

I. CONCESSION SMALL BUSINESS ELEMENT POLICY

The Fairbanks International Airport (“FAI”) is committed to ensuring that small businesses are offered an equitable opportunity to participate in the airport concession program contracting and procurement process. FAI’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. 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 FAI’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, FAI is required to set overall ACDBE goals 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 FAI signs with a concessionaire will include the following assurance. In addition, FAI 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 FAI project and is not certified as an ACDBE by the Alaska Unified Certification Program (“AK UCP”), may apply for verification as an SBEC by filing a Small Business Enterprise Concession (SBEC) Verification Form and submitting the form along with all required attachments to FAI at least 30 days prior to the submission date for a small business concession opportunity. Required attachments include the most recent five years of federal tax returns for the applicant business and all affiliates, a personal net worth form, and the most recent three years of personal tax returns for the owner(s) of a minimum of 51% of the applicant firm. Firms with a current, valid ACDBE certification from the AK UCP are automatically considered to be SBEC firms in the same trades as their ACDBE certification and are not required to submit an SBEC verification form.

Firms applying for verification as an SBEC must provide all information and documentation required by the Alaska Department of Transportation & Public Facilities (DOT&PF) Civil Rights Office (CRO), necessary to verify that the firm meets the definition of a Small Business Enterprise Concession.

VI. OBJECTIVES/STRATEGIES

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

The Small Business Program utilizes small business set-asides and small business goals when appropriate to accomplish the objective.

All concession solicitations shall be reviewed by the ACDBELO to determine if unbundling the contract to provide for small business set-aside opportunities is appropriate for the solicitation. Opportunities for pop-up locations with short term leases (12 – 24 months) will be identified at the airport and solicited separately as small business set-asides. In addition, SBEC contract goals may be set for a contract when it has been determined that a race conscious contract goal will not be set and that, instead, race neutral measures will be used. An SBEC goal may be used as a race neutral measure for concessions that have subcontracting opportunities.

The criteria used to set a race neutral SBE goal shall include small business capacity, small business availability, nature of the contract, past experiences with small business participation with similar contracts, and subcontracting opportunities. Procedures for implementation, including good faith efforts requirements and information submitted with bid and reporting procedures shall be consistent with procedures utilized in FAI's ACDBE Program under a race neutral environment. Good faith efforts to achieve a race neutral goal shall apply when an SBE goal has been set for a project.

There are currently four locations that have been identified for implementation of the pop-up program and are currently under review. The locations range in size from 100 – 500 square feet. While the airport currently has no plan to invest in the build-out of these facilities, the rates and charges are set to accommodate smaller opportunities, and the spaces currently exist in a condition that would require minimum investment. Solicitations will be tailored to small businesses in an effort to reduce proposal costs.

Going forward, FAI will continue to identify opportunities for small business set-asides as they arise. In addition, FAI will conduct outreach to small businesses to build the pool of potential applicants. FAI currently keeps an interested parties list of firms who have expressed interest in FAI concession opportunities. These firms will be included in the outreach efforts

VII. TRACKING SBE PARTICIPATION

FAI 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

FAI 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;
- FAI 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.