Airport Concession
Disadvantaged Business Enterprise (ACDBE)
Goals and Methodology
FFY 2021 - 2023

November 6, 2020
Agenda

DOT/FAA ACDBE Program
  Basic Information
  Objectives
  Elements
  Definitions

ACDBE Goals and Methodology
  Non-Car Rental
  Car Rental for all airports
ACDBE Program Basics

• The DOT/FAA ACDBE Program is a federal program applicable to airports that received federal funds through grants from the FAA.
• The regulation governing the Program is 49 CFR Part 23.
• The intent of the Program is to eliminate barriers to participation in contracting for Airport Concession Disadvantaged Business Enterprises.
• The basic underlying idea is that participation by ACDBE businesses in concessions should approximate what that participation would have been in the absence of discrimination.
• The program is not a quota or set-aside program. The program is goal-based, requiring good faith efforts to meet goals.
• Overall goals are set that are in place for a three-year period
• Contract goals may be set at varying levels depending upon the nature of the contract, subcontracting opportunities and the availability of ACDBEs to perform the specific type of work
ACDBE Program Objectives

The program is designed to accomplish the following objectives:

• To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance;
• To create a level playing field on which ACDBEs can compete fairly for airport concession opportunities;
• To ensure that the Department’s ACDBE program is narrowly tailored in accordance with applicable law;
• To ensure that only firms that fully meet the eligibility standards of the regulation are permitted to participate as ACDBEs (through certification);
• To help remove barriers to the participation of ACDBEs in airport concession opportunities;
• To provide appropriate flexibility to airports in establishing and providing opportunities for ACDBEs.
ACDBE Program Elements

• Establishment of ACDBE Program

• ACDBE Goals
  • Overall goals established every three years
  • Contract goals established as contracts are solicited

• Reporting of Accomplishments – annually

• Certification of participating firms – ongoing

• Compliance, Monitoring and Enforcement - ongoing
ACDBE Definition

Airport Concession Disadvantaged Business Enterprise (ACDBE) means a concession that is a for-profit small business concern—

(1) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and

(2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

In order to count as an ACDBE, firms must be certified.
Small Business Definition

A small business concern must meet size standards—

**Banks and financial institutions**: less than $1 billion in assets

**Car rental companies**: Less than $75.23 million average annual gross receipts over the firm's three previous fiscal years

**Pay telephones**: Less than 1,500 employees

**Automobile dealers**: Less than 350 employees

**All Others**: Less than $56.42 million average annual gross receipts over the firm's three previous fiscal years
Social/Economic Disadvantage Definition

• **Social disadvantage:** Women and members of groups designated by Congress as disadvantaged and others who can demonstrate disadvantage on a case-by-case basis
  - Black Americans
  - Hispanic Americans
  - Native Americans
  - Asian-Pacific Americans
  - Subcontinent Asian Americans
  - Women

• **Economic disadvantage:** Personal net worth of less than $1.32 million excluding equity in primary residence and applicant business
Concession Definition

A Concession is:

• A business, located on an airport, engaged in the sale of consumer goods or services to the public under an agreement with the airport, another concessionaire, or the owner or lessee of a terminal.

• A business conducting one of the following activities, provided the activities take place on the airport:
  – Management contracts and subcontracts
  – Web-based or other electronic business in a terminal
  – An advertising business that provides advertising displays
  – A business that provides goods and services to concessionaires
ACDBE Overall Goals

49 CFR part 23

Your overall concessions goal must be based on demonstrable evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in the airport’s concessions (hereafter, the “relative availability of ACDBEs”).

The goal must reflect a determination of the level of ACDBE participation that would be expected absent the effects of discrimination.
ACDBE Methodology

- Goal Period is FFY 2021, 2022, and 2023 (October 1, 2020 – September 30, 2023)
- Relevant Market – State of Washington for most trades, national for some
- Non-Car Rental (based on gross revenues)
  - Continuing Contracts
    - Existing contract goals remain in place for contracts not expiring during the three-year goal period
- New Contracts
  - Based on availability analysis
- Car Rental (based on purchase of goods/services)
- Adjustments based on past history and other factors, if applicable
ACDBE Methodology

- Non-Car Rental
  - New/Resolicited Contacts – Availability based on Directory/Census + Active Participants
    - Food/Beverage – 23.1%
    - Retail – 18.4%
  - Continuing Contracts – Based on Current Commitment
- Car Rental
  - Availability calculated for 47 trades
ACDBE Methodology – Car Rental Purchases

- Door Maintenance/Repair
- Concrete Maintenance
- Electrical
- Backflow Testing
- HVAC Maintenance
- Plumbing
- Elevator Maintenance
- Printing
- Signage
- Fuel Maintenance
- GPS Devices
- Auto Parts
- Tires
- Computer Support/Materials
- Luggage
- Carts/Wheelchairs
- Car Wash Maintenance
- Cleaning Supplies
- Fire Safety/Suppression
- Office Expense
- First Aid
- Fuel/Oil/Energy
- Auto Transport
- Roadside Assistance
- Towing
- Snow Removal
- Delivery Svc
- Insurance
- Equipment Rental (GPS)
- Legal Services
- Accounting
- Consulting
- Background Checks
- Asset Recovery
- Building Security
- Security
- Keys/Locks
- Pest Control
- Janitorial Services
- Drug Testing
- Auto Repair
- Auto Body Repair
- Windshield Repair
- Device Repair & Maintenance
- Uniforms
- Uniform Cleaning
- Car Dealerships
ACDBE Goals

Goal Period: FY 2021 – FY 2023

From: October 1, 2020
Thru: September 30, 2023

ACDBE Goal for Terminal Concessions: 20.7% (Race Neutral)
ACDBE Goal for Car Rental Concessions: 1.3% (Race Neutral)
Thank You!