

**PROPOSED ACDBE OVERALL CONCESSION GOALS**  
**Federal Fiscal Years 2025 - 2027**  
**Palm Springs International Airport**  
**Palm Springs, CA**

Airport Sponsor: City of Palm Springs

Airport: Palm Springs International Airport

Goal Period: From: October 1, 2024  
Thru: September 30, 2027

ACDBE Goal for Non-Car Rental Concessions: 7.9% (Race Conscious)

ACDBE Goal for Car Rental Concessions: 1.0% (Race Neutral)

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

**Amount of Goal**

Palm Springs International Airport's (the "Airport") overall goal for concessions other than car rental during the period beginning October 1, 2024 and ending September 30, 2027 is 7.9%. The goal is expressed as a percentage of the total estimated gross receipts for concessions at Palm Springs International 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.

The Airport determines the market area for each concession opportunity as it arises. The market area is defined as the geographical area in which the substantial majority of firms that seek to do the specific 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.

The calculation for determining the overall goal for the three-year period is as follows:

**Federal Fiscal Years 2025 – 2027**

Total estimated gross receipts for all concessions excluding car rentals = \$64,288,146  
Estimated ACDBE gross receipts = \$5,059,980  
 $\$5,059,980 / \$64,288,146 = 7.9\%$

**Methodology used to Calculate Overall Goal**

Overall goals have been determined by consolidating the total estimated gross revenues and estimated ACDBE gross revenues for continuing and anticipated new concession agreements that will become effective during the goal period. Goals for each new concession are determined through an analysis of the opportunity, potential for ACDBE participation and the relative availability of ACDBE firms who are ready, willing and able to perform under the agreement.

In accordance with 49 CFR part 23.51(c) ACDBE goals for specific opportunities are determined as follows:

Step 1: 23.51(c)

The Airport determines the base figure for the relative availability of ACDBEs for the specific opportunity. The base figure may be calculated in a number of ways, depending upon what is most appropriate for the specific opportunity.

Examples are as follows:

Option 1: Ready, willing, and able ACDBEs in the appropriate trade in the determined market area ÷ All ready, willing and able companies in the appropriate trade in the determined market area.

The data source or demonstrable evidence used to derive the numerator may be either the DBE/ACDBE directory (23.51(c)(1)) or an active participant list (23.51(c)(2)).

If the Airport uses ACDBE directories, which directories and which NAICS codes were used will be identified. The Airport may also augment available ACDBEs with firms in local MBE/WBE directories or trade association lists. If the Airport uses these sources to augment the numerator, the sources used, and the number of firms added to the numerator will be identified.

If the Airport uses an Active Participant List, where the information was obtained will be identified. Such information may come from past experience with firms that have run concessions or sought concession contracts or leases, knowledge about the universe of firms in certain concession services that tend to be interested in participating, and attendance lists from informational and outreach meetings about upcoming concession opportunities.

Option 2: Disparity Study -There are no relevant disparity studies from the Airport's geographic area at this time. In the future, the Airport may elect to utilize a disparity study should one become available.

Option 3: Goal of another sponsor – The Airport may use the goal of another airport or DOT sponsor in the same, or substantially similar market if their overall goal is in compliance with 49 CFR parts 23. Should the Airport elect to do so, the Airport will include information as to why our airport concession opportunity has the same or substantially similar market.

Option 4: Alternative Methods – The Airport may elect to use other methods to determine the base figure, however it must be based on demonstrable evidence of local market conditions and be designed to arrive at a goal that is rationally related to the relative availability of ACDBEs in the market area.

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport will examine evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal.

In accordance with 23.51(d), any adjustment will be designed to reflect as accurately as possible the ACDBE participation the Airport would expect in the absence of discrimination. In addition, the Airport will document the basis on which the base figure was adjusted using the specific data.

### **Palm Springs International Airport Non-Car Rental Concessions**

Palm Springs International Airport ACDBE Goals for federal fiscal years 2025 – 2027 have been set for each concession contract as listed below and shown on the following chart. It should be noted that approximately 95.8% of the non-car rental concession revenue is generated by two concessions, food/beverage and gift/news operations. These agreements were recently awarded with ACDBE goals. These agreements will not be expiring during this goal period. ACDBE goals will continue as set for both operations. All other non-car rental concessions combined generate less than 4.2% of the total revenue.

**Food/Beverage** - The food/beverage contract is currently operated by Paradies under a joint venture agreement with an ACDBE. The ACDBE contract goal for this operation is 9.1%. The contract will not expire during this three-year period.

**Retail** – The retail contract is currently operated by WH Smith and has a contract goal of 6.6%. The contract will not expire during this three-year period.

**Advertising** - The advertising contract is operated by Fuse and will expire in June 2026. There is currently no ACDBE participation in this contract. A goal analysis will be conducted prior to the contract's expiration; however, it is unlikely that ACDBE gross receipts participation will be viable based the size of the contract and the margins generated for this type of contract. For purposes of this three-year goal, we will assume that the agreement will remain without a goal for the three-year goal period.

**ATM Machines** - The ATM machine contract is operated by Ready Credit Corp. The contract has no ACDBE goal, as the concession generates less than \$5,000 in gross revenues annually and does not have subcontracting opportunities. It is anticipated that this concession will continue without ACDBE participation throughout the three-year goal period.

**Luggage Carts** – A new luggage cart concession will be effective in FFY 2025. An ACDBE goal has not been set for this contract due to its size, scope and the fact that there are no ACDBE firms in this trade.

Applying the above assumptions to each of the concessions and assuming gross revenues at 2023 levels and a growth rate of 4% annually results in the following annual sales and goals:

<p style="text-align: center;"><b>City of Palm Springs</b>  <b>Palm Springs International Airport</b>  <b>ACDBE CONCESSION LEASING GOALS</b>  <b>Goal Period: October 1, 2024 - September 30, 2027</b>  <b>FFY 2025, 2026, and 2027</b></p>			
Concessionaire	*Projected Annual Gross Revenues	ACDBE Gross Revenues Based on Goal	ACDBE Goal
Food/Beverage	\$36,934,162	\$3,361,009	3.1%
Retail	\$24,622,775	\$1,698,971	2.4%
Advertising	\$2,549,083		
ATM Machines	\$13,309		
Luggage Carts	\$168,816		
<b>Total Concessions (Excluding Rental Cars)</b>	<b>\$64,288,146</b>	<b>\$5,059,980</b>	<b>7.9%</b>

Given the above, we propose the base ACDBE goal for the three-year period beginning October 1, 2024 and ending September 30, 2027 (FFYs 2025, 2026, and 2027) at 7.9%.

**Step 2 – Adjustments**

The ACDBE regulation (49 CFR part 23) provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. Since this adjustment was made in the development of the contract goal, an adjustment based on past history is not warranted.

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

ACDBE contract goals reflected in this document have been set as race-neutral goals. The setting of race-neutral goals has resulted in participation of approximately 1% over the past five years. Since the contracts will be long-term and any shortfall will continue for the duration of the contract and since the past solicitations for food/beverage and gift/news resulted in no participation, goals for these contracts will be set as race-conscious in October 2019 when the current contracts expire. The Airport will continue to use race-neutral methods to encourage further participation throughout the goal period, including the following:

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.

### **Consultation with Stakeholders**

In accordance with 49 CFR part 23, section 23.43(c), Stakeholder Consultation is not required as there will be no new non-car rental opportunities during this goal period. PSP will take appropriate outreach steps to encourage available ACDBEs to participate as concessionaires whenever there is a concession opportunity.

**Overall Goal Calculation for Car Rentals (23.45)**  
**FFY 2025-2027**

**Background**

Palm Springs International Airport currently has eight (8) different on-airport car rental brands owned by three (3) different companies. The current agreements will expire on June 30, 2025. The ACDBE Goal for car rental has been developed for the entire three-year goal period at this time based on the purchase of goods/services. Car rental concession revenues were approximately \$84.8 million in 2023 and purchases were \$95.6 million during the same period

In accordance with the regulation regarding ACDBE participation in Airport Concessions, we have conducted research to determine an appropriate ACDBE goal for car rental concessions at the Airport. The methodology for setting the goals is included in this report.

49 CFR Part 23 provides the following guidance for establishing concession goals:

*§ 23.51(a) Your objective in setting a goal is to estimate the percentage of the base calculated under §§23.47–23.49 that would be performed by ACDBEs in the absence of discrimination and its effects.*

*(1) This percentage is the estimated ACDBE participation that would occur if there were a “level playing field” for firms to work as concessionaires for your airport.*

*(2) In conducting this goal setting process, you are determining the extent, if any, to which the firms in your market area have suffered discrimination or its effects in connection with concession opportunities or related business opportunities.*

*(3) You must complete the goal-setting process separately for each of the two overall goals identified in §23.41 of this part.*

*(b) (1) Each overall concessions goal must be based on demonstrable evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in your ACDBE program (hereafter, the “relative availability of ACDBEs”).*

*(2) You cannot simply rely on the 10 percent national aspirational goal, your previous overall goal, or past ACDBE participation rates in your program without reference to the relative availability of ACDBEs in your market.*

*(3) Your 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. Your market area may be different for different types of concessions.*

**Counting Participation in Car Rentals**

Given the fact that there are few ACDBE car rental firms operating in airports, we have elected to base the Car Rental ACDBE goal on the purchase of goods and services from ACDBE or potential/ACDBE firms. The regulation provides for counting ACDBE participation for car rentals as follows:

**§ 23.53 How do car rental companies count ACDBE participation toward their goals?**

(a) As a car rental company, you may, in meeting the goal the airport has set for you, include purchases or leases of vehicles from any vendor that is a certified ACDBE.

(b) As a car rental company, if you choose to meet the goal the airport has set for you by including purchases or leases of vehicles from an ACDBE vendor, you must also submit to the recipient documentation of the good faith efforts you have made to obtain ACDBE participation from other ACDBE providers of goods and services.

(c) While this part does not require you to obtain ACDBE participation through direct ownership arrangements, you may count such participation toward the goal the airport has set for you.

(d) The following special rules apply to counting participation related to car rental operations:

(1) Count the entire amount of the cost charged by an ACDBE for repairing vehicles, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.

(2) Count the entire amount of the fee or commission charged by an ACDBE to manage a car rental concession under an agreement with the concessionaire toward ACDBE goals, provided that it is reasonable and not excessive as compared with fees customarily allowed for similar services.

(3) Do not count any portion of a fee paid by a manufacturer to a car dealership for reimbursement of work performed under the manufacturer's warranty.

(e) For other goods and services, count participation toward ACDBE goals as provided in part 26, §26.55 and §23.55 of this part. In the event of any conflict between these two sections, §23.55 controls.

(f) If you have a national or regional contract, count a pro-rated share of the amount of that contract toward the goals of each airport covered by the contract. Use the proportion of your applicable gross receipts as the basis for making this pro-rated assignment of ACDBE participation.

*Example to paragraph (f):* Car Rental Company X signs a regional contract with an ACDBE car dealer to supply cars to all five airports in a state. The five airports each account for 20 percent of X's gross receipts in the state. Twenty percent of the value of the cars purchased through the ACDBE car dealer would count toward the goal of each airport.

**Market Area**

There are eight (8) Car Rental Concession Brands at the Airport operated by three (3) different companies. Based on the types of goods/services purchased by the firms (e.g. auto repair, insurance, fuel, etc.), we have separated the market area based on the type of goods/services purchased as shown on the chart below. The geographic region for the purchase of vehicles includes various areas of the country, including from manufacturers in various states. We will, therefore, use a national geographic region for vehicle purchases and other categories of



purchases that are typically procured through national or regional contracts or through vendors location nationwide. We have utilized the State of California for purchases that are typically made locally.

### **Goal-Setting Step I**

The regulation provides the following examples of potential approaches for accomplishing Step 1, determining the base figure, as follows:

*23.51(c) Step 1. You must begin your goal setting process by determining a base figure for the relative availability of ACDBEs. The following are examples of approaches that you may take toward determining a base figure. These examples are provided as a starting point for your goal setting process. Any percentage figure derived from one of these examples should be considered a basis from which you begin when examining the evidence available to you. These examples are not intended as an exhaustive list. Other methods or combinations of methods to determine a base figure may be used, subject to approval by the FAA.*

*(1) Use DBE Directories and Census Bureau Data. Determine the number of ready, willing and able ACDBEs in your market area from your ACDBE directory. Using the Census Bureau's County Business Pattern (CBP) data base, determine the number of all ready, willing and able businesses available in your market area that perform work in the same NAICS codes. Divide the number of ACDBEs by the number of all businesses to derive a base figure for the relative availability of ACDBEs in your market area.*

*2) Use an Active Participants List. Determine the number of ACDBEs that have participated or attempted to participate in your airport concessions program in previous years. Determine the number of all businesses that have participated or attempted to participate in your airport concession program in previous years. Divide the number of ACDBEs who have participated or attempted to participate by the number for all businesses to derive a base figure for the relative availability of ACDBEs in your market area.*

*(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study.*

*(4) Use the goal of another recipient. If another airport or other DOT recipient in the same, or substantially similar, market has set an overall goal in compliance with this rule, you may use that goal as a base figure for your goal.*

*(5) Alternative methods. (i) You may use other methods to determine a base figure for your overall goal. Any methodology you choose must be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of ACDBEs in your market area.*

The most recent available census bureau data is for 2022. The NAICS codes for the various trades typically utilized by car rental concessions were determined through a survey of car rental concessionaires and research and are shown on the chart below. Both DBEs and ACDBEs from the California UCP DBE/ACDBE Directory have been included as any firm that meets the DBE eligibility requirements are potential ACDBEs.

<b>Table 1 – U.S. Census / California and National Unified Certification Program Directory</b>				
Description	NAICS	Census	Directory	DBE/ACDBE %
Door Maintenance/Repair	236220	4,334	176	4.06%
Concrete Maintenance	238110	2,036	176	8.64%
Electrical	238210	9,913	170	1.72%
HVAC Maintenance	238220	11,334	57	0.50%
Towing	488410	1,287	8	0.62%
Delivery Svc	492110	1,460	6	0.41%
Equipment Rental (GPS)	532210	210	1	0.48%
Security	561621	743	16	2.15%
Keys/Locks	561622	492	0	0.00%
Janitorial Services	561720	6,727	101	1.50%
Drug Testing	621999	1,284	6	0.47%
Auto Repair	811111	9,705	15	0.16%
Auto Body Repair	811121	4,058	11	0.27%
Windshield Repair	811122	796	1	0.13%
<b>Total Local</b>		<b>54,379</b>	<b>744</b>	<b>1.37%</b>
Printing/Signage	323111	15,430	334	2.16%
Fuel Maintenance	454310	7,795	28	0.36%
GPS Devices	334511	503	7	1.39%
Auto Parts	423120	12,377	75	0.61%
Tires	423130	2,527	26	1.03%
Computer Support/Materials	423430	6,818	284	4.17%
Luggage Carts/Wheelchairs	423450	10,599	255	2.41%
Cleaning Supplies	423850	4,484	290	6.47%
Fire Safety/Suppression	423990	9,928	378	3.81%
Office Expense	424120	3,319	167	5.03%
First Aid	424210	9,959	69	0.69%
Fuel/Oil/Energy	424720	2,541	180	7.08%
Car Dealerships	441110	21,835	7	0.03%
Auto Transport	484230	11,976	598	4.99%

Description	NAICS	Census	Directory	DBE/ACDBE %
Insurance	524210	135,100	248	0.18%
Legal Services	541110	166,972	235	0.14%
Accounting	541211	55,642	327	0.59%
Asset Recovery	561491	655	4	0.61%
Consulting	541611	97,678	7,484	7.66%
Background Checks	541612	8,958	1,355	15.13%
Uniforms	812331	839	17	2.03%
<b>Total National</b>		<b>585,935</b>	<b>12,368</b>	<b>2.11%</b>
<b>Total</b>		<b>640,314</b>	<b>13,112</b>	<b>2.05%</b>

The following contains weighted availability calculations based on information obtained from car rental companies at other Airports surveyed in the past several years:

Description	NAICS	% of \$ Expenditures (A)	DBE/ACDBE % (B) [From Table 1]	Weighted Availability (A X B)
Door Maintenance/Repair	236220	0.10%	4.06%	0.00%
Concrete Maintenance	238110	0.50%	8.64%	0.04%
Electrical	238210	0.10%	1.72%	0.00%
HVAC Maintenance	238220	0.00%	0.50%	0.00%
Towing	488410	0.10%	0.62%	0.00%
Delivery Svc	492110	0.00%	0.41%	0.00%
Equipment Rental (GPS)	532210	0.40%	0.48%	0.00%
Security	561621	0.00%	2.15%	0.00%
Keys/Locks	561622	0.00%	0.00%	0.00%
Janitorial Services	561720	0.10%	1.50%	0.00%
Drug Testing	621999	0.10%	0.47%	0.00%
Auto Repair	811111	0.20%	0.16%	0.00%
Auto Body Repair	811121	1.60%	0.27%	0.00%
Windshield Repair	811122	0.10%	0.13%	0.00%
<b>Total Local</b>		<b>3.30%</b>		<b>0.06%</b>
Printing/Signage	323111	0.30%	2.16%	0.01%

<b>Table 2 – Weighted ACDBE Availability (Based on Directory/Census)</b>				
Description	NAICS	% of \$ Expenditures (A)	DBE/ACDBE % (B) [From Table 1]	Weighted Availability (A X B)
Fuel Maintenance	454310	0.00%	0.36%	0.00%
GPS Devices	334511	0.00%	1.39%	0.00%
Auto Parts	423120	0.10%	0.61%	0.00%
Tires	423130	0.00%	1.03%	0.00%
Computer Support/Materials	423430	12.20%	4.17%	0.51%
Luggage Carts/Wheelchairs	423450	1.60%	2.41%	0.04%
Cleaning Supplies	423850	0.00%	6.47%	0.00%
Fire Safety/Suppression	423990	0.10%	3.81%	0.00%
Office Expense	424120	0.00%	5.03%	0.00%
First Aid	424210	2.00%	0.69%	0.01%
Fuel/Oil/Energy	424720	0.00%	7.08%	0.00%
Car Dealerships	441110	80.00%	0.03%	0.02%
Auto Transport	484230	0.10%	4.99%	0.00%
Insurance	524210	0.10%	0.18%	0.00%
Legal Services	541110	0.00%	0.14%	0.00%
Accounting	541211	0.00%	0.59%	0.00%
Asset Recovery	561491	0.00%	0.61%	0.00%
Consulting	541611	0.20%	7.66%	0.02%
Background Checks	541612	0.00%	15.13%	0.00%
Uniforms	812331	0.00%	2.03%	0.00%
<b>Total National</b>		<b>96.70%</b>		<b>0.62%</b>
Total Purchases		100.00%		0.67%

**We therefore propose the base goal at 0.67%.**

**Step 2 - Examine the data to determine what adjustment, if any, is needed to the Base Figure**

The ACDBE regulation (49 CFR part 23) provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. We have reviewed the ACDBE achievement for the most recent three-year period (the last goal cycle) to provide for an adjustment of the base goal as follows:

Actual Past History of ACDBE Participation			
Year	Total Car Rental Purchases	ACDBE Purchases	ACDBE %
2023	\$95,597,077	\$1,273,760	1.33%
2022	\$38,478,541	\$805,782	2.09%
2021	\$41,232,579	\$436,302	1.06%

Adjusting the goal for median participation over the last three years results in the following:

$$\text{Base goal of } 0.67\% + \text{Median ACDBE Participation (2021 - 2023) of } 1.33\% = 2.0\%$$

$$2.0\% \div 2 = 1.0\%$$

There is no other relevant data to support an adjustment to the base goal. Therefore, the proposed overall ACDBE goal for car rentals for the three-year period commencing October 1, 2024 and ending September 30, 2027 is **1.0%**.

**Race-Neutral/Race-Conscious Recommendation**

The current car rental agreements do not include a race conscious ACDBE goal, therefore the goal will be set as race-neutral. The goal will remain in place throughout this three-year goal cycle.

**Consultation with Stakeholders**

In accordance with 49 CFR part 23, §23.43, the airport has sent emails and followed-up with phone calls to the following stakeholders regarding this three-year goal. Each of the stakeholders was sent a copy of the goals and information on who to contact to discuss the goals. Follow-up phone calls were made to all organizations/firms. No comments were received.

**Organizations**

Coachella Valley Women's Business Center  
37023 Cook St Suite 102  
Palm Desert, CA 92211  
info@cvwbc.org  
(833) 379-0019

Palm Springs Chamber of Commerce  
190 West Amado Rd.  
Palm Springs, CA 92262  
nwatson@pschamber.org  
(760) 325-1577

Southern California  
Hispanic Chamber of Commerce  
780 N. Euclid St.  
Anaheim, CA 92801  
SCAHCC@yahoo.com

California Black Chamber of Commerce  
1600 Sacramento Inn Way, Suite 232  
Sacramento, CA 95815  
cbcc@calbcc.org  
(916) 467-8878

**Car Rental Concessionaires**

Avis/Budget/Payless  
Sydney Peruzzato  
Sydney.Peruzzato@avisbudget.com  
(973) 496-8728

Hertz/Dollar/Thrifty  
Tanya Piga  
tanya.pelli@hertz.com  
(239) 301-7312

Enterprise/Alamo/National  
Errin.braddock@em.com  
Julian.sanchez@em.com  
Michael.peters@em.com  
(727) 366-3626

**Suppliers**

Leslie Saunders Insurance Agency, Inc.  
qbranch@lesliesaunders.com  
(702) 646-2082 Ext. 204

EDS Service Solutions, LLC  
cdelavergne@edsservicesolutions.com  
(404) 445-8255

Jazfam Associates, Inc.  
jazfaminc@jazfam.com  
(518) 843-7243

Longhouse Inventory Solutions, LLC  
jami@lisstore.com  
(918) 691-1660