



OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Governmental Center Annex

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MEMORANDUM

DATE: February 5, 2018
TO: Karolynn Willman, Ground Transportation Airport Manager
Aviation Department
THRU: Sandy-Michael McDonald, Director *SM*
Office of Economic and Small Business Development
FROM: Freddy Castillo, Small Business Development Manager *FC*
Office of Economic and Small Business Development
SUBJECT: RFP No. R0924308P1 – Ground Transportation Management Services, SP Plus
Curbside Management Joint Venture
Compliance Evaluation – Second Amendment

The Office of Economic and Small Business Development (OESBD) has conducted an evaluation of SP Plus Curbside Management Joint Venture's (SP Plus') ACDBE participation for the Ground Transportation Management Services Agreement. An overview of the evaluation is as follows:

ACDBE Participation Performance:

<u>ACDBE Subcontractor</u>	<u>Commitment Percentage</u>	<u>Reported Paid Amount</u>	<u>Verified Paid Amount</u>
NAPM Enterprises, Inc.	25.06%	\$4,505,807.00	\$4,505,807.00

Original Agreement Amount (inclusive of renewal options): \$19,100,000.00

First Amendment Amount: \$5,100,000.00

Current Agreement Amount: \$24,200,000.00

Total Payments to SP Plus: \$18,239,223.71

Total Payments to ACDBE Subcontractors: \$4,505,807.00

Total ACDBE Attainment: 24.70% (\$4,505,807.00/\$18,239,223.71)

Proposed Second Amendment: SP Plus' committed ACDBE participation remains 25.06%.

The purpose of the proposed Second Amendment is to extend the agreement term for a period of one year. This would increase the agreement amount by \$5,000,000 and extend the term from May 1, 2018 – April 30, 2019. Total proposed agreement amount would be \$29,200,000.00

ACDBE Compliance Comments:

SP Plus has achieved 24.70% ACDBE participation, based on subcontractor payments that were confirmed through an independent verification process. This level of ACDBE attainment is 0.36% (25.06% - 24.70%) less than the management company's committed level of participation.

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Per SP Plus, the 0.36% shortfall is due to the delayed installation, and subsequent staffing, of the Ground Transportation Information Booths (the Booths) in each of the four airport terminals. The Booths were to have been in place at the beginning of the agreement but were not actually all in place and ready for occupancy until October 2014 – two years after the contract start date.

SP Plus has been making good faith efforts to increase the level of ACDBE participation on the agreement in order to meet its 25.06% commitment. Since the approval of the First Amendment to their agreement, SP Plus has increased the role of its ACDBE subcontractor to include curbside customer service care. The result has been an increase in ACDBE participation from 24.32% to 24.70%. The management of the new taxicab and limousine hold lot is expected to further increase the level of ACDBE participation on this agreement.

The OESBD contacted the Federal Aviation Administration (FAA) regarding the extension of this agreement, by a fourth option year. Per the federal regulations governing the ACDBE Program, FAA approval is required prior to extending concession agreements, including management agreements, with terms longer than five years and that they are the only ones of their type at an airport (49 CFR Part 23.75). Broward County's extension of this agreement by a fourth option year, which would result in a cumulative seven-year term, is conditioned upon receiving the FAA's approval.

The OESBD will continue to monitor this agreement for compliance with the requirements set forth in 49 CFR Parts 23 and 26 and Broward County's ACDBE Program Plan.

Cc: Michael Nonnemacher, Deputy Director of Aviation/ Airport Chief Operating Officer
Donna-Ann Knapp, Small Business Development Specialist, BCAD/OESBD