



Raleigh-Durham Airport Authority

ACDBE Certification and RDU

What is a Concession?

A **concession** is a for-profit business located on an airport engaged in the sale of consumer goods or services to the public or a business not located on the airport with activities that take place on an airport under an agreement with the airport or another concessionaire.

- Food & beverage, retail operators, personal services, ATM, currency services
- Management contracts, advertising businesses, electronic businesses
- Businesses that provide goods or services to concessionaires
 - Suppliers, retail goods, paper goods, uniform services, insurance providers, legal services
- Rental car and related services

What is an ACDBE?

- An **ACDBE** is a for-profit, small business **owned, managed and controlled** by socially and economically disadvantaged individual
 - Minority or women-owned with personal net worth and business size standards
- Must undergo a certification process to be certified in North Carolina as an ACDBE

A photograph of an airport terminal at sunset. The terminal has a modern design with large glass windows and a prominent, angled roof structure. An airplane is flying in the sky above the terminal. The sun is low on the horizon, creating a warm, orange glow.

What is the ACDBE Program?

- Originated in Atlanta in the 1970s by Mayor Maynard Jackson
- US Department of Transportation issued **49 CFR Part 23**, “Participation by Disadvantaged Business Enterprises in Airport Concessions”
- Designed to increase opportunities for minority and women-owned companies to participate in airport concessions
- Required for airports receiving Federal funding

ACDBE Program Objectives

The regulations and the ACDBE program seek to achieve several objectives:

- Create a **level playing field** on which ACDBEs can compete fairly
- To **ensure nondiscrimination** in the award and administration of concessions opportunities
- To ensure that only firms that **fully meet the eligibility standards** are permitted to participate as ACDBEs;
- To help **remove barriers** to the participation of ACDBEs in opportunities for concessions
- To ensure that the ACDBE program is **narrowly tailored** in accordance with applicable law
- To provide appropriate flexibility to airports in establishing and providing opportunities for ACDBEs.



RFPs & ACDBE Goals

- Many of RDU's RFP will include a contract goal for the participation of ACDBEs within their proposal.
- Both ACDBE and non-ACDBE proposers must comply with the ACDBE program.

What is the Benefit of ACDBE Certification?

ACDBE certification is a marketing tool which makes your business visible and more competitive to firms who may wish to partner. ACDBE certification does not guarantee that a proposal will be successful.

Applying for ACDBE Certification

Applicants must show that they meet size, group membership, ownership, and control standards by a preponderance of the evidence.

The applicant bears the burden of proving, by a preponderance of evidence, that it meets eligibility criteria.

Affidavit of Certification

Program Objective: To ensure that only firms that fully meet eligibility standards are permitted to participate as ACDBEs.

All applicants must submit this signed and notarized statement:

Any material or false statement or omission made in connection with this application is sufficient cause for denial of certification, revocation of prior approval, initiation of suspension or debarment proceedings, and may subject the person and/or entity making the false statement to any and all civil and criminal penalties available pursuant to applicable federal and state law.



Certification Considerations

- Ownership
- Control
- Independence
- Group membership
- Family-owned/ operated business
- Business size standard
- PNW standard

What is an ACDBE?

An ACDBE is a for-profit **small business** that concessionaire that:

1. Is at least 51% percent owned by one or more individuals who are both **socially and economically disadvantaged**; and
2. Whose management and **daily business** operations are **controlled** by one or more of the socially and economically disadvantaged individuals who own it.



What is a Small Business?

- 3-year average gross receipts less than \$56.42 million

Exceptions:

- Banks - \$1B
- Car rental companies - \$75.23M
- Pay telephones - 1,500 employees
- Automobile dealers - 350 employees

What is Socially and Economically Disadvantaged?

Any individual who has been subjected to **racial or ethnic prejudice or cultural bias** within American society because of his or her identity as a members of groups and without regard to his or her individual qualities. The social disadvantage must stem from circumstances beyond the individual's control.



Who is Socially and Economically Disadvantaged?

- Black Americans
- Hispanic Americans
- Native Americans
- Asian-Pacific Americans
- Subcontinent Asian Americans
- Women

Socially and Economically Disadvantaged

Applicants may be asked for additional documentation to substantiate membership in one of the groups:

An applicant should produce evidence that they have **held himself out to be a member of the group over a long period of time prior to application for certification** and whether the person is **regarded as a member** of the group by the relevant community.

- Applicants claiming Native American group membership must be members of a state or federally-recognized tribe
- Evidence may include Indian tribal roll cards, letters from a community group, education institution, religious leader



Personal Net Worth

- Any individual who has a personal net worth exceeding \$1.32 million is not a socially and economically disadvantaged individual, even if the individual is a member of a group presumed to be disadvantaged.
- Excluding personal residence
- Excluding applicant business



Ownership

The regulations regarding **ownership** are very specific (49 CFR Part 26) regarding:

- Stock ownership
- Gifts or transfers of between disadvantaged individuals and non-disadvantaged individuals
- Capital contributions and investment by all owners

Ownership

A firm must be at least 51% owned by socially and economically disadvantaged (SED) individuals.

- Corporations: SED individual must own at least 51% of each class of voting stock outstanding and 51% of the aggregate of all stock outstanding.
- Partnerships: 51% of each class of partnership interest must be owned by SED individual. Such ownership must be reflected in the firm's partnership agreement.



Ownership

The firm's ownership by SED individuals, including their contribution of capital or expertise to acquire their ownership interests, must be **real, substantial, and continuing, going beyond pro forma ownership of the firm** as reflected in ownership documents. Proof of contribution of capital should be submitted at the time of the application. When the contribution of capital is through a loan, there must be documentation of the value of assets used as collateral for the loan.



A United Airlines airplane is shown in flight against a clear blue sky. Below the plane, the curved, blue, ribbed roof of a large stadium is visible. The stadium's structure is made of yellowish-brown metal panels.

Control

- The regulations are very specific regarding the **control** of a firm.
- Only an independent business may be certified as an ACDBE.
 - An independent business is one the viability of which does not depend on its relationship with another firm or firms.

Control

The SED owners must possess the power to direct or cause the direction of the management and policies of the firm and to make day-to-day as well as long-term decisions on matters of management, policy and operations.

- A disadvantaged owner must hold the highest officer position in the company (CEO, President)
- Corporations: disadvantaged owners must control the board of directors
- Partnerships: one or more disadvantaged owners must serve as general partners, with control over all partnership decisions



Control

- The SED owners must have an overall understanding of, and managerial and technical competence and experience directly related to, the type of business in which the firm is engaged and the firm's operations.
- The SED owners must have the ability to intelligently and critically evaluate information presented by other participants in the firm's activities and to use this information to make **independent decisions** concerning the firm's **daily operations, management, and policymaking**. Generally, **expertise limited to office management, administration, or bookkeeping functions unrelated to the principal business activities of the firm is insufficient** to demonstrate control.



Control

- If state or local law requires the persons to have a particular license or other credential in order to own and/or control a certain type of firm, then the SED persons who own and control a potential ACDBE firm of that type must possess the required license or credential.
- A SED owner cannot engage in outside employment or other business interests that conflict with the management of the firm or prevent the individual from devoting sufficient time and attention to the affairs of the firm to control its activities.





Control

A SED individual may control a firm even though one or more of the individual's immediate family members participate in the firm. If the SED owner cannot demonstrate — as distinct from the family as a whole — control of the firm, then the SED owners have failed to carry their burden of proof concerning control.

Control

Where a firm was formerly owned and/or controlled by a non-disadvantaged individual, ownership and/or control were transferred to a SED individual, and the non disadvantaged individual remains involved with the firm in any capacity, the SED owner must demonstrate that:

1. The was made for reasons other than obtaining ACDBE certification
2. The SED individual actually controls the management, policy, and operations of the firm, notwithstanding the continuing participation of a non-disadvantaged individual



Control

An ACDBE firm must not be subject to any formal or informal restrictions which limit the customary discretion of the SED owners. There can be no restrictions through corporate charter provisions, by-law provisions, contracts or any other formal or informal devices that prevent the socially and economically disadvantaged owners, without the cooperation or vote of any non-disadvantaged individual, from making any business decision of the firm.



Control

Per regulations, these circumstances will be **scrutinized**:

- Relationships with non-ACDBE firms, in such areas as personnel, facilities, equipment, financial and/or bonding support, and other resources
- Present or recent employer/employee relationships between the disadvantaged owner(s) of the potential ACDBE and non-ACDBE firms or persons associated with non-ACDBE firms
- Exclusive or primary relationships with prime contractors



ACDBE Certification Eligibility

ACDBE Ineligibility:

1. An owner claiming disadvantage status does not belong to one of the recognized socially or economically disadvantaged groups
2. An owner claiming disadvantage status does not operate, manage and control the business
3. False information regarding business size or financial status



How to Apply for ACDBE Certification

Firms that plan to do business with RDU can apply for ACDBE certification through the RDU Small Business Office. Other firms should apply through the North Carolina Department of Transportation (NCDOT).

Firms must be certified in North Carolina in order to count towards ACDBE goals.

Applicants from another state must be certified by their home state before applying in North Carolina.

- Use the Interstate Certification Request [form](#)



What is the Application Process?

1. Firm submits the [application](#) to RDU Small Business.
 - Electronically: Submit a request to smallbusiness@rdu.com for secure instructions
 - Mail: Send the application to Raleigh-Durham Airport Authority c/o Thiané Carter, Small Business Programs
 - USPS – PO Box 80001, Raleigh, NC 27623
 - UPS – 1000 Trade Drive, Morrisville, NC 27560
 - FedEx – 1000 Trade Drive, RDU Airport, NC 27623



What is the Application Process?

2. Application Review - RDU will review the application for completeness. Applicants will be notified if any portion of the application or supplementary documents are missing.
3. Certification Review - RDU will review the application for certification. Additional documentation may be requested.
4. Site Visit – A site visit will be scheduled after all supplementary documentation has been submitted to RDU. A site visit is typically performed at the business location.
 - Site visits may be virtual due to the current health emergency



What is the Application Process?

After the site visit, RDU will determine whether the firm is eligible for certification:

- If a firm is approved, the firm is added to the NCDOT Directory
- If a firm is denied, the firm may appeal the certification decision to NCDOT or reapply after 1 year.

Certification Tips

- ✓ Use the [Supporting Documentation Checklist](#)
 - ✓ Provide checklist with the application
- ✓ Provide explanations for each item not provided
- ✓ Read the application carefully; respond to each question



Raleigh-Durham Airport Authority



UNIFORM CERTIFICATION APPLICATION SUPPORTING DOCUMENTS CHECKLIST

In order to complete your application for DBE or ACDBE certification, you must attach copies of all of the following REQUIRED documents. A failure to supply any information requested by the UCP may result in your firm denied DBE/ACDBE certification.

Required Documents for All Applicants

- ☐ Résumés (that include places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm
- ☐ Personal Net Worth Statement for each socially and economically disadvantaged owners comprising 51% or more of the ownership percentage of the applicant firm.
- ☐ Personal Federal tax returns for the past 3 years, if applicable, for each disadvantaged owner
- ☐ Federal tax returns (and requests for extensions) filed by the firm and its affiliates with related schedules, for the past 3 years.
- ☐ Documented proof of contributions used to acquire ownership for each owner (e.g., both sides of cancelled checks)
- ☐ Signed loan and security agreements, and bonding forms
- ☐ List of equipment and/or vehicles owned and leased including VIN numbers, copy of titles, proof of ownership, insurance cards for each vehicle.
- ☐ Title(s), registration certificate(s), and U.S. DOT numbers for each truck owned or operated by your firm
- ☐ Licenses, license renewal forms, permits, and haul authority forms
- ☐ Descriptions of all real estate (including office/storage space, etc.) owned/leased by your firm and documented proof of ownership/signed leases
- ☐ Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past 2 years
- ☐ DBE/ACDBE and SBA 8(a), SDB, MBE/WBE certifications, denials, and/or decertifications, if applicable; and any U.S. DOT appeal decisions on these actions.
- ☐ Bank authorization and signatory cards
- ☐ Schedule of salaries (or other remuneration) paid to all officers, managers, owners, and/or directors of the firm
- ☐ List of all employees, job titles, and dates of employment.
- ☐ Proof of warehouse/storage facility ownership or lease arrangements

Partnership or Joint Venture

- ☐ Original and any amended Partnership or Joint Venture Agreements

Corporation or LLC

- ☐ Official Articles of Incorporation (signed by the state official)
- ☐ Both sides of all corporate stock certificates and your firm's stock transfer ledger
- ☐ Shareholders' Agreement(s)
- ☐ Minutes of all stockholders and board of directors meetings

- ☐ Corporate by-laws and any amendments
- ☐ Corporate bank resolution and bank signature cards
- ☐ Official Certificate of Formation and Operating Agreement with any amendments (for LLCs)

Optional Documents to Be Provided on Request

The UCP to which you are applying may require the submission of the following documents. If requested to provide these documents, you must supply them with your application or at the on-site visit.

- ☐ Proof of citizenship
- ☐ Insurance agreements for each truck owned or operated by your firm
- ☐ Audited financial statements (if available)
- ☐ Personal Federal Tax returns for the past 3 years, if applicable, for other disadvantaged owners of the firm.
- ☐ Trust agreements held by any owner claiming disadvantaged status
- ☐ Year-end balance sheets and income statements for the past 3 years (or life of firm, if less than three years)

Suppliers

- ☐ List of product lines carried and list of distribution equipment owned and/or leased



Certification Tips

- ✓ Respond to requests for information quickly
- ✓ Apply for certification prior to the issuance of an RFP
 - ✓ The RDU certification process typically takes 6 weeks after a complete application is received

Helpful Links

ACDBE Certification Application – <https://tinyurl.com/acdbecert1849>

49 CFR Part 23 – <https://tinyurl.com/acdberules>

49 CFR Part 26 – <https://tinyurl.com/dberules>

FAA Joint Venture Guidance – <https://tinyurl.com/jvguide>

Concessions 101 Event – <https://tinyurl.com/rdu101event>

Small Business Email Address – smallbusiness@rdu.com

NCDOT DBE Certification [Portal](#)



