



Alaska Department of Transportation & Public Facilities Airport Concessionaire Disadvantaged Business Enterprise Goal Methodology

Fairbanks International Airport

FFY2024

As a Federal Aviation Administration (FAA) grant recipient, the Alaska Department of Transportation & Public Facilities (Alaska DOT&PF) must establish two separate overall Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) goals for applicable airports. The first goal is for non-car rental concessions; the second is for car rental concessions. Applicable airports are primary airports that meet the criteria set forth under 49 CFR Part 23.41(b). Fairbanks International Airport (FAI) is a small hub, primary airport that meets the criteria set forth in 49 CFR Part 23.41(b), and therefore Alaska DOT&PF is required to establish overall ACDBE goals for FAI. This document establishes Alaska DOT&PFs overall ACDBE goals for FAI, effective for the federal fiscal year (FFY) 2024.

Alaska DOT&PF, in accordance with 49 CFR Part 23.51, used the following process to establish overall ACDBE goals for concessions at FAI:

1. Establish the relevant market area.
2. Calculate the base in accordance with 49 CFR Part 23.47 and 49 CFR Part 23.49.
3. Determine a base figure for the relative availability of ACDBEs
4. Examine all relevant evidence reasonably available to determine what adjustments, if any, are needed to the base figure.
5. Determine the race-conscious/race-neutral split for the proposed ACDBE goals.

Section 23.45: Overall Goal Calculation for Non-Car Rentals

Overall Goal: 16.86%, to be accomplished through 0.00% race-conscious and 16.86% race-neutral

Methodology used to Calculate Overall Goal:

The Alaska DOT&PF 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.

Relevant Market Area: Section 23.51(b)(3)

The Alaska DOT&PF has determined the market area is as follows: The state of Alaska (S) and the Nationwide (N) market area.

Figure 1

NAICS CODE	Type of Goods and Services	Market Area
453220	Gift Shop/News	N
454210	Vending Machine	S
488119	Baggage Carts	N
522320	ATM Machine	S
541810	Advertising	N
722511	Restaurant	N
812930	Parking	N

Base of Non-Car Rental ACDBE Goal

To calculate the base of the goal Alaska DOT&PF 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. The following table presents gross receipts for FFY 2020-2022 and projected gross receipts for FFY2023-FFY2025. Projections are based on trends in non-car rental concessions at FAI, and an annual enplanement growth rate of 5.00%.

Figure 2

Fiscal Year	Non-Car Rental Concessions Revenue	Annual Enplanement Growth Rate of 5.00%.	Projected Non-Car Rental Concessions Revenue
FFY2020	\$4,277,027		
FFY2021	\$5,813,549		
FFY2022	\$8,349,872		
FFY2023		\$8,349,872 * 1.05 =	\$8,767,366
FFY2024		\$8,767,366 * 1.05 =	\$9,205,734
FFY2025		\$9,205,734 * 1.05 =	\$9,666,021

$\$8,767,366 + \$9,205,734 + \$9,666,021 = \mathbf{\$27,639,121}$ is FAI’s base of the goal for non-car rental concessions.

Step 1 Base Figure for Non-Car Rental Concessions: Section 23.51(c)

We determined the base figure for the relative availability of ACDBEs for non-car rental concessions.

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

650 divided by 297212

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

The data source or demonstrable evidence used was:

- Alaska Unified Certifications Program (AUCP) DBE Directory: The AUCP DBE Directory contains detailed information on certified ACDBEs including ethnicity information and NAICS certifications. <https://dot.alaska.gov/cvlrts/directory.shtml>
- National Certified Directory: The FAA National DBE/ACDBE Directory is a nationwide list of certified Disadvantaged Business Enterprises (DBE) and Airport Concession Disadvantaged Business Enterprises (ACDBE). <https://faa.dbesystem.com/>
- Census Bureau Data: The Census Bureau’s County Business Pattern (CBP) database contains data regarding available firms by location and NAICS code. <https://data.census.gov/>

Figure 3

2017 NAICS Code	NAICS Description	Total - ACDBEs	Total - All Firms
453220	Gift, Novelty, and Souvenir Retailers	146	18609
454210	Vending Machine Operators	1	5
488119	Baggage Carts	53	2083
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	1	4
541810	Advertising Agency	104	14612
722511	Full Service Restaurants	300	250186
812930	Parking Lots and Garages	45	11713
Total		650	297212
Base of the Goal	650 / 297212	0.22%	

Step one of the goal-setting process yielded a base figure for the relative availability of non-car rental ACDBEs of 0.22%

Concessions opportunities are not expected to impact projected gross receipts and projected non car rental ACDBE participation. The ATM Concession will go out to bid in 2024, but it is not expected to impact overall projected gross receipts.

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 FAI 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 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 16.68%. **Our overall goal for non-car rental concessions is 16.86%.**

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 at FAI.

Figure 4

Fiscal Year	Non-Car Rental ACDBE Concessions Revenue	ACDBE Participation (%)
FFY2018	\$2,068,256	30.34%
FFY2019	\$2,283,957	31.47%
FFY2020	\$1,432,813	33.50%
FFY2021	\$2,540,853	43.71%
FFY2022	\$3,512,670	42.07%

Arranging this historical data from low to high, 30.34%, 31.47%, 33.50%, 42.07%, and 43.71%, **the median is 33.50% which is our Step 2 figure.**

To arrive at an overall goal, we added our Step 1 base figure with our Step 2 adjustment figure and then averaged the total arriving at an overall goal of 16.86%.

Step 1: 0.22% plus Step 2: 33.50% = 33.65% divided by 2 = 16.86% for the overall goal.

We feel this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 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.

Consultation: Section 23.43

The goal setting process used by Alaska DOT&PF to establish the annual overall goal submitted to the operating administration for approval includes consultation with minority, women’s and ACDBE community organizations, and other officials or organizations which could be expected to have information concerning the availability of ACDBEs and non-ACDBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for ACDBEs and establishing a level playing field for the participation of ACDBEs. The Alaska DOT&PF maintains a list of DBE/ACDBEs and non-DBE companies that were utilized to provide invitations to the stakeholder consultation. Alaska DOT&PF first worked to raise awareness among interested stakeholders, then established a formalized process for stakeholders to submit comments.

Email notification of the proposed DBE goal and instructions for submitting comments and feedback were sent on April 12, 2023 and on April 20, 2023 to DBE/ACDBEs, car rental concessionaires, DBE/ACDBE conference attendees, AUCP members, Civil Rights Office Partners, and Alaska DOT&PF airport staff. Further, the FAI ACDBE goal methodology was covered during the monthly Resource

Development Meeting that the Civil Rights Office attends at the Procurement Technical Assistance Center. Additionally, information regarding consultation for the FAI ACDBE goal methodology was posted on the Alaska DOT&PF Facebook page.

The majority of comments received were obtained during a live consultation session held on April 21, 2023. Summaries of the comments and questions received, as well as the Department's responses, are detailed below:

- Questions about the terms race-neutral, race-conscious, ACDBE, DBE, car rental goal, non-car rental goal, how the goals are determined and met, and about funding.
 - Provided definitions of terms, and explained how the program works and how the goals are arrived at and met, and who the funding entity is.
- A question about the differences between this goal methodology and the ACDBE goal methodology for Alaska's other international airport, ANC.
 - Different airports operate with different capacities and opportunities for participation.
- Questions regarding race-neutral vs race-conscious splits regarding car rental and non-car rental goals.
 - Explained that car rental goals and non-car rental goals are generally both either race-neutral or race-conscious due to the use of the Disparity Study, but could potentially be different, or split differently.
- Question about how often these ACDBE goal methodologies are done and when they are due.
 - Gave information regarding the schedule for how often and when ACDBE goal methodologies are due, and what kind of information is gathered and how.

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

Alaska DOT&PF will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Alaska DOT&PF 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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Alaska DOT&PF ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

We estimate that, in meeting our overall goal of 16.86%, we will obtain **16.86% from race-neutral participation and 0% through race-conscious measures.**

Actual non-car rental ACDBE participation at FAI has exceeded the previous ACDBE non-car rental goal of 15.01% for the previous five years:

Figure 5

Fiscal Year	Non-Car Rental Concessions Revenue	Non- Car Rental Concessions Revenue- ACDBE	ACDBE Participation (%)
FFY2018	\$6,816,493	\$2,068,256	30.34%
FFY2019	\$7,258,119	\$2,283,957	31.47%
FFY2020	\$4,277,027	\$1,432,813	33.50%
FFY2021	\$5,813,549	\$2,540,853	43.71%
FFY2022	\$8,349,872	\$3,512,670	42.07%

Section 23.45: Overall Goal Calculation for Car Rentals

Overall Three-Year Goal:

1.00% to be accomplished through 0.00% RC and 1.00% RN

The Alaska DOT&PF has determined the market area is as follows: The state of Alaska (S), the Fairbanks North Star Borough (B) in Alaska, as well as the Nationwide (N) market area.

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

Market Area: The market area was determined utilizing the following information.

Figure 6

NAICS CODE	Type of Goods and Services	Market Area
459410/453210	Office Supplies	N
237310	Parking Lot Striping	S
423130	Tire Wholesaler	B
423850	Cleaning Supplies	S
423990	Durable Goods	N
424720	Fuel Dealers	B
441110	New Car Dealership	N
441310	Auto Parts Supplies	S
488410	Towing	B
517311	Phone System	S
524210	Insurance	N
541211	Accounting	N
541810	Advertising Agency	N
561439	Printing	B
561621	Alarm System	S
561622	Locksmith	B
561720	Janitorial Services	B
811111	General Auto Repair	B
811121	Auto Body Repair	B
811122	Auto Glass	B
811191	Oil Change	B
811192	Car Wash/Detail	B
811212	Computer/office Repair	B

Methodology used to Calculate Overall Goal

Goods and Services

As there are no ACDBE car rental concessions in the market area, we can calculate the ACDBE goal by including the purchases from ACDBEs of goods and services used in business conducted at the airport by the car rental agencies. The goal will be developed by considering the ACDBE goods and services

opportunity dollar value from purchases of goods and services from ACDBEs as the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) as the denominator.

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 Alaska DOT&PF 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 Alaska DOT & PF and 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 Alaska DOT & PF and 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 Alaska DOT&PF and the AUCP 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: Alaska Rent-A-Car, Copper River Rentals, EAN Holdings, LLC, Hertz Corporation and Rental Services, LLC.

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: Office Supplies, Parking Lot Striping, Tire Wholesaler, Cleaning Supplies, Durable Goods, Fuel Dealers, New Car Dealership, Auto Parts Supplies, Towing, Phone System, Insurance, Accounting, Advertising Agency, Printing, Alarm System, Locksmith, Janitorial Services, General Auto Repair, Auto Body Repair, Auto Glass, Oil Change, Car Wash/Detail, and Computer/office Repair with estimated gross receipts (gross purchases) of \$4,151,604.00.

Gross Receipts (Goods & Services Purchases) x ACDBE Goal

$\$4,151,604.00 \times 1.00\% = \$41,516.00$ – Estimated ACDBE Participation per year

Base of Car Rental Goal

Step 1: 23.51(c)

We determined the base figure for the relative availability of goods and services. The base figure was calculated as follows:

Numerator: Ready, willing, and able relevant goods and services ACDBE firms in the market area 181 divided by 242,023.

Denominator: All ready, willing, and able relevant goods and services firms in the market area

The data source or demonstrable evidence used was:

- Alaska Unified Certifications Program (AUCP) DBE Directory: The AUCP DBE Directory contains detailed information on certified ACDBEs including ethnicity information and NAICS certifications. <https://dot.alaska.gov/cvlrts/directory.shtml>
- National Certified Directory: The FAA National DBE/ACDBE Directory is a nationwide list of certified Disadvantaged Business Enterprises (DBE) and Airport Concession Disadvantaged Business Enterprises (ACDBE). <https://faa.dbesystem.com/>
- Census Bureau Data: The Census Bureau’s County Business Pattern (CBP) database contains data regarding available firms by location and NAICS code. <https://data.census.gov/>

Figure 7

NAICS CODE	Type of Goods and Services	Total ACDBE’s	Total All Firms
459410/453210	Office Supplies	4	4475
237310	Parking Lot Striping	1	83
423130	Tire Wholesaler	0	9
423850	Cleaning Supplies	0	9
423990	Durable Goods	35	9645
424720	Fuel Dealers	0	3
441110	New Car Dealership	2	21622
441310	Auto Parts Supplies	0	104
488410	Towing	0	19
517311	Phone System	0	17
524210	Insurance	13	135939
541211	Accounting	18	55346
541810	Advertising Agency	105	14612
561439	Printing	0	12
561621	Alarm System	0	13
561622	Locksmith	0	7
561720	Janitorial Services	3	32
811111	General Auto Repair	0	35
811121	Auto Body Repair	0	10
811122	Auto Glass	0	5
811191	Oil Change	0	3
811192	Car Wash/Detail	0	4
811212	Computer/office Repair	0	19
Total		181	242,023
Base of Goal	181/242,023	. 07 %	

Base **0.07%**
Adjusted **1.00%**

The Alaska DOT&PF does not anticipate any major changes that would increase goods and services opportunities over the next year. Progress will be checked annually.

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 Alaska DOT&PF 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 2: 23.51 (d)

Past History Participation

We do not have a history of accomplishments to use for a Step 2 adjustment. Also, we do not have an applicable disparity study or any other statistically reliable evidence to use to adjust the goal. Therefore, we do not believe a Step 2 Adjustment can be made based on demonstrable evidence. We are adopting our Step 1 goal of 1.00% with plans to conduct informational meetings and outreach to ACDBE firms to ensure the goal is reached. We also plan to aggressively outreach to minority and small business firms who may be potential ACDBE firms in an effort to ensure fair opportunities for all. We will be conducting outreach jointly with our car rental agencies to ensure that earnest efforts are made to meet the goal. With these measures considered, the base goal is adjusted to 1.00%.

Consultation: Section 23.43

The goal setting process used by Alaska DOT&PF to establish the annual overall goal submitted to the operating administration for approval includes consultation with minority, women's and ACDBE community organizations, and other officials or organizations which could be expected to have information concerning the availability of ACDBEs and non-ACDBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for ACDBEs and establishing a level playing field for the participation of ACDBEs. The Alaska DOT&PF maintains a list of DBE/ACDBEs and non-DBE companies that were utilized to provide invitations to the stakeholder consultation. Alaska DOT&PF first worked to raise awareness among interested stakeholders, then established a formalized process for stakeholders to submit comments.

Email notification of the proposed DBE goal and instructions for submitting comments and feedback were sent on August 11, 2023 and August 16, 2023 to DBE/ACDBEs, car rental concessionaires, DBE/ACDBE conference attendees, AUCP members, Civil Rights Office Partners, and Alaska DOT&PF airport staff. Further, seeking consultation on the FAI ACDBE goal methodology was covered during the monthly Resource Development Meeting that the Civil Rights Office attends at the Procurement Technical Assistance Center and was posted on the Civil Rights Office website. Additionally, information regarding consultation for the FAI ACDBE goal methodology was posted on the Alaska DOT&PF Facebook page.

Prior to submitting the ACDBE goal to the FAA the Alaska DOT&PF consulted with stakeholders on August 16, 2023, at approximately 1:00 pm AKDT, and the list of attendees in below in Figure 8. During the meeting Alaska DOT&PF received a question regarding car-rental goal setting and information collection and we responded with information regarding the process.

Figure 8

Fairbanks International Airport Agencies Consulted With	
Agency/Organization	Discussion/Information
Kim Swenson, Airport Leasing Specialist 2 Alaska DOT&PF	Availabilities of ACDBEs, Directories, ACDBE opportunities, Goal setting
Timothy Moses, Contract Compliance Specialist Alaska DOT&PF	Availabilities of ACDBEs, Directories, ACDBE opportunities, Goal setting
Robert Hunsinger EHI	Availabilities of ACDBEs, Directories, ACDBE opportunities, Goal setting
Clayton Pippin, DBE Planner Taffy Pippin Consulting, LLC	Availabilities of ACDBEs, Directories, ACDBE opportunities, Goal setting
Taffy Pippin, DBE Consultant Taffy Pippin Consulting, LLC	Availabilities of ACDBEs, Directories, ACDBE opportunities, Goal setting
Tracy Smith, Office Manager/Dispatcher Local 71	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Jennifer Yuhas, Strategic Communication Director Local 71	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Tabitha Taylor Avis	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Chris Watson Avis	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Rashaud Joseph, Statewide Civil Rights Office Program Manager, Alaska DOT & PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Jennifer Rackliff, Research Analyst II Alaska DOT & PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Sarah Starzec, Certification and Contract Compliance Officer, Alaska DOT&PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Dixie Neimi EHI	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Robespierre Howard, Title VI & ADA Program Alaska DOT & PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Ann Pham, DBE Certification Analyst Alaska DOT & PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting
Angelo Tutaan, Certification Analyst Alaska DOT & PF	Availabilities of ACDBEs, Directories, small business and ACDBE opportunities, Goal setting

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

The Alaska DOT&PF will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Alaska DOT&PF 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. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the Alaska DOT&PF's ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and

We estimate that, in meeting our overall goal of 1.00%, we will obtain 1.00% from race-neutral participation and 0.00% through race-conscious measures.

References: Alaska DBE Directory August 2023

FAA Matchmaker System National Certified Directory, August 2023

U S Census Bureau/Census Data, August 2023