

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



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

With Assistance From



Ken Weeden & Associates, Inc.

January 2022

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 has developed a proposed Overall Goal for FY 2022 – FY 2024 for Concessions other than Car Rentals.

General Information:

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

Airport: **Greenville-Spartanburg International Airport**

DBELO: **Kelly Dawsey**

VP-Chief Human Resources Officer
Greenville-Spartanburg Airport District
2000 GSP Drive, Suite 1
Greer, SC 29651
P: 864-848-6271
kdawsey@gspairport.com

I. Amount of Goal

The Greenville-Spartanburg Airport District's overall goal for concessions other than car rentals (i.e. non-car rental) during the period beginning October 1, 2021 and ending September 30, 2024 is the following:

Overall Goal:	<u>18.4%</u>
Race-Neutral:	<u>18.4%</u>
Race-Conscious:	<u>0.0%</u>

The goal is based on the total gross receipts for concessions at the Airport District. 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 **\$10,056,047**. 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 District will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

Table 1: Concession Lease Dates

Concession Type	Concession	Beginning Lease Date	Ending Lease Date
Retail	Hudson-BW GSP JV	10/29/2016	10/28/2026
Food & Beverage	Hudson-BW GSP JV	10/29/2016	10/28/2026
Food & Beverage	MAG US Lounge Management, LLC	11/1/2018	10/31/2028
Food & Beverage	Taste, Inc/Vino Volo	12/7/2019	12/6/2027
Vending	Tricopian, LLC/FuelRod	5/1/2016	6/30/2017
Vending	Good Vibration	2/1/2016	MTM
Vending	Innovative Vending Solutions	8/1/2015	MTM
ATM	TD Bank	10/1/2016	9/30/2021
Ground Transportation	Eastside Transportation	11/7/2017	10/31/2022

Source: Airport District; compiled by KWA

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

Concessions revenue opportunity for the 3-year period is based upon the gross receipts for the preceding year. The table below describe the gross concession receipts for the goal period.

**Table 1: Projected Gross Receipts for “All Other”
(Non-Car Rental Concessions) FY 2022 – FY 2024**

Fiscal Year	Gross Receipts
FY 2022	\$3,253,436
FY 2023	\$3,351,039
FY 2024	\$3,451,571
Total	\$10,056,047

Source: Airport District; compiled by KWA

Projected gross receipts are based on a 3.0% expected annual growth rate over the FY 2021 gross receipts of \$3,158,676. The total projected non-car rental concessions revenue for the goal period is \$10,056,047.

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

Although firms that are currently doing business with the Airport District are located in various states, ACDBEs that would participate would be located within the state of South Carolina. Therefore, the Airport District is proposing to use the **state of South Carolina** as its market area.

Table 3: Location of current concessionaires

Concession Type	Name	Location
Food & Beverage	Hudson News	East Rutherford, NJ
Food & Beverage	Branded Works	Lafayette, LA
Food & Beverage	MAG US Lounge Management	Greater Manchester, England
Vending	Tricopian, LLC/FuelRod	Del Mar, CA
Vending	Good Vibration	Greenville, SC
Vending	Innovative Vending Solutions	Dayton, OH
ATM	TD Bank	Cherry Hill, NJ
Ground Transportation	Eastside Transportation	Taylors, SC

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 non-car rental concessions business conducted at the Airport. The Airport District, 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. 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 District can meet the percentage goal by including any non-car rental concessions operated through a management contract or subcontract with an ACDBE. The Airport District, 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 District'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 District 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. That relative availability was multiplied by the projected gross receipts to determine ACDBE goal in dollars for each concession type as indicated in **Table 4** below.

Table 4: Determination of Relative Availability of ACDBEs (Non-Car Rental)

NAICS Codes	Concession Type/Group	ACDBE Firms in Market Area	Total Firms in Market Area	Availability	Projected FY 22-24 Gross Receipts	ACDBE Goal (Dollars)
453220	News & Gifts			20.0%	\$5,868,510	\$1,173,702
454210	Vending Machine Operators	1	56	1.8%	\$232,472	\$4,151
485310	Ground Transportation	2	31	6.5%	\$883,889	\$57,025
521110	Banking	0	1412	0.0%	\$15,727	\$0
722513	Limited-Service Restaurants			20.0%	\$3,055,448	\$611,090
					\$10,056,047	\$1,845,968
Step 1 Base Goal						18.4%

Concessions that are shaded do not have opportunities. Their current ACDBE commitment was used as availability.

Sources:

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

The Step 1 base goal for “all other” (i.e. non-car rental) ACDBEs is 18.4%.

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

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

Table 3: Greenville-Spartanburg Airport District ACDBE Accomplishments

Fiscal Year	Goal	Accomplishment	Over/Under
FY 2018	5.9%	56.6%	50.7%
FY 2019	5.9%	60.8%	54.9%
FY 2020	26.7%	51.0%	24.3%
Median	5.9%	56.6%	50.7%

Source: Uniform Report of ACDBE Participation, Greenville-Spartanburg Airport District

2. Disparity Study

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

E. Adjustment of the Step 1 Goal

The median ACDBE accomplishment for the reporting periods as shown above is 56.6%, compared to the Step 1 DBE base figure for the Airport District of **18.4%**. The previous median ACDBE accomplishment was mostly with an ACDBE that is no longer at the Airport.

Therefore, the Airport District will not adjust the Step 1 ACDBE base figure. The final unadjusted overall goal is **18.4%**.

III. Consultation with Stakeholders (23.43)

Before establishing the DBE non-car rental concession’s 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 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 0.0% and a race-neutral goal 18.4%, for a total of 18.4%. The reason for this projected split is the Airport District overachieved its ACDBE goals by a median of 50.7% between 2018 and 2020. Therefore the Airport District will achieve its entire goal using race-neutral 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 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 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 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 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 (Non-Car Rental Concessions)**

Resource Documents:

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