and outside the city structure to foster ACDBE participation.

We estimate that, in meeting our overall goal of 0.4%, we will obtain 0% through RN participation and the remaining 0.4% of the goal amount through race-conscious measures.

### **Section 23.34 Public Participation: Consultation with Stakeholders**

On Wednesday September 28, 2022, LRD hosted a formal Stakeholders Meeting at 1:00 in the Administrative Airport Conference Room. To encourage maximum participation, the meeting was announced both on the City of Laredo website and the Laredo International Airport Website. In addition, several electronic mail-outs were sent out to the membership of Airport Minority Advisory Council (AMAC) and certified ACDBEs and DBEs registered in Texas Unified Certification Program (TUCP) database.

Finally, invitations were sent to all current Concessionaires and Rental Car Companies located at the airport.

- **Exhibit D** is an example of the invitation emailed out to organizations and all current concessionaires at Laredo International Airport

A copy of the emailed flyer, PSA and Legal Notice are attached as **Exhibits E, F, and G respectively**.

Every reasonable effort was made to contact stakeholder's organizations and their member.

We held our public consultation meeting in person and via web conference.

The sign-in sheet and preregistration sheet are attached and are labeled **Exhibits H and I, respectively**. LRD's ACDBE consultant explained the ACDBE Program, proposed

goals and answered questions. Pursuant to 49 CFR Part 23.43, LRD specifically requested information from all of the attendees regarding:

- Information concerning the availability of disadvantaged and non-disadvantaged businesses;
- The effects of discrimination on opportunities for DBEs and ACDBEs; and,
- Laredo International Airport efforts to establish a level playing field for the participation of ACDBEs and DBEs.

The attendees identified the following problems or areas of concern:

- For the line of job services we provide, do we need to show ACDBE certification if we are already DBE certified?
- Will there be future forums held for networking and connecting prime contractors and subcontractors to identify and facilitate commercial useful participation of DBE firms on the project?
- Will an initial list of 1<sup>st</sup> Tier contractors be made available for lower tier subcontractors to solicit work from?

A copy of the transcript is attached and labeled **Exhibit K**.

A copy of the presentation is attached and labeled **Exhibit J**.