

I. CONCESSION SMALL BUSINESS ELEMENT POLICY

The Alaska Division of Statewide Aviation (SWA) is committed to ensuring that small businesses are offered an equitable opportunity to participate in the airport concession program contracting and procurement process. SWA's Concession Small Business Element (the "Small Business Program" or the "Program"), as described herein, applies to airport concessions as defined by 49 CFR part 23 operating at primary airports under the SWA system. The Program does not replace the ACDBE Program or otherwise operate as a substitute for the ACDBE Program. It operates as a race-and gender-neutral tool that may assist small businesses, including ACDBEs, to participate more fully in SWA's concession opportunities.

This Small Business Program will not be used to discriminate against any company or groups of companies. The Program is designed to include all segments of the business community and is open to participation without regard to race, color, sex, religion, national or ethnic origin, age, disability, or geographic location.

The Small Business Program will utilize procedures that promote inclusion and opportunity, while maintaining race and gender-neutral measures.

II. AUTHORIZATION

In accordance with the regulations governing the U.S. Department of Transportation (DOT) Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, 49 CFR part 23, SWA is required to set overall ACDBE goals for each primary airport every three years. Pursuant to 49 CFR Part 23, section 23.25, recipients are required to maximize the use of race-neutral measures, obtaining as much as possible of the ACDBE participation needed to meet overall goals through such measures. (49 CFR § 23.25(d)). This Small Business Program has been developed in compliance with this directive.

III. NON-DISCRIMINATION

In accordance with 49 CFR Part 23, section 23.9, each concession contract or lease that SWA signs with a concessionaire will include the following assurance. In addition, SWA will require each contractor to include this clause in its subcontracts.

(1) "This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, [49 CFR part 23](#). The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by [49 CFR part 23](#)."

(2) "The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by [49 CFR part 23](#), that it enters and cause those businesses to similarly include the statements in further agreements."

IV. SMALL BUSINESS ENTERPRISE DEFINITION

A Small Business Enterprise Concession (SBEC) shall be defined as follows:

An SBEC, for purposes of this program, is a small business concern. A small business concern is defined as a for-profit business concern for which gross receipts, including gross receipts of all affiliate firms as defined by the Small Business Administration, averaged over the firm's previous five fiscal years, do not exceed \$56.42 million.

In addition, the owners of a minimum of 51% of the applicant small business shall not have a personal net worth exceeding \$2.047 million. For purposes of verification as an SBE, personal net worth shall be defined as follows:

Personal net worth means the net value of the assets of an individual remaining after total liabilities are deducted. An individual's personal net worth does not include: The individual's ownership interest in the applicant firm; the individual's equity in his or her primary place of residence; or the individual's assets in qualified retirement accounts. An individual's personal net worth includes only his or her own share of assets held jointly with the individual's spouse. Instructions for completing the personal net worth form are included in the form.

V. SMALL BUSINESS ENTERPRISE VERIFICATION

A firm who wishes to participate as an SBEC on an SWA project and is not certified as an ACDBE by the Alaska Unified Certification Program (“AUCP”), may apply for verification as an SBEC by filing an Airport Concession Small Business Enterprise (SBEC) Verification Form and submitting the form along with all required attachments to SWA at least 30 days prior to the submission date for a small business concession opportunity. Firms with a current, valid ACDBE certification from the AUCP are automatically considered to be SBEC firms in the same trades as their ACDBE certification.

Firms applying for verification as an SBEC must provide all information and documentation required to verify that the firm meets the definition of a Small Business Enterprise Concession.

VI. OBJECTIVES/STRATEGIES

The objective of SWA's Small Business Program is to provide opportunities for direct ownership and direct contracting participation by small businesses in SWA concessions.

SWA is currently in the process of conducting a concession inventory at each of the SWA primary airports. Given the size and location of the SWA primary airports, we believe some of the tenants currently operating are small businesses. Certain tenants may be operating without a lease agreement. Once we have completed the inventory, understand lease termination dates, and have conducted an analysis of small business availability in each region, we will be better positioned to finalize a plan that can be reasonable implemented. In the meantime, SWA is committing to completing the inventory and identifying the feasibility of small business set asides at each airport. Given the size of the

airports, the enplanement levels, the remote locations, and the fact that SWA will have to work with private terminal owners to implement a small business element, we believe that implementation of the small business element is not feasible until 2026.

As each inventory is completed, SWA will review the upcoming opportunities to determine if unbundling to provide for small business set-aside opportunities are feasible based on the financial opportunity presented.

The criteria used to determine if an opportunity should be reserved for small business shall include small business capacity, small business availability, nature of the contract, past experiences with small business participation with similar contracts, and subcontracting or unbundling opportunities. Procedures for implementation, including good faith efforts requirements, information submitted with the proposal, and reporting procedures shall be consistent with procedures utilized in SWA's ACDBE Program under a race neutral environment.

VII. TRACKING SBE PARTICIPATION

SWA will track and monitor participation by ACDBEs and other small businesses that results from the implementation of this small business element. Participation will be reported annually as part of the Uniform Report of ACDBE Participation.

VIII. COMPLIANCE PROCEDURES

Monitoring and enforcement procedures applicable to a race neutral environment for this element of the ACDBE Program will be implemented in the same manner as concession projects containing ACDBE goals, excluding the race and gender component of the Program.

IX. ASSURANCES

SWA makes the following assurances regarding this small business element:

- This small business element is authorized [*i.e., not prohibited*] under State law;
- Certified ACDBEs that meet the size criteria established under this element are presumptively eligible to participate therein element;
- There are no geographic preferences or limitations imposed on any concession opportunities included in this small business element;
- There are no limits on the number of concession opportunities awarded to firms participating in this element, but every effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses;
- SWA will take aggressive steps to encourage those minority and women owned firms that are eligible for ACDBE certification to become certified; and
- This element is open to small businesses regardless of their location. There is no local or other geographic preference as part of this small business element.