

FY 2022-2024 Airport Concession DBE Goal Methodology
(Car Rental Concessions)
for



Greenville-Spartanburg Airport District
Greenville-Spartanburg International Airport
Greenville, SC

With Assistance From



Ken Weeden & Associates, Inc.

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METHODOLOGY for Establishing the FY 2022 – FY 2024 Airport Concession
Disadvantaged Business Enterprise (ACDBE) Goal for:
Greenville-Spartanburg Airport District
Greenville-Spartanburg International Airport, Greenville, SC (49 CFR Part 23)

In fulfillment of the requirements of 49 CFR Part 23, the Greenville-Spartanburg Airport District (Airport District) has developed a proposed Overall Goal for FY 2022 – FY 2024 for Car Rentals Concessions.

Airport Sponsor: **Greenville-Spartanburg Airport District**

Airport: **Greenville-Spartanburg International Airport**

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I. Amount of Goal

The Greenville-Spartanburg Airport District's overall car rental goal for the period beginning October 1, 2021 and ending September 30, 2024 is the following:

Overall Goal:	<u>1.86%</u>
Race-Neutral:	<u>0.69%</u>
Race-Conscious:	<u>1.17%</u>

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 District 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

Car Rental	Lease start	Lease end
Avis Rent-A-Car	7/1/2018	6/30/2023
Budget Rent-A-Car	7/1/2018	6/30/2023
Enterprise Rent-A-Car	7/1/2018	6/30/2023
Hertz Corporation	7/1/2018	6/30/2023
National Car Rental	7/1/2018	6/30/2023

A. Projected Concessions Opportunities: October 1, 2021 - September 30, 2024

The goods and services opportunity for the 3-year period is based upon the car rental expenditures on goods and services for FY 2020. FY 2020 expenditures by car rental concession at Greenville-Spartanburg Airport District was **\$23,126,054**. This base number was multiplied by 3.0% the expected growth for each year for a total **car rental concessions base** of **\$73,624,730**.

**Table 2: Projected Car Rental Expenditures
FY 2022 – FY 2024**

Fiscal Year	All Concessions (excluding car rentals)
FY 2022	\$23,819,836
FY 2023	\$24,534,431
FY 2024	\$25,270,464
Total	\$73,624,730

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 District believes that, although firms that are currently doing business with the Airport District 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 District is proposing to use the State of South Carolina as its market area.

II. Methodology used to Calculate Overall Goal

A. Goods and Services

The Airport District can meet the percentage goal by including the purchase from ACDBEs of goods and services used in business at the Airport. To calculate the percentage, the dollar value of purchases of goods and services from ACDBEs will form the numerator, and the dollar value of purchases of goods and services from all firms (ACDBEs and non-ACDBEs) will be used as the denominator.

B. Step 1: 23.51 (c)

The Airport District 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 1** below.

Table 1: Determination of Relative Availability of ACDBEs (Car Rental)

Goods and Services	NAICS Code	Potential ACDBE Firms	All Firms	% of ACDBE Firms Available
Service Establishment Equipment and Supplies Merchant Wholesalers	423850	59	4,183	1.41%
Stationery and Office Supplies Merchant Wholesalers	424120			
Other Chemical and Allied Products Merchant Wholesalers	424690			
Car Dealer	441110			
Tire Dealers	441320			
Automobile carrier trucking	484230			
Insurance	524126			
Janitorial	561720			
Auto Repair	811111			
Auto Body Repair	811121			
Auto Oil Change	811191			
Car Washes	811192			

Sources:

1. South Carolina UCP DBE Directory, November 2021.
2. US Census Bureau, 2019 County Business Patterns.

The Step 1 base goal for car rental ACDBEs is **1.41%**.

C. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport District 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 District 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 DBE percent accomplishment for each year, and the median for the periods reported.

Table 2: Greenville-Spartanburg International Airport ACDBE Accomplishments for FY 2018-FY 2020

Report Period	Car Rental Goal	ACDBE Car Rental Accomplishment	Over/Under Participation
FY 2018	2.00%	0.00%	-2.00%
FY 2019	2.00%	2.69%	0.69%
FY 2020	1.10%	2.31%	1.21%
Median	2.00%	2.31%	0.69%

Source: Uniform Report of ACDBE Participation, Airport District

The median ACDBE accomplishment for the reporting periods shown above is **2.31%**, compared to the Step 1 DBE base figure of **1.41%**. This may indicate that the Step 1 base figure underestimates ACDBE capacity at the Airport.

2. Disparity Study

The Airport District is not aware of any disparity studies that have been conducted in the Greenville area.

D. Adjustment of the Step 1 Base Figure

The median ACDBE accomplishment for the reporting periods shown above is **2.31%**, compared to the Step 1 DBE base figure of **1.41%**. This may indicate that the Step 1 base figure underestimates ACDBE capacity at the Airport.

Therefore, the Airport District will adjust the Step 1 DBE base figure of 1.41% by averaging it with the median ACDBE participation (**2.31%**) for a final adjusted overall goal of **1.86%**.

III. Consultation with Stakeholders (23.43)

Before establishing the DBE car rental concessions goal, the Airport District consulted with stakeholders in its concession program to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of

discrimination on opportunities for ACDBEs, and the Airport District's efforts to establish a level playing field for the participation of ACDBEs.

The Airport District held a stakeholder meeting on November 18, 2021 where stakeholders were given an overview of the concession program requirements and an opportunity to comment on the goal methodology. The attendee list and comments can be found in Appendix A.

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

The Airport District will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport District uses the race-neutral measures listed below to increase ACDBE participation. The Airport District 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. Providing technical assistance to ACDBEs in overcoming limitations.
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.

The Airport District proposes a race-conscious goal of 1.17% and a race-neutral goal of 0.69%, for a total of 1.86%. The reason for this projected split is that the median amount by which the Airport District over-achieved its goals over the preceding three (3) year period as shown in Table 4 is 0.69%. Therefore, the Airport District expects to meet 0.69% of its overall goal using race-neutral means. The remainder of the goal (1.17%) is projected to be met using race-conscious means.

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

**Resources: Greenville-Spartanburg Airport District FY 2022 - 2024 Airport
Concession DBE Program Methodology (Car Rental Concessions)**

Resource Documents:

1. South Carolina UCP DBE Directory.
2. Uniform Report of ACDBE Participation.
3. U.S. Census County Business Patterns.