

FY 2019-2021 Airport Concession DBE Goal Methodology  
(Car Rental Concessions)  
for



With Assistance From



August 2019

**METHODOLOGY** for Establishing the FY 2019 – FY 2021 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

**Savannah Hilton Head International Airport, Savannah, GA (49 CFR Part 23)**

*In fulfillment of the requirements of 49 CFR Part 23, the Savannah Airport Commission has developed a proposed Overall Goal for FY 2019 – FY 2021 for Car Rentals Concessions.*

**General Information:**

Airport Sponsor: **Savannah Airport Commission**

Airport: **Savannah Hilton Head International Airport**

DBELO: **Dawoud Stevenson.**  
Disadvantage Business Enterprise Liaison Officer  
Savannah Airport Commission  
400 Airways Avenue  
Savannah, GA 31408  
(912) 964-0614, ext. 3310  
[dstevenson@flysav.com](mailto:dstevenson@flysav.com)

**I. Amount of Goal**

The Savannah Airport Commission's overall car rental goal for the period beginning October 1, 2018 and ending September 30, 2021 is the following:

Overall Goal:	<b><u>1.9%</u></b>
Race-Neutral:	<b><u>0.0%</u></b>
Race-Conscious:	<b><u>1.9%</u></b>

**The base of the goal will be the total purchases of goods and services for car rental operations at the Airport.**

There are new car rental concession opportunities anticipated for this time period. If additional car rental concession opportunities arise 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 Commission will submit an appropriate adjustment to the overall goal. This will be submitted to to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

**Table 1: Car Rental Lease Dates**

Concession Type	Concession	Contract Start Date	Contract End Date
Avis	Car Rental	May 1, 2014	April 30, 2039
Hertz	Car Rental	May 1, 2014	April 30, 2039
Vanguard	Car Rental	May 1, 2014	April 30, 2039
Budget	Car Rental	May 1, 2014	April 30, 2039
Thrifty	Car Rental	May 1, 2014	April 30, 2039
Enterprise	Car Rental	May 1, 2000	May 3, 2020
Dollar	Car Rental	April 1, 2000	May 3, 2020
Payless	Car Rental	May 1, 2014	April 30, 2039

Source: Airport; compiled by KWA

**A. Projected Concessions Revenue: October 1, 2018 - September 20, 2021**

ACDBE opportunity for the 3-year period will be the total expenditures on goods/services by car rental operations at the Airport during the goal period. The projected dollar value of goods/services expenditures will increase 3% a year over the next 3-years compared with FY 2017 expenditures of \$ **47,826,345**. The projected expenditures over the goal period is **\$152,261,243**.

**Table 2: Goods & Services Expenditures**

Report Period	Projected Expenditures
FY 2019	\$49,261,135
FY 2020	\$50,738,969
FY 2021	\$52,261,138
<b>Total</b>	<b>\$152,261,243</b>

Source: Airport; compiled by KWA

**B. Determination of Market area**

The market area is defined by the geographical area in which the substantial majority of firms which seek to do concessions business with the car rental companies are located and the geographical area in which the firms which receive the substantial majority of car rental related revenues are located.

The Airport Commission believes that, although firms that are currently doing business with the airport are located nationally, Airport Concession Disadvantaged Business Enterprises (ACDBE) that would participate would be more local, especially for the purchase of goods and services. Therefore, the Airport Commission is proposing to use the state of Georgia as its market area.

## **II. Methodology used to Calculate Overall Goal**

### **A. Goods and Services**

The Airport Commission can meet the percentage goal by including the purchase from ACDBEs of goods and services used in business 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.

### **B. Management Contract or Subcontract**

The Airport Commission can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The Airport Commission, 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.

### **C. Step 1: 23.51 (c)**

The Airport Commission determined the base figure for the relative availability of car rental ACDBEs. The base figure was calculated as follows:

The Step 1 DBE Base Figure was determined by dividing the number of ACDBE firms available by the total number of firms available to determine the relative availability of ACDBEs as indicated in **Table 3** below.

**Table 3: Determination of Relative Availability of ACDBEs (Car Rental)**

Concession Type	NAICS	ACDBEs	All Firms	Percent
Motor Vehicle Supplies	423120	90	11242	<b>0.8%</b>
Car Dealer	441110			
Tire Dealers	441320			
Insurance	524210			
Janitorial	561720			
Auto Repair	811111			
Auto Body Repair	811121			
Car Washes	811192			

Sources:

1. Georgia UCP DBE Directory, March 2019.
2. US Census Bureau, 2016 County Business Patterns.

The Step 1 base goal for car rental ACDBEs is **0.8%**.

**D. Step 2: 23.51(d)**

After calculating a base figure of the relative availability of ACDBEs, the Airport Commission examined evidence to determine whether or not the base figure needs to be adjusted in order to arrive at the overall goal.

The data used to determine the adjustment to the base figure was:

1. **Past participation** – The Airport Commission evaluated the current capacity of ACDBEs to perform work in car-rental concessions program by measuring the volume of work ACDBEs have performed in the past.

Specifically, the annual “Uniform Report of ACDBE Participation” for the reporting periods listed below was assessed. Notice the annual ACDBE percent accomplishment for each year, and the median for the periods reported.

**Table 4: Savannah Hilton-Head ACDBE  
Accomplishments for FY 2016-FY 2018**

Car			
Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2016	0.0%	0.6%	0.6%
FY 2017	0.0%	1.1%	1.1%
FY 2018	0.0%	1.6%	1.6%
<b>Medial</b>	<b>0.0%</b>	<b>1.1%</b>	<b>1.1%</b>

**Source:** Uniform Report of ACDBE Participation, Savannah Hilton Head International Airport

The median ACDBE accomplishment for the reporting periods as shown above is **1.1%**, compared to the Step 1 DBE base figure for the airport of **0.8%**.

Note: There is no goal document submitted for FYs 2016-2018. Therefore the reports displays 0% goals

#### **E. Adjustment of the Step 1 Base Figure**

The Airport Commission will adjust the base figure with the median past participation indicated in Table 4. The step 1 goal of **0.8%** was added to the median past participation of **1.1%** for a car rental concessions goal of **1.9%**.

### **III. Consultation with Stakeholders (23.43)**

Before establishing the ACDBE **Car Rental** goal, the Airport provided opportunity for consultation with small, minority and women-owned business development organizations including current airport concessionaires. The opportunity was not limited to these persons or groups. The intent and purpose were to attempt to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Airport's efforts to establish a level playing field for the participation of ACDBEs. A meeting was held on August 28, 2019, at Crosswinds Country Club, near the Savannah-Hilton Head Airport. (Please see the Attachment for additional information and a summary of the stakeholder consultation meeting.)

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

The Airport Commission will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport Commission uses the race-neutral measures listed below to increase ACDBE participation. The Airport Commission understands that it 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. 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.

The Airport Commission proposes a race-conscious goal of 1.9% and a race-neutral goal of 0.0%, for a total of 1.9%. The reason for this projected split is that the median amount by which the Airport Commission achieved its goals over the preceding three (3) year period as shown in Table 5 is 1.1%.

If the Airport Commission projects that race-neutral measures, standing alone, are not sufficient to meet an overall goal, it will use the following race-conscious measures to meet the overall goal:

1. Establish concession-specific goals for particular concession opportunities;
2. Negotiate with potential concessionaires to include ACDBE participation through purchases of goods and service in the operation of the concession; and
3. Utilize, with prior FAA approval, other methods that take a competitor's ability to provide ACDBE participation into account in awarding a concession.

In order to ensure that the ACDBE program will be narrowly tailored to overcome the effects of discrimination, if the Airport Commission uses concession-specific goals, it will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and the Airport Commission 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.

The Airport Commission will maintain data separately on ACDBE achievements in those contracts with and without concession-specific goals, respectively.



**Resource Documents:**

1. Georgia UCP DBE Directory
2. U.S. Census County Business Patterns
3. Uniform Report of DBE Awards or Commitments and Payments

# **Attachments**

**Savannah Hilton Head International Airport  
ACDBE PROGRAM  
FY 2019-2021 –Overall ACDBE Car Rental Goal  
Stakeholder Activities**

## Stakeholder Notice, ACDBE

### Airport Concessions Disadvantaged Business Enterprise 3-Year Goal Consultation Meeting



In compliance with the Federal Aviation Regulation, 49 CFR Parts 23, Savannah Hilton Head International Airport (SAV) is developing a new 3-Year Overall Airport Concessions Disadvantaged Business Enterprise (ACDBE) Goal for FY 2019-2021. **Ken Weeden & Associates, Inc.** is assisting the Airport with this process. The ACDBE goal development process requires consultation and input from the stakeholder community. You are invited to hear a presentation of the new ACDBE goals, its methodology, and to share with SAV, your input into the goal methodology process. This meeting will be split into two parts; the first half for non-car rental, and the second for car rental concessions.



Wed., August 28, 2019

#### **ACDBE Stakeholder Meeting**

Crosswinds Golf Club  
232 James B. Blackburn Dr.  
Savannah, GA 31408

Primary Interest: Concessions businesses engaged in the sale of consumer goods and services to the traveling public, located on airport premises, including food/beverages, retail items, news/gifts, travelers services, and car rentals and related services.

11:00 a.m. - 12:00 p.m.

During this meeting we will answer questions pertaining to the proposed goals. There will also be a discussion about opportunities available for ACDBE's on Airport concessions, and the Airport's strategies to increase ACDBE participation.

[Register Here](#)

## ACDBE Program Consultation Meeting Minutes/Summary-Car Rental Goal

**Meeting:** Savannah Hilton Head International Airport (SAV)

**Date:** August 28, 2019

**Time:** 11:00 a.m. – 12: 00 p.m.

**Facilitator:** Kenneth Weeden,  
Ken Weeden and Associates, Inc.

**Location:** Crosswinds Golf Club, 232 James B. Blackburn Dr. Savannah, GA 31408

### **In Attendance**

Announcements concerning the meeting was emailed to various community stakeholder organizations. Approximately **15** persons attended the ACDBE Stakeholder meeting. A list of meeting attendees is attached.

### **Summary of Meeting**

The meeting was called to order by Mr. Dawoud Stevenson, Savannah Hilton Head International Airport's Disadvantage Business Enterprise Liaison Officer. Mr. Stevenson provided a brief explanation of the purpose of the meeting and invited each attendee to introduce themselves. He then introduced Mr. Ken Weeden, President of Ken Weeden and Associates, Inc., an independent consultant leading the development of the Savannah Hilton Head International's overall ACDBE Goal for Federal Fiscal Year 2019-2021.

Mr. Weeden introduced himself and shared biographical information regarding his extensive background working within the aviation field. Mr. Weeden informed attendees that the ACDBE goal methodology would be presented in two-parts: non-car rental concessions and car rental concessions.

Mr. Weeden began his presentation of the ACDBE goal methodology for non-car rental concessions by providing background information on ACDBE programs, FAA grant conditions and guidelines, program objectives and airport participants. He then proceeded in providing a step-by-step review of the ACDBE goal methodology utilizing a 2-Step process, first for the Non-Car Rental Goal Calculation and Goal Adjustment. After allowing a brief time for Q/A, Mr. Weeden proceeded to present the similar 2-step goal development process for the Airport's rental car concessions.

### **Questions & Answers (Q&A)**

The general Q/A session after both presentations, was led by Mr. Dawoud Stevenson, of the Savannah-Hilton Head Airport staff, referring some of the questions to Mr. Weeden. There were several questions concerning the ACDBE methodology and the information presented, i.e. referring back to the numbers and sources. These were answered by Mr. Weeden. One attendee requested information on how to become certified to participate in the ACDBE program. Mr. Stevenson and Mr. Weeden explained the process for certification in the State of Georgia, i.e. either through Georgia DOT, or MARTA in Atlanta. Also, questions arose about possible new concessions opportunities at the Airport. These questions were addressed by Mr. Stevenson. There were no other questions and comments regarding the proposed ACDBE goal methodologies. After the presentations and Q/A, the Airport provided lunch to all of the attendees.

**Savannah Hilton Head International Airport**  
**FY 2019 - FY 2021 ACDBE Program Consultation & Stakeholders Meeting**  
 August 28, 2018-Savannah, GA  
 11:00 a.m. - 12:00 p.m.

Name	Company	Phone	Email
<i>Jane Weeden</i>	Ken Weeden & Associates	919-871-5815	kenneth-weeden@kwaplaning.com
Dave Legasse	Salt Table	912-704-0294	dave@SALTTABLE.com
JAMIE LARIN	SATCHEL	912-358-1657	JAMIE@STOPSATCHEL.COM
<i>Sharon Sud</i>	Thrifty/Dollar Rental	1579 8314328	saullknead@thrifty.com
<i>Fern Randolph</i>	Heir2	912 9467144	fern@heir2.com
KAREN F. CRIBBS	Avis Budget		Karen.Cribbs@avisbudget.com
Crystal Sanchez	Sunglass Hut	912-946-0476	CrystalSanchez@ad.com
WILLIE BARKS	MR. RIVER'S STORES	912-604-1625	THEBARKERS@ymail.com
Corei BRIGGS	ETH1	912 6657815	corei.briggs@eth1.com
<i>JUSTY Davis</i>	HEARTZ	770 816 1585	JUSTY.DAVIS@HEARTZ.com
Danard Stevenson	SAC	912-313-2476	dosteven@hugoboss.com
Leila Prolean	Beads on The Wire	912-662-7635	shopbeads@thewire.com
Burnett D. Johnson	Elevations Construction	404-996-9854	dj.elevations@gmail.com

**FY 2019 – FY 2021 ACDBE Program Consultation & Stakeholders Meeting**  
August 28, 2018-Savannah, GA  
11:00 a.m. – 12:00 p.m.

15