



**City of Phoenix**

**Equal Opportunity Department**

**Airport Concessions Disadvantaged  
Business  
Enterprise (ACDBE)  
Certification**



# Objectives



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In this presentation you will learn:

1. **What is an Airport Concessions Disadvantaged Business Enterprise (ACDBE)?**
2. **What is a Concession?**
3. **Airport Concession Disadvantaged (ACDBE) Certification specific Requirements**
4. **Benefits of ACDBE Certification**
5. **Examples of Businesses we certify as ACDBEs**
6. **How to Apply for ACDBE certification**
7. **The ACDBE Certification Review Process**
8. **Unified Certification Program**
9. **Contact Information**



# What is an ACDBE ?



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**ACDBE** is an acronym for Airport Concessions Disadvantaged Business Enterprise. The **ACDBE** Program is similar to the DBE program in that it is a Department of Transportation (DOT) program designed to level the playing field for small businesses who wish to participate in contracting opportunities at airports.

## ACDBE Regulations

**The criteria for ACDBE certification is set forth in:**

- The ACDBE program is administered under 49 CFR part 23.
- It applies to airports who have received grants for airport development.
- 49 CFR part 23 is parallel in many important respects to 49 CFR part 26.
  - The objectives of the program are the same as the DBE program objectives.
  - Both rules address goal-setting, certification, reporting, monitoring and enforcement, and other important aspects of the programs.
- Part 26 certification standards and procedures—even if not specifically referenced in Part 23— apply to the ACDBE except where otherwise provided.



# What is ACDBE Certification?

- The purpose of certification is to: “Ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs or ACDBEs in the case of concessions”
- Certification applies to the owner(s) of the business
- Certification is not transferable
- Certification is a marketing tool, used to enhance your ability to do business in public markets.



# What is a Concession?

## 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.
  - Advertising
  - Web-based or electronic businesses that can be accessed at the airport
  - Businesses that provide goods and services to concessionaires



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# What is an airport concession?



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- Concessions located on 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 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

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



# ACDBE Certification

## REQUIREMENTS FOR ACDBE CERTIFICATION

<b>Qualifying groups</b>  <b>Must hold at least 51% ownership of the firm</b>	<b>Same Qualifying Groups as DBE certification.</b>  <b>African American males &amp; females</b> <b>Native American males &amp; females</b> <b>Pacific Islander males &amp; females</b> <b>Asian males &amp; females</b> <b>Hispanic males &amp; females</b> <b>Anglo females</b>
<b>U.S Citizenship</b>	<b>Owner(s) must be US Citizen or lawfully admitted permanent resident(s)</b>
<b>Personal Net Worth (PNW)</b>	<b>Owner's personal net worth cannot exceed \$1,320,000 (excluding ownership interest in the applicant business and the primary residence)</b>
<b>Location</b>	<b>Can be located anywhere in U.S. but must complete the DBE certification process in Arizona. Home state DBE certification is required.</b>
<b>SBA Guidelines Requirement</b>	<b>Business gross receipts cannot exceed \$56.4 million dollars per year</b>
<b>Control and Expertise</b>	<b>Owners must have the experience, expertise, and control of the day-to-day operations of the firm</b>
<b>Operational for Profit</b>	<b>Copies of 3 completed or in progress jobs, contracts, proposals or bids</b>





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## Is an ACDBE different than a DBE?

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

+	Car Rental	\$75.23 Million (average annual gross receipts – 3 years)
	Banks	\$1 billion in assets
	Auto Dealers	350 employees (average over the previous 12 months)
	All other ACDBE	\$56.42 Million (average annual gross receipts – 3 years)







## Why are the size standards different?

- High capital investment and other up-front costs
- Long lease terms (generally 5 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.

### Example of variance between SBA and part 23 size standard:

- SBA size standard is \$7.0 million for newsstands and \$7.0 million for gift, novelty and souvenir stores.
- SBA size standard is \$7.0 million for full-service restaurants and \$7.0 million for bars.
- The size cap for these businesses under part 23 is \$56.42 million in average annual gross receipts over the last three years. This is far greater than the \$7.0 million cap under the SBA size standards.





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## Can a firm be a DBE and an ACDBE?

- Yes. Firms may be certified as a DBE, ACDBE or both.
- Firms that qualify as DBEs will 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 size standard.
  - For example: A firm that provides insurance services has average annual gross receipts of \$25 million over the last three years. The firm will not qualify as a DBE because their average annual gross receipts exceeds the \$7.0 million SBA size standard for that NAICS code. However that same firm would qualify as an ACDBE because their gross receipts are less than \$54.62 million.
- The UCP directory must clearly indicate if a firm is certified as a DBE, ACDBE or both.



# 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**

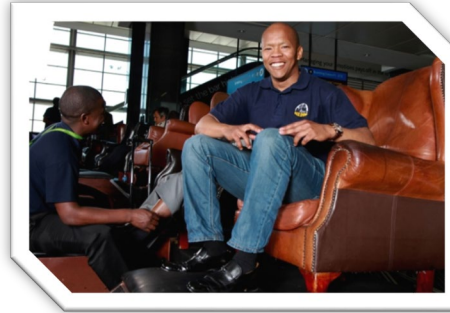
- Certification does not guarantee that you will be successful each and every time you bid; however it may add a competitive edge to your bid.



# Examples of ACDBE Certified Firms

## Goods or Services providers

- Retail goods
- Custom art
- Clothing providers
- Gifts/souvenirs



## Food and Beverage

- Full service restaurants
- Grab and go food



## Retail stores

- Souvenir/gift stores
- New stands



## Other Areas

- Baggage carts
- Shoeshine providers





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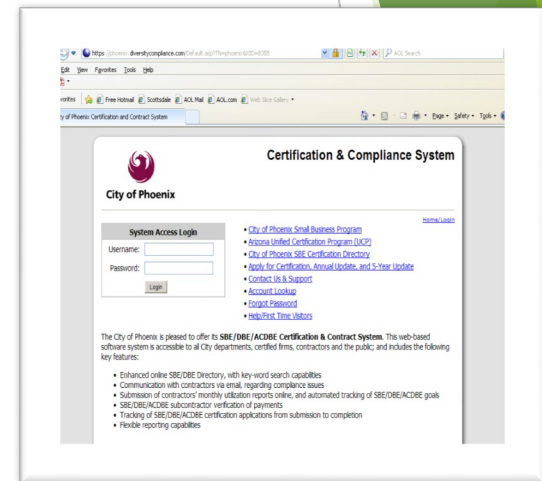
# How to Apply

## Online Certification application

- ▶ Reduces paper
- ▶ Increased security
- ▶ Work on application and save your progress
- ▶ Convenient

## The application includes:

- Basic Application for Certification
- Affidavit of Certification
- Supporting Documents Checklist
- Personal Net Worth Statement



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## Uniform Certification Application

- The same Uniform Certification Application is used under part 23 and part 26.
- 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 on an attached page concerning the address/location, ownership/lease status, current value of property or lease, and fees/lease payments paid to the airport (Section 4C of the application).
  - The applicant must provide information on an attached page 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 (In lieu of Sections 4(I) and 4(J)).





# Certification Review Process

1. Complete the certification application. Please note that incomplete applications are not accepted. If you need assistance, contact the Equal Opportunity Department at 602-262-6790.
2. A Certification Specialist will contact you in the event you need to submit additional information. The certification process usually takes 16 weeks after submitting a completed application.
3. Your certification specialist will contact you to schedule an on-site visit to your principal place of business. Once the ACDBE is operational at the airport, a secondary on-site will be required.
4. You will receive a letter and/or a certificate from the Equal Opportunity 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.
5. Learn more at <https://www.phoenix.gov/eod/programs/sbecertprograms>.



# Unified Certification Program

- ▶ Phoenix is one of 3 DBE certifying agencies in Arizona as part of the Arizona Unified Certification Program (AZUCP). The AZUCP allows applicants for the DBE program to apply only once for a DBE certification that will be honored by all recipients in the state. The AZUCP is comprised of three certifying agencies: The City of Phoenix, Arizona Department of Transportation (ADOT), and City of Tucson.
- **Firms located in Maricopa County, and all ACDBE's, must submit their ACDBE certification application to the City of Phoenix.**







# Contact Us



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**Equal Opportunity Department**

**Business Relations Division**

**SBE/DBE & ACDBE Certification: 602-262-6790**

<http://phoenix.gov/eod/programs>

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