



**OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT  
Governmental Center Annex**

115 S. Andrews Avenue, Room A680 • Fort Lauderdale, Florida 33301 • 954-357-6400 • FAX 954-357-5674

**MEMORANDUM**

**DATE:** November 17, 2020

**TO:** Michael Dougherty, Aviation Business Manager  
Broward County Aviation Department

**THRU:** Sandy-Michael McDonald, Director SANDY-MICHAEL MCDONALD Digitally signed by SANDY-MICHAEL MCDONALD Date: 2020.11.18 13:49:42 -0500'  
Office of Economic and Small Business Development

**FROM:** Maribel Feliciano, Assistant Director MARIBEL FELICIANO Digitally signed by MARIBEL FELICIANO Date: 2020.11.17 17:24:04 -0500'  
Office of Economic and Small Business Development

**SUBJECT:** RFP No.: 20150428-0-AV-01 – Self-Service Baggage Cart Concession at the Fort Lauderdale-Hollywood International Airport (FLL)  
**ACDBE Compliance Review – First Amendment**

The Office of Economic and Small Business Development (OESBD) has evaluated Smarte Carte, Inc.'s (SCI's) Airport Concession Disadvantaged Business Enterprise (ACDBE) participation. An overview is provided as follows:

The ACDBE Goal for this project was 21%.

SCI committed to 21% ACDBE participation.

**Participation Performance**

<u>Subcontractor Name</u>	<u>Participation Percentage</u>	<u>Reported Amount</u>	<u>Verified Paid Amount</u>
S. Davis and Associates, PA	21.00%	\$ 853,852.79	\$ 787,850.94

- Prime Vendor Total Gross Receipts: \$4,783,335.00
- Total Prime Payments to ACDBE subcontractor: \$787,850.94
- Total ACDBE Participation to Date: 16.47% (\$787,850.94/ \$4,783,335.00)

RFP No.: 20150428-0-AV-01 – Self-Service Baggage Cart Concession at the Fort  
Lauderdale-Hollywood International Airport (FLL)  
**ACDBE Compliance Review – First Amendment**

**Proposed First Amendment:** The ACDBE commitment remains 21%.

The purpose of the proposed First Amendment is to extend the term of the agreement for an additional three-year term with two, one-year renewal options and increase the maximum domestic rental cart rate from \$5 to a \$6 use fee per cart.

**ACDBE Compliance Comments:**

The current level of ACDBE participation under the agreement is 16.47%. This represents a participation shortfall of 4.53%. Participation was verified through an independent payment verification process. It should be noted that there is a variance of \$66,001.85 in the payment amount that SCI reported paying its subcontractor, S. Davis and Associates, PA, and the amount that the ACDBE reported receiving from SCI. As of the date of this memo, this variance is still being resolved.

Participation under this agreement for S. Davis and Associates, PA started to steadily decline in FY 2020. In a correspondence to OESBD, dated October 27, 2020, SCI stated that the lagging ACDBE participation is a by-product of the COVID-19 pandemic; passenger traffic and usage of the baggage cart service in April 2020 hovered below 30% of 2019's numbers. The decrease in passengers caused SCI to furlough all hourly associated staff, both direct employees and subcontracted staff. S. Davis and Associates, PA, which provides hourly labor to move the baggage carts, received zero dollars in payment in the third and fourth quarters of FY 2020.

OESBD contacted S. Davis and Associates, PA and confirmed that the ACDBE subcontractor received a request from SCI to furlough its employees in March 2020 due to the lack of passengers caused by the COVID-19 pandemic. The ACDBE firm stated that there was a plan in place with SCI, provided the number of passengers started increasing, for three (3) of its employees to return to work under the self-service baggage cart concession agreement.

Per SCI, as of September, passenger traffic is slowly starting to increase, as is cart usage. September's usage was 36% of that of 2019 and October was 46% of 2019's usage. Starting November 2020, with the onset of the holidays, SCI stated that it would add 64 hours of contracted labor per week from S. Davis and Associates, PA. As luggage cart usage increases, SCI stated that it would continue to increase the hours provided by its ACDBE subcontractor.

OESBD will continue to monitor the level of ACDBE participation under this agreement as well as compliance with the federal regulations governing the ACDBE Program.

cc: Donna-Ann Knapp, Small Business Development Specialist, BCAD/OESBD