

FY 2019-2021 Airport Concession DBE Goal Methodology
(Non-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 Concessions other than Car Rentals.

General Information:

Airport Sponsor: **Savannah Airport Commission**

Airport: **Savannah Hilton Head International Airport**

DBELO: **Dawoud Stevenson.**
Disadvantage Business Enterprise Liaison Officer
Savannah Airport Commission
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Savannah, GA 31408
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I. Amount of Goal

The Savannah Airport Commission's overall goal for concessions other than car rentals (i.e. non-car rental) during the period beginning October 1, 2018 and ending September 30, 2021 is the following:

Overall Goal:	<u>1.5%</u>
Race-Neutral:	<u>0.0%</u>
Race-Conscious:	<u>1.5%</u>

The goal is based on the total gross receipts for concessions at the 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 concession revenues anticipated during this goal period for all non-car rental concessions is **\$166,602,563**. 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 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)).

Table 1: Concession Lease Dates

Concession Type	Concession	Contract Start Date	Contract End Date
Quail Run Lodge	Hotel	September 1, 1969	July 30, 2029
Fairfield Inn	Hotel	August 9, 1999	August 9, 2049
Hyatt Place	Hotel	September 25, 2003	September 25, 2053
Hilton Garden Inn	Hotel	August 6, 2004	August 6, 2054
Springhill Suites	Hotel	February 21, 2008	February 21, 2058
Holiday Inn Express	Hotel	April 2, 2007	April 2, 2057
Staybridge Suites	Hotel	December 28, 2006	December 28, 2056
Double Tree	Hotel	April 15, 2008	April 15, 2058
Country Inn	Hotel	July 30, 2008	July 30, 2058
Candlewood Suites	Hotel	March 1, 2008	March 1, 2058
Wingate Inn	Hotel	March 14, 2008	March 14, 2058
TownePlace Suites	Hotel	February 21, 2008	February 21, 2058
Comfort Suites	Hotel	October 27, 2006	October 27, 2056
Hampton Inn	Hotel	December 18, 2008	December 18, 2058
K-Shuttle	Ground Transportation		October 31, 2017
Carma Auto Care	Valet Parking	July 7, 2015	July 7, 2020
Williamsburg Travel	Travel Agency	May 1, 2009	Every 5 Years
Lamar Advertising	Advertising	January 1, 1995	Every 5 Years
Tapia Cigars	Cigar Store	June 16, 2014	Annually
Paradies	Gift, Novelty & Souvenir Stores	February 1, 2017	February 1, 2022
Piera's Salon	Personal Care Services	October 1, 1995	Monthly
Sunglass Warehouse	Sunglass Store	March 12, 2007	Annually
Flip Flop Stop	Shoe Store	September 17, 2008	Annually
Beads on the Vine	Clothing Accessories Store	March 22, 2016	Monthly
The Salt Table	Gift, Novelty & Souvenir Stores	September 19, 2016	Annually
Leopold's Ice Cream	Food & Beverage	February 22, 2017	Annually
HMS Host	Food & Beverage	May 1, 1996	December 31, 2022
GA Lottery	Vending Machine Operators	April 1, 2012	Annually
Zoom	Vending Machine Operators	May 25, 2012	Annually
Willie's Shoeshine	Personal Care Services	March 1, 2002	Monthly

Projected Concessions Opportunities: October 1, 2019 – September 30, 2021

Concessions revenue opportunity for the 3-year period is based upon the gross receipts for FY 2017. The total gross receipts for FY 2017 for “all other” (non-car rental) concessions is **\$52,331,056**. This base number was increased by 3.0% the expected growth for FY 2019 and increased 3% each subsequent year for a total **non-car rental concessions base of \$166,602,563**.

Table 2: Projected Gross Receipts for “All Other” (Non-Car Rental Concessions)

Fiscal Year	Gross Receipts
FY 2019	\$53,900,988
FY 2020	\$55,518,017
FY 2021	\$57,183,558
Total	\$166,602,563

A. 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 airport are located and the geographical area in which the firms which receive the substantial majority of concessions-related revenues are located.

Based upon this definition and information available to the Airport, the market area for “all other” or non-rental car concessions is the state of Georgia.

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 non-car rental concessions business conducted at the airport. The Airport, and the non-car rental concessionaires at the airport, should 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.

B. Management Contract or Subcontract

The Airport Commission can meet the percentage goal by including any non-car rental concessions operated through a management contract or subcontract with an ACDBE. The Airport Commission, and the non-car rental concessions 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 ACDBEs other than car rentals. 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 for each concession type as indicated in **Table 3** below.

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

Concession Type	NAICS	DBEs	All Firms	Availability	Percent of receipts	Weight
Hotel	721110			0.0%	72.9%	0.0%
Ground Transportation	485310	0	55	0.0%	0.6%	0.0%
Valet Parking	812930	2	306	0.7%	0.8%	0.0%
Travel Agency	561510	1	400	0.3%	0.2%	0.0%
Advertising	541850	2	109	1.8%	0.2%	0.0%
Cigar Store	453991	0	179	0.0%	0.1%	0.0%
Gift, Novelty & Souvenir Stores	453220	8	564	1.4%	10.2%	0.1%
Personal Care Services	812990	9	469	1.9%	0.2%	0.0%
Sunglass Store	446130	0	318	0.0%	0.7%	0.0%
Shoe Store	448210	0	858	0.0%	0.7%	0.0%
Clothing Accessories Store	448150	1	242	0.4%	0.4%	0.0%
Food & Beverage	722515	40	1,181	3.4%	12.0%	0.4%
Vending Machine Operators	454210	4	115	3.5%	1.0%	0.0%
Step 1 Base figure						0.6%

Source:

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

Concessions that are shaded do not have opportunities. Their projected participation was used as availability.

The Step 1 base goal for “all other” (i.e. non-car rental) ACDBEs is **0.6%**.

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 the concessions program by measuring the volume of work ACDBEs have performed in the past.

The historical ACDBE accomplishments at the Airports in recent years were examined relative to the above consideration. 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 annual median for the periods reported.

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

Non-Car Rental			
Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2016	0.0%	0.6%	0.6%
FY 2017	0.0%	0.9%	0.9%
FY 2018	0.0%	0.9%	0.9%
Median	0.0%	0.9%	0.9%

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

The median ACDBE accomplishment for the reporting periods as shown above is **0.9%**, compared to the Step 1 DBE base figure for the airport of **0.6%**.

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

E. Adjustment of the Step 1 Goal

The Airport Commission chose to adjust the base figure because past participation by ACDBEs indicated that the step 1 goal underestimates ACDBE capacity at the Airport. As such, the Commission is inclined to adjust the Step 1 ACDBE base figure of 0.6% by adding it to the annual historic median participation of ACDBE firms of 0.9%, which results in an adjusted overall goal of **1.5%**

III. Consultation with Stakeholders (23.43)

Before establishing the ACDBE Non-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 18, 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 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 1.5% and a race-neutral goal of 0.0%, for a total of 1.5%. The reason for this projected split is that the historical information on ACDBE participation showed that the median amount by which the goals were achieved over the previous three years was 0.9%.

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 direct ownership arrangements or measures, in the operation of the concession; and
3. 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 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 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 Non-Car 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

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@kwaplanning.com
Dave Legasse	Salt Table	912-707-0294	dave@SALTTABLE.com
JAMIE LARIN	SATCHEL	912-358-1657	JAMIE@STOPSATCHEL.COM
<i>Sharon Sud</i>	Thrifty/Dollar Retail	1579 8314328	saullkneal@thrifty.com
<i>Fern Randolph</i>	Heir2	912 9467144	Prenthfeld@hotmail.com
KAREN F. CRIBBS	Avis Budget		Karen.Cribbs@avisbudget.com
Crystal Sanchez	Sunglass Hut	912-946-0890	CrystalSanchez@ad.com
WILLIE BARKS	MR. WILIE'S SHIRTS	912-607-1635	THEBARKERS55@gmail.com
Corei BRIGGS	ETH1	912 6857815	corei.briggs@eth1.com
<i>Avis</i>	HEIR2	770 816 1585	terry.avis@heir2.com
Danard Stevenson	SAC	912-313-2476	dosteven@hugoboss.com
Leila Prioleau	Beads on the Wire	912-662-7635	shopeads@thewire.com
Burnett D. Johnson	Elevations Construction	404-996-9854	dj.elevations@gmail.com

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