

Attachment 4**Section 23.45: Overall Goal Calculation for Concessions Other Than Car Rentals****Amount of Goal (submit if average annual gross receipts exceed \$200,000)****Name of Recipient:** Billings Logan International Airport**Goal Period:** FY 2025-2027 (October 1, 2025 – September 30, 2027)**Overall Three-Year Goal:**0.41%, to be accomplished through 0.00% RC and 0.41% RN**Methodology used to Calculate Overall Goal:**

The Airport in conducting this goal-setting process is determining the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

The market area is the geographical area in which most firms seek to do concessions business with the airport are located and in which the firms receive the substantial majority of concessions-related revenues are located. The data indicated that a **Nationwide market area** has been identified.

Base of Goal

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

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

Fiscal Year	Non-Car Concessions Revenue (Gross Receipts)
2022	\$4,805,119.88
2023	\$7,181,558.77
2024	\$8,075,427.13
Total	\$20,062,105.78
Average	\$6,687,368.59

FY – 2022, 2023 and 2024 were used to calculate the total and average revenues.

The Airport estimates that revenues to existing concessions will grow by 2% over the next three years due to increased passenger traffic.

$$(2022) \$4,805,119.88 + 2\% (\$96,102.40) = \$4,901,222.28$$

$$(2023) \$7,181,558.77 + 2\% (\$143,631.18) = \$7,325,189.95$$

$$(2024) \$8,075,427.13 + 2\% (\$161,508.54) = \$8,236,935.67$$

$\$4,901,222.28 + \$7,325,189.95 + \$8,236,935.67 = \$20,463,347.90$ is the Airport's base of the goal for non-car rental concessions.

The concession opportunities anticipated during this goal period are:

Restaurant, Gift Shop, and Parking with estimated gross receipts of **\$20,463,347.90**.

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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.

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 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. (23.45(i)).

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 accordance with 49 CFR 23.51(c)(1), we used the Federal Aviation Administration's (FAA) National DBE/ACDBE Directory and Census Bureau data to set the base figure. We chose to set the goal based on purchases of goods and services as all or most of the goal is likely to be met through car rental companies purchases of goods and services. Table 1 indicates the NAICS codes used and the number of ACDBE firms and total firms for the market area.

Table 1 – ACDBE and Total Firm Availability by NAICS Code

Concession Activity	NAICS Code	ACDBE Firms Nationwide	All Firms
Commercial and Institutional Building Construction	236220	132	39,335
Electrical Contractors and Other Wiring Installation Contractors	238210	97	77,079
Plumbing, Heating, and Air Conditioning Contractors	238220	31	104,367
Commercial Printing	323111	38	16,283
Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	423430	21	7,296
Other Commercial Equipment Merchant Wholesalers	423440	17	3,847
Service Establishment Equipment and Supplies Merchant Wholesalers	423850	37	4,485
Other Miscellaneous Durable Goods Merchant Wholesalers	423990	42	9,426
Stationery and Office Supplies Merchant Wholesalers	424120	26	3,751
Other Grocery and Related Products Merchant Wholesalers	424490	67	14,767
Book, Periodical, and Newspaper Merchant Wholesalers	424920	6	1,229
Clothing Accessories Stores	458110 (448150)	72	7,980
Gift, Novelty, and Souvenir Retailers	459420 (453220)	228	19,133
General Freight Trucking, Local	484110	57	36,624
Payroll Services	541214	27	5,750
Computer Facilities Management Services	541513	79	6,240
Administrative Management and General Management Consulting Services	541611	840	89,291
Human Resources Consulting Services	541612	158	8,417
Marketing Consulting Services	541613	298	44,886
Advertising Agencies	541810	116	14,279
Public Relations Agencies	541820	119	8,632
Janitorial Services	561720	222	63,678
Food Service Contractors	722310	371	29,564
Totals		3,101	616,339

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When we divided the number of ACDBE firms by the Total firms in the market area, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of:

3,101 ACDBE firms/616,339 Total firms X 100 = 0.5%

The base figure for relative availability of ACDBE firms in 0.5%.

Step 2: Adjust the base figure using factors relevant to MDT's marketplace.

We examined all evidence available in its jurisdiction to determine if an adjustment to the base figure was needed to arrive at the overall goal. To determine the impacts of the current local market conditions and work performed by DBE firms, we reviewed the past participation according to FAA Uniform Reports, which is summarized in the past history participation.

The data used to determine the adjustment to the base figure was: Past participation.

Past History Participation

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

<i>FY</i>	<i>RC</i>	<i>RN</i>	<i>Total Achievement</i>
2021	0.00%	0.00%	0.00%
2022	0.00%	0.47%	0.47%
2023	0.00%	0.19%	0.19%

Arranging this historical data from low to high, 0.19 and 0.47, the median is 0.33% which is our Step 2 figure.

To arrive at an overall goal, we added our Step 1 base figure with our Step 2 adjustment figure and then averaged the total arriving at an overall goal of **0.41%**. (Step 1: 0.50% plus Step 2: 0.33% = 0.83% divided by 2 = 0.41%).

Since MDT's 2022 Disparity Study did not include any findings related to the ACDBE Program and/or car rental concessions, we determined that no further adjustments to the base figure calculated in Step 1 are warranted.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

§23.43 What are the consultation requirements in the development of recipients' overall goals?

(a) As a recipient, you must consult with stakeholders before submitting your overall goals to FAA.

(b) Stakeholders with whom you must consult include, but are not limited to, 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.

Prior to submitting this goal to the FAA, the Airport consulted with the following stakeholders:

Montana APEX Accelerator (formerly the Procurement Technical Assistance Center – PTAC), Big Sky Economic Development - BSEDA, Air Host, SkyDine, SkyGifts, SP Plus. The consultation was done via event virtual booth displays, individual virtual meetings with PTAC/BSED event participants, and in-person/virtual meetings with company representatives.

A summary of the information these stakeholders provided is as follows:

Acknowledgement of concession opportunities available at the Airport and the bidding and contracting process. Acknowledgement of opportunity for purchase of goods and services from ACDBEs.

Breakout of Estimated Race-Neutral & Race Conscious Participation Section 23.51

The Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the following race-neutral measures.

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

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.

We estimate that, in meeting our overall goal of 0.41%, we will obtain 0.41% from race-neutral participation and 0.00% through race-conscious measures.

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The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious ACDBE participation:

Currently the Airport is adopting a solely race-neutral means of facilitating DBE participation. If the overall DBE goal is not met, the Airport will demonstrate that good faith efforts have been made to meet the 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.