

AIRPORT CONCESSIONS ACDBE ORIENTATION



CITY OF
KANSAS CITY,
MISSOURI

HUMAN RELATIONS

JANUARY 12-13, 2021

[Visit us on the web!](#)

OBJECTIVE

- ▶ The primary objective of this presentation is to provide an overview of the U.S. ACDBE/DBE Program for individuals new to the aviation industry and/or new to the Program.
- ▶ At the end of this presentation, it is hoped that the attendee understands the rules, regulations and responsibilities that are involved in administration and participation of the program from the application through to the certification process.

What is an ACDBE?

- ▶ ACDBE is an acronym for Airport Concessions Disadvantaged Business Enterprise.
- ▶ The ACDBE Program is similar to the DBE program in that it is a Federal program designed to level the playing field for small businesses who wish to participate in contracting opportunities at airports.
- ▶ ACDBE program is administered under 49 CFR part 23 and HRD is beholden to the criteria set forth by the rule.
- ▶ 49 CFR part 23 addresses goalsetting, certification, reporting, monitoring and enforcement, and other aspects of the ACDBE program.

What is ACDBE certification?

- ▶ The purpose of certification is to ensure that only firms that fully meet 49 CFR part 23's eligibility standards are permitted to participate as ACDBEs.
- ▶ Certification applies to the owner(s) of the business.
- ▶ Certification is not transferable.
- ▶ **Certification is a marketing tool!** Use it to enhance your ability to do business in public markets

What is an Airport Concession?

In a nutshell:

An airport concession is a for-profit business located on an airport, engaged in the sale of consumer goods and/or services to the public under an agreement with the recipient, another concessionaire, the owner or lessee of a terminal, or take place on an airport such as management contracts.



What is an Airport Concession?

- ▶ An airport concession is a business engaged in the sale of goods and/or services to the public or a business that provides goods and services to those businesses.
- ▶ A business that does not have an office, store or other type of location on the airport premises may still be considered a concession if activities take place at the airport, including:
 - ▶ Advertising
 - ▶ Web-based or electronic businesses that can be accessed at the airport
 - ▶ Businesses that provide goods and services to concessionaires

What is an Airport Concession?

- ▶ Concessions located at an airport with which you may be familiar include:
 - ▶ Food and Beverage Concessions - Restaurants, bars, fast food facilities, snack bars and other operations located on airport grounds that provide food and beverage service to the public.
 - ▶ Retail Concessions - Gift/News and specialty retail locations like bookstores, electronics shops, leather goods shops, duty-free shops and other retail outlets where consumers can purchase retail goods.
 - ▶ Car rental
 - ▶ Advertising

What are the ACDBE certification requirements?

Requirements for ACDBE Certification

Qualifying person(s) are "presumed to be socially and economically disadvantaged."

- Black/African-Americans
- Hispanics/Latinos
- Native Americans/American Indians
- Asian-Pacific
- Subcontinent Asian Americans
- Women
- Other individuals on a case-by-case basis

Must hold at least 51% ownership of the business

What are the ACDBE certification requirements?

Requirements for ACDBE Certification	
U.S. Citizenship	Owner(s) must be U.S. citizen or lawfully admitted permanent resident(s)
Personal Net Worth (PNW)	Cannot exceed \$1,320,000 (excluding ownership interest in the applicant business and primary resident)
Location	Can be located anywhere in the U.S. but MUST complete the DBE certification in Missouri. Home state DBE certification is required
Control and Expertise	Owners must have the experience, expertise, and control of the day-to-day operations of the firm

Is an ACDBE different than a DBE?

YES!

The primary difference between a DBE and an ACDBE is the application of a difference size standard for eligibility. The size standards for ACDBE businesses are not based on SBA size standards. As of June 12, 2012, they are:

Car Rental	\$75.23 million (three-year average annual gross receipts)
Banks	\$1 billion in assets
Auto Dealers	350 employees (average over the previous 12 months)
All other ACDBE	\$56.42 million (three-year average annual gross receipts)

Why are the size standards different?

- ▶ High capital investment and other up-front costs
- ▶ Long lease terms (generally five years or longer)
- ▶ High percentage rents and minimum annual guarantees
- ▶ Highly competitive marketplace dominated by a small number of firms
- ▶ Contracts generally awarded based on proposals highlighting experience, rent, capital investment and plans for the facilities and operation.

Can a firm be a DBE and an ACDBE?

- ▶ Yes, firms may be certified DBE, ACDBE or both.
- ▶ Firms that qualify as DBEs may also qualify as ACDBEs providing that they can demonstrate that the disadvantaged owners control the firm's concession activities.
- ▶ Firms that qualify as ACDBEs may not necessarily meet the size standard for DBE certification as the SBA size standard is lower than the part 23 (ACDBE) standard.
- ▶ The Uniform Certified Program (UCP) directory must clearly indicate if the firm is certified as a DBE, ACDBE or both.

What are examples of types of businesses we certify as ACDBEs?

Retail goods	Full-service restaurants
Custom Art	Grab and go food
Apparel/clothing	Bars
Gifts and souvenirs	Baggage carts
News stands	Shoeshine providers

Benefits of ACDBE Certification

- ▶ Visibility/Exposure
 - ▶ Prime concessionaires at airports nationwide
 - ▶ Other "small" businesses
 - ▶ The private sector
- ▶ Increased access to opportunities
 - ▶ Opportunities to bid in Request For Proposals (RFPs) with prime concessionaires as joint venture partners
- ▶ Potential for business growth
 - ▶ Certification does not guarantee that you will be successful each and every time you bid; however, it may add a competitive edge to your bid

How do I apply for ACDBE certification?

KCMO DMWBE Management System

<https://kcmohrd.mwdbe.com/?TN=kcmohrd>

- ▶ Online Certification Application
 - ▶ Preferred to maintain social distancing during the pandemic
 - ▶ Reduces paper (Save the trees!)
 - ▶ Save your progress as you work on your application
 - ▶ Just plain convenient for everyone involved (It's in the cloud!)
- ▶ The application includes:
 - ▶ Basic Application for Certification
 - ▶ Affidavit of Certification
 - ▶ Supporting Documents Checklist
 - ▶ Personal Net Worth Statement

How do I apply for ACDBE certification?

▶ Interstate Certification

- ▶ Firms must be certified in their home state before applying for certification

▶ How to apply

- ▶ Firms must present a copy of the certification notice from their home state and request interstate certification. *(Not required to complete a new application)*
- ▶ Firms will be required to submit their original application and supporting documents used for their home state certification.
- ▶ Decision will be made within 60 days.

What is the Unified Certification Program Application?

- ▶ The same Uniform Certification Program (UCP) Application is used for DBE and ACDBE applicants.
- ▶ The following additional steps apply to ACDBE applicants:
 - ▶ The firm must specify that it is applying for certification as an ACDBE
 - ▶ The firm must provide information concerning the address/location, ownership/lease status, current value of property or lease, and fees/lease payments paid to the airport
 - ▶ The applicant must provide information concerning any other airport concession businesses the applicant firm or any affiliate owns and/or operates, including name, location, type of concession, and start date of concession

What is involved in the ACBDE certification review process?

- ▶ Complete the certification application. Please note that incomplete applications are not accepted. If you need assistance, contact the Human Relations Department general line at 816-513-1836 or email the general inbox at hldwmb@kcmo.org.
- ▶ An Intake Officer will contact you in the event additional information is needed. The certification process can take up to 90 days after submitting a completed application.
- ▶ A Certification Officer will contact you to conduct a virtual on-site visit at your principal place of business. The Certification Officer may also conduct a "drive-by" for a visual confirmation of your business site.
- ▶ Once the ACDBE is in operation at the airport, a secondary on-site will be required.

What is involved in the ACBDE certification review process?

- ▶ You will receive a letter and certificate from the Human Relations Department to inform you regarding your certification status. Please review the online Directory of Certified ACDBEs to ensure the accuracy of your firm's information.
- ▶ If your application for ACDBE is denied, you may appeal to the U.S. Department of Transportation within 90 days from the date of denial. The reason for denial and the address to send your appeal will be included in the letter from the HRD.

Q & A