

A photograph of an airport tarmac at dusk or dawn. In the background, a large United Airlines aircraft (N871UA) is parked at a gate with its tail fin visible. To the right, another United aircraft (N652RW) is partially visible. In the foreground, a Delta Connection aircraft (N301PQ) is parked. Ground service vehicles, including a white van and a cargo loader, are positioned between the planes. The scene is dimly lit, with some ground lights visible.

Welcome!

We will start the meeting soon.



# RDU Concessions Outreach Meeting

January 5, 2023



Raleigh-Durham  
Airport Authority





# Agenda

- Welcome & Introductions
- Passenger Traffic
- Air Service Overview
- Demographics
- Concessions Program Goals
- Airport Operating Environment
- ACDBE Certification & Participation
- Opportunity Overview
- Next Steps



# Welcome & Introductions

- **Kimberly Stewart, CRRP**
  - VP of Concessions
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- **Staci Saker**
  - Director of Concessions
  - [staci.saker@rdu.com](mailto:staci.saker@rdu.com)
- **Thiane Carter**
  - Director of Small Business
  - [thiane.carter@rdu.com](mailto:thiane.carter@rdu.com)





# Housekeeping Items

- Use chat feature to send your questions
- Silence cell phones
- All virtual attendees muted
- Unmute for individual discussion



# Passenger Traffic

- 5.4 million enplanements thru November 2022
- 10.8 million total passengers thru November 2022
- Recovery of 90% of traffic compared to 2019
- 20% / 80% split of enplanements between Terminal 1 & Terminal 2





# Air Service

- 14 Total Airlines serving RDU
  - Recent new/future carriers
    - Iceland Air
    - Avelo
    - Bahamasair
    - Breeze - February 2023
- International Routes
  - Montreal
  - Toronto
  - Mexico
  - Iceland
  - Paris
  - London
  - Freeport
- 350+ daily flights
- 43 Nonstop destinations

## 43 Nonstop Destinations



### U.S. Destinations

Austin  
Atlanta  
Baltimore-Washington  
Boston  
Charlotte  
Chicago-Midway  
Chicago-O'Hare  
Dallas-Fort Worth  
Dallas-Love Field  
Denver  
Detroit  
Fort Lauderdale  
Houston-Bush  
Houston-Hobby  
Kansas City  
Las Vegas  
Los Angeles  
Miami

Minneapolis  
Nashville  
Newark  
New Haven  
New York-JFK  
New York-LaGuardia  
Orlando-International  
Philadelphia  
Phoenix  
Pittsburgh  
Salt Lake City  
San Francisco  
San Juan  
Seattle  
St. Louis  
Tampa  
Washington-Dulles  
Washington-Reagan

### International Destinations

Cancun  
Freeport  
London  
Montreal

Paris  
Reykjavik  
Toronto







# Demographics

- Business vs Leisure = “Bleisure”
- Demographic has changed
- Hybrid passenger
  - Experience vs Convenience
  - Served vs Self-serve

A photograph of an airport tarmac at dusk or dawn. In the background, a large United Airlines aircraft (N871UA) is parked with its cargo door open. To its right, another aircraft (N652RW) is visible. In the foreground, a Delta Connection aircraft (N301PQ) is parked. Ground service vehicles and equipment are scattered around the planes. The scene is dimly lit, with some ground lights visible.

# Concessions Overview





# Concessions Program Goals

- Developed a well-balanced and reimagined concessions program
- Promote a competitive concessionaire environment
- Elevate the guest experience
- Increase diversity of concessions offering
- Facilitate and encourage ACDBE participation



# Concessions Program Overview

- Concessions includes:
  - Food & Beverage
  - Coffee
  - Retail
  - Rental Car
  - Advertising
  - Passenger Services
  - Vending





# Concessions 101

- Visit the website to learn more about operating in an airport
  - [www.rdu.com/concession](http://www.rdu.com/concession)



# Operating Environment

- Dynamic environment
- Shifting traffic patterns
- 24/7 Operation
- Security requirements for employees and contractors
- Replenishment of products & services must be coordinated outside of high traffic periods





## Rent & Fees

- Percentage Rent
- Transaction Fees
- Security Deposit
- Fingerprinting
- Badging
- Parking
- Telecom & WiFi



# Compliance

- Insurance
- Construction/Installation
- Repairs and Maintenance
- Badging – Security requirements



# Upfit and/or Installation

- Tenants are responsible for
  - Upfit of units
  - Installation of equipment/machines
- Available utilities will be detailed in the RFP document



A photograph of an airport tarmac at dusk or dawn, featuring several aircraft. In the background, a large United Airlines plane (N871UA) is parked with its cabin door open. To its right, another United plane (N652RW) is visible. In the foreground, a Delta Connection plane (N301PQ) is parked. Ground service vehicles and equipment are scattered around the aircraft. The scene is dimly lit, with some lights visible on the planes and the ground.

# ACDBE Airport Concessions Disadvantage Business Enterprise





# What is the ACDBE Program?

- 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

# 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



# 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

# ACDBE Program Requirements

- ACDBE program requires that RDU sets goals for the participation of ACDBEs in concessions activities
- Goals represent the percentage of revenues that ACDBE firms could expect to achieve **absent of discrimination and its effects** based on the availability of ACDBEs
  - Goal for ACDBEs in **car rental concessions** activities
  - Goal for ACDBEs in **non-car rental concessions** activities



# How Does RDU Achieve the Overall Goals?

1. The overall goals are submitted to the Federal Aviation Authority (FAA).
2. Each time an RFP is issued, RDU will analyze the opportunity and assign a contract goal. **Proposers must meet or exceed the goal or efforts in good faith to meet the goal in the proposal.**
3. Leaseholders must meet the contract goal or make efforts in good faith to meet the goal.
4. RDU compiles the ACDBE participation of each lease and submits the overall ACDBE participation to the FAA annually



# 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, including the goal requirement.



# How Do Proposers Meet the ACDBE Goal?

Non-ACDBE proposers should analyze each RFP to determine whether there is an opportunity for **direct ownership arrangements** with ACDBE firms:

- Is there an opportunity to sublease one or more locations to an ACDBE operator?
- Is there an opportunity for meaningful participation through a joint venture partnership?

Proposers may also propose to meet the ACDBE goal through the **purchase of goods and services** from certified ACDBEs.

# How Do Proposers Meet the ACDBE Goal?

- **Direct ownership arrangement** – ACDBE owns and controls a concession through a direct lease, joint venture, partnership, sublease or other arrangement.
- Proposers are required to make good faith efforts to explore all available options to meet goals, **to the maximum extent practicable**, through **direct ownership arrangements** with ACDBEs.
- Participation is calculated by comparing the total revenues from concessions to the revenues generated by the ACDBE firm.



# What is a Joint Venture?

An “association of an ACDBE firm and one or more other firms to carry out a single, business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge

and

in which the ACDBE is responsible for a distinct, clearly defined portion of the work of the contract and whose shares in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.”



# Joint Ventures

- JV participation is direct ownership participation
- Only the portion of distinct, clearly defined work performed by the ACDBE can be counted towards the goal
- FAA provided joint venture [guidance](#) to airports which may be helpful to proposers
- RDUAA will examine each JV agreement prior to accepting the proposed participation to determine the amount of ACDBE participation





# Indirect Participation

- The purchase of goods and services from an ACDBE
  - Participation is determined by comparing the cost of the purchase to gross receipts of the business
- Replenishment services

# ACDBE Goals and Good Faith Effort

If a proposer does not meet the ACDBE goal in its proposal, the proposer is still eligible for contract award if it can provide **documentation** that it took **all necessary and reasonable steps to achieve the ACDBE goal** by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient ACDBE participation.

RDU will determine whether a proposer has made good faith efforts by analyzing its documented efforts.





# Good Faith Determination

- The efforts should be those that one could reasonably expect if the bidder were actively and aggressively trying to meet the ACDBE contract goal. Mere pro forma efforts are not good faith efforts to meet the ACDBE contract requirements



# Good Faith Effort Considerations

- Identifying ACDBEs, including suppliers and soliciting through all reasonable and available means the interest of all certified, capable ACDBEs.
  - Networking at pre-proposal and networking events
  - Advertising and/or providing written notices to ACDBEs



# Good Faith Considerations

Selecting portions of the contract to be performed by ACDBEs in order to increase the likelihood that the ACDBE goals will be achieved.

- This includes, where appropriate, breaking out specific activities into economically feasible units to facilitate ACDBE participation, even when the prime contractor might otherwise prefer to self-perform
- For example, individual locations within a joint venture to be distinctly operated by an ACDBE

# Good Faith Considerations

Negotiating in good faith with interested ACDBEs

- Documentation of such negotiation includes the names and contact information of ACDBEs which were considered; a description of the work or scope for which they were considered; and evidence as to why the agreement could not be reached for ACDBEs.



# Good Faith Considerations

Effectively using the services of available minority/women community organizations; local, State, and Federal minority/women business assistance offices; and other organizations to provide assistance in the recruitment and placement of ACDBEs.

- Networking events
- Trade organizations
- Engaging with interested ACDBEs, maintaining contacts



# Benefits 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.



# Interested Vendor Registration

- Interested Vendor Registration: <https://rdu.diversitycompliance.com/?TN=rdu>
- Interested Vendor Registration - RALEIGH DURHAM AIRPORT TRAINING: January 12, 2023 at 2:30pm EST. Register through the Vendor Registration System.
- Raleigh-Durham Airport Authority regularly hosts workshops and presentations throughout the year to provide additional information on how to do business with the airport. Visit <https://www.rdu.com/businessexpo/> to review previous presentations and recordings of past events.





# Helpful Links

- ACDBE Certification Application – <https://tinyurl.com/acdbecert18>
- 49 CFR Part 23 – <https://tinyurl.com/acdberules>
- FAA Joint Venture Guidance – <https://tinyurl.com/jvguide>
- Concessions 101 Event – <https://tinyurl.com/rdu101event>
- Small Business Email – [smallbusiness@rdu.com](mailto:smallbusiness@rdu.com)
- RDU ACDBE Directory – [rdu.diversitycompliance.com](http://rdu.diversitycompliance.com)



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Questions  
Use Chat feature to send your questions.



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# Upcoming Opportunities





# Opportunities

- Passenger Services
  - Flower and gifts
  - Brochure rack
  - Mail back service
  - Reverse ATM
  - Device Charging Stations or other customer amenity



# Next Steps

- Consideration of feedback
- Release of RFP
- Pre-Proposal Conference
- Proposals Due



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Thank you for joining us.