

FY 2021-2024 Airport Concession DBE Goal Methodology
(Non-Car Rental Concessions)
for



With Assistance From



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METHODOLOGY for Establishing the FY 2021 – FY 2024 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goal for:

St. Pete-Clearwater International Airport, Clearwater, FL (49 CFR Part 23)

In fulfillment of the requirements of 49 CFR Part 23, The St. Petersburg-Clearwater International Airport has developed a proposed Overall Goal for FY 2021 – FY 2024 for Concessions other than Car Rentals.

General Information:

Airport Sponsor: **Pinellas County**

Airport: **St. Petersburg-Clearwater International Airport**

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I. Amount of Goal

The Airport’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>9.2%</u>
Race-Neutral:	<u>0.0%</u>
Race-Conscious:	<u>9.2%</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 **\$21,774,703**. 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 the 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	Concession Type	Contract Start Date	Contract End Date
Clear Channel/Interspace	Advertising	August 16, 2010	August 15, 2020
SSP	Food & Beverage	May 7, 2019	May 6, 2029
Hudson	Gift, Novelty & Souvenir	May 7, 2019	May 6, 2029
Stellar	Gift, Novelty & Souvenir	May 7, 2019	May 6, 2029

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

Concessions revenue opportunity for the 3-year period is based upon the gross receipts for FY 2020. The total gross receipts for **FY 2020** for “all other” (non-car rental) concessions is **\$5,053,149**. This base number was increased by 3.0% the expected growth for FY 2021 and increased 3% each subsequent year for a total **non-car rental concessions base of \$21,774,703**. The Parking Concession is under a management contract and is not included in the concession base.

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

Fiscal Year	Projected Expenditures
FY 2021	\$5,204,743
FY 2022	\$5,360,885
FY 2023	\$5,521,712
FY 2024	\$5,687,363
Total	\$21,774,703

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 Florida.

II. Methodology used to Calculate Overall Goal

A. Goods and Services

The Airport 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 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 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	NAICS Dollars	ACDBE Dollars
Gift, Novelty & Souvenir Stores	453220			10.0%	\$ 2,853,411	\$285,341
Advertising	541850	23	198	11.6%	\$169,146	\$19,648
Food & Beverage	722515			10.0%	\$ 2,030,591	\$203,059
Total					\$5,053,149	\$508,049
Step 1 Base figure						10.1%

Source:

1. Florida UCP DBE Directory, May 2021.
2. US Census Bureau, 2019 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 **10.1%**.

D. Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, the Airport 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 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: St. Pete-Clearwater International Airport ACDBE Accomplishments for FY 2018-FY 2020

Non-Car Rental			
Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2018	82.1%	97.2%	15.1%
FY 2019	10.0%	82.9%	72.9%
FY 2020	10.0%	8.2%	-1.8%
Median	10.0%	82.9%	15.1%

Source: Uniform Report of ACDBE Participation, St. Pete-Clearwater International Airport

The median ACDBE accomplishment for the reporting periods as shown above is **82.9%**, compared to the Step 1 DBE base figure for the airport of **10.1%**.

E. Adjustment of the Step 1 Goal

The Airport chose to adjust the base figure using past participation by ACDBEs indicated in Table 4. The Airport adjusted the Step 1 ACDBE base figure of 10.1% by averaging it with the FY 2020 ACDBE participation of 8.2% which results in an adjusted overall goal of **9.2%**. The Airport used FY 2020 participation as an adjustment factor because it better represents capacity. FY 2018 and FY 2019 participation included an ACDBE prime which would over inflate the goal.

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. Prior to submitting this new goal to the FAA Civil Rights office, the Airport conducted a virtual stakeholder meeting on June 4, 2021 via GoToWebinar. Questions and answers from the meetings are provided as an attachment to this document.

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 race-neutral measures below to increase ACDBE participation. The Airport 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 proposes a race-conscious goal of 9.2% and a race-neutral goal of 0.0%, for a total of 9.2%. The reason for this projected split is that the historical information on ACDBE participation showed that the amount by which the goal was under-achieved in FY 2020 was 1.8%.

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

Resource Documents:

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