

SECTION 1 - ACDBE POLICY STATEMENT

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.

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 DOT- assisted contracts.
2. Create a level playing field on which ACDBEs can compete fairly for DOT-assisted contracts.
3. Ensure that the ACDBE Program is narrowly tailored in accordance with applicable law.
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as ACDBEs.
5. Help remove barriers to the participation of ACDBEs in DOT assisted contracts.
6. Promote the use of ACDBEs in all types of federally assisted contracts and procurement activities.
7. Assist the development of firms that can compete successfully in the marketplace outside the DBE Program and
8. Make appropriate use of the flexibility afforded to recipients of Federal financial assistance 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 23.45: Overall Goal Calculation for Concessions Other Than Car Rentals

Amount of Goal *(submit if average annual gross receipts exceed \$200,000)*

Name of Recipient:

Albert J. Ellis Airport

Goal Period: FY-2023-2024-2025 – October 1, 2022, through September 30, 2025

Overall Three-Year Goal:

42.79%, to be accomplished through 0.00% RC and 42.79% RN

Methodology used to Calculate Overall Goal:

The Airport in conducting this goal-setting process is determining the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

Market Area

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located.

The Albert J. Ellis Airport has determined that its market area is the county in which the airport is located and the adjacent counties: Onslow, Pender, Jones and Duplin

Base of Goal

To calculate the base of the goal Albert J. Ellis Airport considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Non-Car Concessions Revenue (Gross Receipts)
2020	\$813,743
2021	\$652,983
2022	\$739,432

The Albert J. Ellis Airport estimates that revenues from existing concessions will grow by 3.3% over the next three years due to inflation and increased passenger traffic and is consistent with CPI-U over the last 12 months.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Non-Car Concessions Revenue (Gross Receipts)
2023	\$672,686
2024-Est	\$694,885
2025-Est	\$717,816
Estimated 3-Year Total	\$2,085,387

No new concession opportunities are anticipated during this goal period.

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.

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 Albert J. Ellis Airport will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

Methodology used to Calculate Overall Goal

Goods and Services

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. We, and the businesses at the airport, shall 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. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

Management Contract or Subcontract

We can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. We, and the businesses 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. *While we realize that this appears to go against the normal rules and rationale for goal-setting, we understand that this method is nevertheless required by statute.*

Step 1: 23.51(c)

We determined the base figure for the relative availability of ACDBEs for non-car rental concessions. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area

5 divided by 546

Denominator: All ready, willing and able non-car rental concession firms in the market area

The data source or demonstrable evidence used was the NC State DBE/ACDBE UCP directory and 2021 County Business Patterns, US Census Bureau.

Concession Activity	NAICS Codes	ACDBE Firms	ALL Firms	% Availability	% of Concession Dollars	% Weighted
News & Gift	453220 459420	1	17	5.88%	30.49%	1.79%
Vending	454210 445132	0	0	0.00%	12.53%	0.00%
ATM	522110	0	45	0.00%	0.16%	0.00%
Advertising	541850 541870	0	0	0.00%	5.93%	0.00%
Game Machines	713120	0	4	0.00%	0.10%	0.00%
Food/Beverage	722310 722410 722511 722513	4	480	0.83%	50.79%	0.42%
Totals		5	546	0.92%	100.00%	2.22%

When we divided the numerator by the denominator, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of **2.22%** using the weighted methodology.

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible, the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by **40.57%**. Our overall goal for non-car rental concessions is **42.79%**

The data used to determine the adjustment to the base figure was past 3-year history of participation.

Past History Participation

Data used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments.

Report Period	Race Conscious	Race Neutral	Total Achieved
FY 20	0.00%	49.22%	53.04%
FY 21	0.00%	49.22%	86.04%
FY 22	0.00%	49.22%	83.36%
MEDIAN	0.00%	49.22%	83.36%

To arrive at an overall goal, we added our Step 1 weighted base figure 2.22% with our Step 2 median 83.36% and then averaged the total arriving at an overall goal of 42.79%.

We feel this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 3-year period. There are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

- Prior to submitting this goal to the FAA, Albert J. Ellis Airport consulted with the following stakeholders: All current Non-Car Rental Concessionaires: Jackie Barton (food & beverage, gift & news), Ken Honeycutt (advertising), Michelle Minges (Pepsi vending machines), Bobbi Jones (Coca Cola vending machines), Ben's vending (snack vending machines), MFCU (ATM).

No comments have been received.

Breakout of Estimated Race-Neutral & Race Conscious Participation **Section 23.51**

The Albert J. Ellis Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses the following race-neutral measures

We understand that we 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. *Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing.*
5. *Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process.*
6. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
7. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

The Airport proposes a race-conscious goal of **0%** and a race-neutral goal of **42.79%**, for a total of **42.79%**. These goals are consistent with the previous 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:

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 our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use concession specific goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we 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 status in making the award.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

Section 23.45: Overall Goal Calculation for Car Rentals

Section 23.45: Overall Goal Calculation for Car Rental Company Concessions

Amount of Goal *(submit if average annual gross receipts exceed \$200,000)*

Name of Recipient:

Albert J. Ellis Airport

Goal Period: FY-2023-2024-2025 – October 1, 2022, through September 30, 2025

Overall Three-Year Goal:

3.65%, to be accomplished through 0.00% RC and 3.65% RN

Methodology used to Calculate Overall Goal:

The Airport in conducting this goal-setting process is determining the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

Goal Based on Goods and Services Purchases - Determination:

Upon review of the market, it appears that all or most of the goal is likely to be met through the purchases by car rental companies of vehicles or other goods/services from ACDBEs. This is due to the fact that no certified ACDBE car rental companies exist within the market. As such, the Airport has structured the goal entirely in terms of the purchases of goods and services.

We determined the goal based on outreach for the purchases of goods and services from certified ACDBE firms and/or potential ACDBE firms in the market area. This basis is in lieu of a goal based upon a percentage of total gross receipts of car rental operations at the Airport. We will make a good faith effort to pursue opportunities to meet the goods and services goal. We will continue to consult and work with the NCDOT & UCP, our car rental concessionaires at the Airport, similarly situated airports in our region, minority and women businesses in the State, minority serving institutions, local pro-business organizations, and targeted media publications to find prospective ACDBE firms. We will work with our car rental companies to strategize outreach to NCDOT & UCP certified ACDBEs that may be able to provide car rental goods and services, to encourage current vendors who may be eligible for ACDBE certification to

apply, and to encourage firms already working at the airport but certified as ACDBE in other states, to apply via the interstate certification process. The NC DOT & UCP is aware of this requirement and is on board to assist and process certifications as required by 49 CFR Subpart C.

We have the following car rental agencies operating at the airport: Enterprise, National, Alamo, Hertz, Dollar, Avis and Budget.

After collaboration and discussion with the Airport, car rental company concessionaires at the Airport stated that the goods and services they may need in the goal period are Automobile Parts, Oil Change Services, Office Supplies, Auto Repair Services, Insurance Services, Car washes with estimated gross receipts of \$3,183,695.

Market Area

The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located.

The Airport has determined that its market area is North Carolina statewide, except for Insurance which is nationwide.

Base of Goal

To calculate the base of the goal, the airport considered the previous 3 years of car rental expenditures/purchases and the projected potential car rental expenditures three years into the future, including upcoming new opportunities.

Expenditures for Previous 3 Years - Car Rental

Fiscal Year	Car Rental Expenditures/Purchases	% Growth
2020	761,871	-15.80%
2021	880,230	15.54%
2022	1,050,209	19.31%

The Albert J. Ellis Airport estimates that revenues from existing concessions will grow by 3.3% over the next three years due to inflation and increased passenger traffic and is consistent with CPI-U over the last 12 months.

Expenditures for Future 3 Years - Car Rental

Fiscal Year	Car Rental Expenditures/Purchases	% Growth
2023	1,026,969	-2.21%
2024-est	1,060,859	3.30%
2025-Est	1,095,867	3.30%

The following are not included in this base: (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.

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 to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

Step 1: 23.51(c)

The data source or demonstrable evidence used was the NC State DBE/ACDBE UCP directory or and Census Bureau CBP data.

Concession Type	NAICS Code	ACDBE Firms in the market area	All Firms in the market area	% of ACDBE Firms Available
Office Supplies	339940	0	10	0.00%
Motor Vehicle Supplies	423120	0	361	0.00%
Automotive parts & accessories store	441310	0	1459	0.00%
Gas stations	447110	0	3939	0.00%
Insurance	524210	1	3963	0.03%
Offices of lawyers	541110	2	4042	0.05%
Accounting	541211	2	1687	0.12%
Janitorial services	561720	14	2263	0.62%
Medical laboratories	621511	1	414	0.24%
Auto Repair	811111	2	2763	0.07%
Auto Body Repair	811121	2	1006	0.20%
Auto Glass Repair	811122	0	214	0.00%
Auto Oil Change	811191	2	270	0.74%
Car Washes	811192	6	625	0.96%
Total		32	23016	0.14%

When we divided the numerator by the denominator, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of **.14%**.

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible, the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 2.55%. Our overall goal for car rental concessions is **3.65%**

The data used to determine the adjustment to the base figure was:

Past History Participation

Data used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments.

Report Period	Race Conscious	Race Neutral	Total Achieved
FY 20	0.00%	9.40%	9.40%
FY 21	0.00%	7.15%	7.15%
FY 22	0.00%	5.92%	5.92%
MEDIAN	0.00%	7.15%	7.15%

To arrive at an overall goal, we added our Step 1 base figure 0.14% with our Step 2 median 7.15% and then averaged the total arriving at an overall goal of 3.65%.

We feel this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 3-year period. Further, there are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs

PUBLIC PARTICIPATION

Consultation: Section 23.43.

- Prior to submitting this goal to the FAA, Albert J. Ellis Airport consulted with the following stakeholders: All current Car Rental Concessionaires: Jonathan Edwards with Enterprise Holdings, Carissa Sturgill with GSP (Hertz/Dollar) and Sydney Peruzzato with Avis/Budget.

RACs were sent a link to 2024 Airport Rental Car Supplier Diversity Outreach webinar held on May 7, 2024.

No comments have been received.

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6. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
7. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

The Airport proposes a race-conscious goal of **0%** and a race-neutral goal of **3.65%**, for a total of **3.65%**. These goals are consistent with the previous 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:

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 our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use concession specific goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we 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 status in making the award.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.