



ALBERT J. ELLIS AIRPORT

AIRPORT CONCESSIONS DISADVANTAGED
BUSINESS ENTERPRISE PROGRAM

FY 2023-2025 Goals and Methodology Report

May 2024

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SECTION 1 - ACDBE POLICY STATEMENT

1.1 INTRODUCTION

The Albert J. Ellis Airport has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The Albert J. Ellis Airport has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Albert J. Ellis Airport has signed an assurance that it will comply with 49 CFR Part 23.

1.2 POLICY STATEMENT

It is the policy of the Albert J. Ellis Airport to ensure that DBEs, as defined in part 23, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy to:

1. Ensure nondiscrimination in the award and administration of opportunities for concessions.
2. To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions.
3. To ensure that the Albert J. Ellis Airport's ACDBE program is narrowly tailored in accordance with applicable law.
4. To ensure that only firms which fully meet the requirements of Part 23 eligibility standards are permitted to participate as ACDBEs at our airport.
5. To help remove barriers to the participation of ACDBEs in opportunities for concessions.
6. To provide flexibility to our airport in establishing and providing opportunities for ACDBEs.

Sandra J. Janssen, Manager of Finance and Administration, has been delegated as the ACDBE Liaison Officer. In that capacity, Sandra Janssen is responsible for implementing all aspects of the DBE program. Implementation of the ACDBE program is accorded the same priority as compliance with all other legal obligations incurred by the Albert J. Ellis Airport in its financial assistance agreements with the Department of Transportation.

Albert J. Ellis Airport has disseminated this policy statement to the Albert J. Ellis Airport Advisory Commission and all of the components of our organization. We have distributed this statement to ACDBE and non-ACDBE concessionaires in our area by way of the Airport's website.

Sandra J. Janssen, Mgr. of Finance and Administration

Date

SECTION 2 - GOALS AND METHODOLOGY

2.1 INTRODUCTION

As the Airport is a recipient of federal funds for projects, it is required under 49 CFR Part 23 (Part 23) to establish an ACDBE program. Under these regulations, recipient airports are required to establish goals for ACDBE participation in airport concessionaire opportunities if concessionaire revenues annually exceed prescribed amounts. The goals are determined for three-year overall periods on an annual basis. This section details the methodologies used to determine ACDBE participation goals. Goals are determined separately for car rental concessionaires and non-car rental concessionaires. The structure for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure in recognition of several factors.

2.2 ACDBE NON-CAR RENTAL GOAL METHODOLOGY

Based on historical data, the Albert J. Ellis Airport (the Airport) annually has non-car rental concessionaire revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, the Airport must establish a goal for non-car rental ACDBE participation. The goal is intended to cover the three-year period from 2023 through 2025. The following subsections outline the methodology used to determine the goal for non-car rental ACDBE participation.

2.2.1 CURRENT NON-CAR RENTAL CONCESSIONAIRES

Currently, the Airport has contracts with several non-car rental concessionaires. These include vending, ATM, Arcade, Advertising and Food & Beverage. The concessionaires are listed below in Table 2.1 with Fiscal Year (FY) 2022 gross revenues. Of note, Food & Beverage Concessionaire operates 3 different locations: Café, restaurant & lounge and Gift & News.

Table 2.1- FY 222 Non-Car Rental Concessions and Revenues

Table 2.1 - FY 2022 Non -Car rental Concessions and Revenues

Concession type	FY22 Gross Receipts	DBE Certified?
Food & Beverage	\$ 598,295.00	Yes
Vending	\$ 93,845.63	No
ATM	\$ 1,200.00	No
Advertising	\$ 45,279.99	Yes- partial year *
Arcade	\$ 811.00	No

Source: Airport

* Advertising was ACDBE for 5 months only due to death of principle owner

2.2.2 STEP ONE – DETERMINATION OF THE BASE FIGURE

The first step in determining the goal for non-car rental ACDBE participation is to obtain a base figure of participation. The base figure is determined by using current and historic concession contracts and concession types and applying those types to the field of willing and available concession firms. The North Carolina Department of Transportation (NCDOT) United Certification Program (UCP) was referenced to determine the number of certified ACDBE firms in the market area that fall into the North American Industrial CS (NAICS) codes listed below. The UCP database includes ACDBE firms that are certified by NCDOT, The United States Census Bureau was referenced to determine the market area total number of firms in the respective NAICS codes.

Table 2.2 below outlines the anticipated non-car rental concessionaire types and the expected availability of all firms and ACDBE firms in the market area.

Table 2.2 – Non-Car Rental ACDBE Availability

Concession Type/Group	NAICS Codes	# of ACDBE Firms in Market Area	Total # of Firms in Market Area	Relative Availability of ACDBE's in Market Area	Percentage of Estimated Gross Receipts	Weighted Availability
News & Gift	453220	1	11	9.09%	14.10%	1.28%
Vending	454210	0	0	0.00%	0.00%	0.00%
ATM	522110	0	25	0.00%	45.45%	0.00%
Advertising	541850	0	0	0.00%	0.00%	0.00%
Game Machines	713120	0	4	0.00%	7.27%	0.00%
Food/Beverage	722310	1	19	5.26%	34.55%	1.82%
Total Weighted Availability						3.10%

Sources:

North Carolina UCP DBE Directory March 2024

2021 County Business Patterns, US Census Bureau

2.2.3 STEP TWO – EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE

According to 49 CFR Part 23, the base figure identified in Step 1 may be adjusted to more accurately reflect the local economic climate of a given market or to take historical ACDBE participation into consideration. Some areas may have more ACDBE firms readily available and willing to participate than others.

2.2.3.1 Disparity Studies

There are not any known recent disparity studies within Onslow County area.

2.2.3.2 Historical ACDBE Participation

The past Uniform Reports of ACDBE Participation for the Airport were referenced in order to gain an understanding of how much actual non-car rental ACDBE participation occurred.

Table 2.3 below highlights the historic non-car rental ACDBE participation by fiscal year.

Table 2.3 – Historic Non-Car Rental ACDBE Participation 2020-2022

Report Period	ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
FY 20	49.22%	53.04%	3.82%
FY 21	49.22%	86.04%	36.82%

FY 22	49.22%	83.36%	34.14%
MEDIAN	49.22%	83.36%	34.14%

Source: Uniform Report of ACDBE Participation (FY2020- 2022)

Note: FY21 Harris Jewelers no longer at airport effective May 2021

Historically, the Airport has exceeded ACDBE participation in non-car rental concessionaires by an average of 34.14% for FY 20-22. On Note, the Airport recovered quickly from pandemic but is facing airline pilot shortage issues for regional routes. Also, Advertising no longer ACDBE due to death of principle owner. A family member took over the business but is not eligible to acquire ACDBE certification.

2.2.3.3 Local Availability of ACDBE Firms and 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. Based on information provided by the Airport the market area for non- car rental is Onslow County North Carolina. According to the NCDOT UCP database, there are fifty-nine (59) ACDBE firms in the state of North Carolina which provides any of the concessions services the Airport currently offers or plans to offer. For the purpose of determining an overall non-car rental ACDBE participation goal, the market area for ACDBE firms is Onslow County NC, as it is unlikely that any concessionaire operators further away from the Onslow County metropolitan area would provide concession services as it is not a prime target for the traditional concessionaire, and as a non-hub airport, Albert J. Ellis Airport has only passengers beginning or ending their journeys passing through the terminal because of flights.

2.2.3.4 Resultant Goal Adjustment

Based on the Airport's current and anticipated concession types, and the local availability of ACDBE firms, the Airport's non-car rental ACDBE goal will increase to **66.29%**. The Airport feels due to Advertising no longer an ACDBE that the goal should be slightly increased.

2.2.4 RACE-NEUTRAL VS. RACE-CONSCIOUS METHODS

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE participation goal utilizing race-neutral means. 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.

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.

- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meeting about how the sponsor's ACDBE program will affect the procurement process.
- 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 0% and a race-neutral goal of 66.29%, for a total of 66.29%. These goals are consistent with the previous goals. This is based on the historical information on ACDBE participation which reflects the median total ACDBE percentage achieved to be 83.36%.

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 will maintain data separately on ACDBE achievements in those contracts with and without

concession specific goals, respectively.

2.3 ACDBE CAR RENTAL GOAL METHODOLOGY

The goal and methodology for car rental ACDBE participation is presented in the following subsections. Since the car rental concessionaires at the Airport have annually seen average revenues in excess of \$200,000 over the past three years, the Airport is required to establish a goal of ACDBE participation for car rental concessions.

2.3.1 CURRENT CAR RENTAL CONCESSIONAIRES

The current car rental concessionaires and their FY 2022 Gross Receipts are listed in **Table 2.4** below.

Table 2.4 – Car Rental Concessionaire FY 2022 Gross Receipts

Car Rental Concessionaire	FY 2022 RAC Gross Receipts
National	\$ 788,808.00
Alamo	\$ 942,044.00
Enterprise	\$ 1,403,074.99
Avis	\$ 1,302,007.00
Budget	\$ 1,462,008.00
Dollar	\$ 1,290,901.00
Hertz	\$ 1,155,123.72

Source: Airport

2.3.2 STEP ONE – DETERMINATION OF THE BASE FIGURE

The methodology used to determine a base figure of ACDBE car rental participation is to obtain the number of ready, willing and able ACDBE firms that provide goods and services to car rental concessionaires and dividing that number by the total number of ready, willing, and able firms in the market area. For the purpose of determining this goal, the market area is considered to be Onslow County NC. The Airport believes that although firms that are currently doing business with the Airport are located nationally, ACDBE's that would participate would be more local, especially for the purchase of goods and services. **Table 2.5** below details the types of firms that are expected to be able to provide goods and services to the Airport car rental concessions.

Table 2.5 – Car Rental ACDBE Firm Availability for goods and services in the market area.

Concession Type	NAICS Code	ACDBE Firms in the market area	All Firms in the market area	% of ACDBE Firms Available
Motor Vehicle Supplies	423120	0	0	0.00%
Tire Dealers	441320	0	19	0.00%
Gas stations	447110	0	70	0.00%
Insurance	524210	0	43	0.00%
Auto Repair	811111	0	39	0.00%
Auto Body Repair	811121	0	16	0.00%
Auto Glass Repair	811122	0	0	0.00%
Auto Oil Change	811191	0	4	0.00%
Car Washes	811192	0	7	0.00%
Total		0	198	0.00%

Sources:

North Carolina UCP DBE Directory, March 2024
 2021 County Business Patterns, US Census Bureau

Based on the availability of ACDBE firms in the Onslow County, NC that could be reasonably expected to provide services to car rental companies, a base figure of participation was determined to be 0.00%.

2.3.3 STEP TWO – EXAMINATION OF CRITERIA FOR ADJUSTMENT TO BASE FIGURE

After the determination of a base figure of ACDBE participation, the figure may be adjusted based on local supporting evidence, such as historic participation, disparity study information, and local availability of ACDBE firms.

2.3.3.1 Historical ACDBE Participation

Table 2.6 below shows the historical car rental ACDBE participation attained by the Airport from FY 2020-2022.

Table 2.6 – Historical Car Rental ACDBE Participation

Report Period	ACDBE Goal	ACDBE % Achieved	Achieved Over/Under
FY 2020	1.10%	9.40%	8.30%
FY 2021	1.10%	7.15%	6.05%
FY 2022	1.10%	5.92%	4.82%
MEDIAN	1.10%	7.15%	6.05%

Source:

ACDBE Accomplishment Reports, Albert J. Ellis Airport (FY 2020-2022)

2.3.3.2 Local Availability of ACDBE Firms

According to the North Carolina DOT UCP Database, which includes all certified ACDBE businesses, there are zero (0) businesses within Onslow County that are certified as ACDBEs that could provide good and services to the rental car agencies. Most of the ACDBE's that were reported in prior years were goods and services purchased in bulk by the rental car agencies and then allocated to the airport locations in the region.

2.3.3.3 Disparity Studies

There are not any known recent disparity studies within Onslow County area.

2.3.3.4 Resultant Goal Adjustment

Due to historical Car rental ACDBE Participation to be above established goals, the Airport recommends increasing it's Car rental ACDBE goals to 5.10% from 1.1%. This represents an increase of 4%.

2.3.4 RACE-NEUTRAL VS. RACE-CONSCIOUS METHODS

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE participation goal utilizing race-neutral means. 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.

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.

- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meeting about how the sponsor's ACDBE program will affect the procurement process.
- 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 0.0% and a race-neutral goal of 5.1%, for a total of 5.1%. These goals are consistent with the historical over achievement of the Airport's Car Rental Established goals.

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:

4. Establish concession-specific goals for particular concession opportunities.
5. Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession; and
6. 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 will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

2.4 PUBLIC PARTICIPATION

In accordance with 49 CFR Part 23, the Airport informed and the public of the proposed ACDBE goals and methodology for FAA FY 2023-2025. The notice was placed on the airport website, sent to the current stakeholders and placed on social media. These goals were also made available for inspection on the Airport's website and that the Airport will accept comments via, mail, email, phone and in person. The notice includes addresses to which comments could be sent and addresses where the document could be reviewed. The notice is included in **Appendix A**.

Notice of the stakeholders meeting were emailed to the following organizations for their input on the effects of discrimination and ACDBE opportunities for the Airport:

- Current Car Rental Concessionaires
- Current Non-Car Rental Concessionaires

Attendance and comments are reflected in **Appendix B**

2.5 SUMMARY

In accordance with the requirements of 49 CFR Part 23, the Airport has established the following goals of ACDBE participation:

For the period of FY 2023-2025, the Airport expects to achieve a goal of 66.29% ACDBE participation in non-car rental concessions, and 5.10% ACDBE participation in car-rental concessions. These goals of ACDBE participation are anticipated to be achieved using race-neutral measures.

APPENDIX A

PUBLIC NOTICE

Airport Concession Disadvantaged Business Enterprise 3-Year Goal Comment Period

In compliance with the Federal Regulations, 49 CFR Part 23, Albert J. Ellis Airport (OAJ) is in the process of developing a 3-year Airport Concession Disadvantaged Business Enterprise (ACDBE) program goal (FY 23-25) for Airport Concession opportunities.

The purpose of the public notice is to receive input regarding the Airport's three-year ACDBE non-car rental and car-rental goals. We invite you to send in questions and/or comments on the proposed goal, as well as the availability of potential ACDBE's for the Airport, and the Airport's effort to increase ACDBE Participation to:

Sandra Janssen, Mgr. of Finance and Administration-
Sandra_Janssen@onslowcountync.gov
910-989-3161

A copy of the ACDBE goals and methodology for FY23-25 can be found on the airport's website. www.flyOAJ.com.

The comment period will be open until May 31, 2024.

APPENDIX B

This will be updated to reflect any questions and/or comments.