

ACDBE GOALS

Cincinnati/Northern Kentucky
International Airport
FY 2024-2026



**CINCINNATI/NORTHERN KENTUCKY
INTERNATIONAL AIRPORT**

**CINCINNATI/NORTHERN KENTUCKY
INTERNATIONAL AIRPORT**

**Federal Aviation Administration (FAA)
Overall Airport Concessionaire
Disadvantage Business Enterprise (ACDBE)
Goal-Setting Methodology**

Fiscal Federal Years (FFY) 2024-2026

Goal Period

Non-Car Rental Goal: 11.04%

Car Rental Goal: 1.62%

Submitted in fulfillment of:
Title 49 Code of Federal Regulations Part 26

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1 INTRODUCTION

The Kenton County Airport Board (KCAB) for the Cincinnati/Northern Kentucky International Airport (CVG), as a recipient of federal funds, is required under 49 Code of Federal Regulations (CFR) Part 23 to establish an Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) program. Under these regulations, recipient airports are required to establish goals for ACDBE participation in airport concessionaire opportunities if concessionaire revenues annually exceed prescribed amounts. The goals are determined for a three (3) year period on a triennial basis. The following sections detail the methodologies used to determine ACDBE participation goals for car rental concessionaires and non-car rental concessionaires. The methodology for setting each goal includes a determination of a base figure, followed by an adjustment to that base figure, and recognition of several factors.

2 ACDBE GOAL METHODOLOGY FOR NON-CAR RENTAL CONCESSIONS FOR FFYS 2024-2026

Based on historical data, KCAB annually has non-car rental concession revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, KCAB must establish a goal for non-car rental ACDBE participation. The goal is intended to cover the three (3) year period for Federal Fiscal Years (FFYs) 2024-2026, October 1, 2023 through September 30, 2026. The following subsections outline the methodology used to determine the goal for non-car rental ACDBE participation.

2.1 Market Area

KCAB’s market area is the geographical area in which the substantial majority of firms which seek to do non-car rental concessions business with the CVG and in which the firms receive a substantial majority of non-car rental concessions related revenues are located. KCAB has defined their market area as nationwide.

Non-Car Rental Concessions

Table 1 lists the previous three (3) federal fiscal years of gross receipts of non-car rental concessions, and Table 2 lists the projected potential gross receipts of non-car rental concessions for the upcoming federal fiscal years 2024-2026. The following are not included in the total gross receipts for non-car rental concessions:

- The gross receipts of car rental operations
- The dollar amount of a management contract or subcontract with a non-ACDBE,
- The gross receipts of business activities with a non-ACDBE under a management contract or subcontract, and
- Any portion of a firm’s estimated gross receipts not generated from a concession.

Table 1
Past 3 Federal Fiscal Years Gross Receipts for Non-Car Rental Concessions

Federal Fiscal Year	Amount
2020	\$28,695,880
2021	\$33,298,825
2022	\$46,136,657
Total	\$108,131,362

Source: CVG Uniform Reports for FFY 2020-2022

Table 2
Projected Gross Receipts for Non-Car Rental Concessions

Federal Fiscal Year	Amount
2024	\$59,731,100
2025	\$61,233,798
2026	\$62,585,124
Total	\$183,540,022

Source: CVG concessions sales estimates for FFY 2024-2026

If a new non-car rental concession opportunity arises during the triennial period, KCAB will analyze the opportunity and will determine if it is appropriate to adjust the overall non-car rental goal. If KCAB determines an adjustment is needed,

then the revised overall non-car rental goal will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity (23.45(i)).

2.2 Step 1: Determination of the Base Figure

KCAB followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 23.51. KCAB has opted to use an alternative method for determining the base figure for non-car rental concessions. KCAB has elected to use active participation of ACDBE’s in tandem with consulting local DBE directory information to ensure that standards in Part 23 applicable to alternative methods used to derive a base figure for the ACDBE availability estimates are met. Since revenues are a function of customer volumes, average gross revenues for all concessions were calculated per enplaned passenger for prior program years. This average was used to project growth in gross revenues based on projected increases in passenger enplanements. Using these estimated gross receipts from non-car rental concessions, both non-ACDBE and ACDBE firms, KCAB calculated the base figure for non-car rental concessions to be 15.28%¹ by dividing the total estimated non-car rental gross receipts from ACDBEs by the total estimated gross receipts from all non-car rental concessions (Table 3).

Table 3
Non-Car Rental Base Figure Calculation

Concession Category	Est. Total Gross Receipts	ACDBE \$ of Total Est. Gross Receipts ²	ACDBE Part. %
Advertising	\$3,470,494	\$3,470,494	100.00%
Food and Beverage	\$92,433,387	\$14,698,270	15.90%
News and Gifts	\$38,669,684	\$5,800,453	15.00%
Shoe Shine	\$80,336	\$0	0.00%
Specialty Retail	\$46,106,514	\$4,075,275	8.84%
Vending	\$2,779,608	\$0	0.00%
Total	\$183,540,022	\$28,044,491	15.28%

Source: CVG concessions sales estimates for FFY 2024-2026

The following is a summary of KCAB’s concession agreements included in the three-year goal.

Advertising. There is one (1) agreement for advertising concessions at KCAB. The agreement does not expire until June 2027. KCAB has not set an ACDBE goal for advertising since the agreement is operated by an ACDBE resulting in 100% race neutral participation. KCAB anticipates this contract will continue through the three-year goal period without an ACDBE goal.

Food and Beverage. There are 25 food and beverage concession spaces under agreements with KCAB. It is expected in that several of these concession spaces will be put out for Requests for Proposals throughout this program period. ACDBE goals will be analyzed on a contract basis to determine the appropriateness of Race Conscious or Race Neutral goals. These goals will be maintained throughout this three-year goal period.

News and Gifts. The news and gifts concessions are operated under eight (8) agreements that will expire in June 2031. The current ACDBE goal for this agreement is 15% and will be maintained through this three-year goal period.

¹ Dividing the total estimated non-car rental gross receipts for ACDBEs by the total estimated non-car rental gross receipts (\$28,044,491 ÷ \$183,540,022 = 15.28%)

² The past and current ACDBE participation were used to forecast the ACDBE dollars for each of the concession categories.

Shoe Shine. The shoe shine concession is operated under a master agreement. There is currently no ACDBE participation in this agreement and it is anticipated that the current agreement will continue without an ACDBE goal for the duration of the three-year period. Attempts have been made to assist the vendor with obtaining ACDBE Certification.

Specialty Retail. There are 22 for specialty retail concessions locations at KCAB. With the exception of the Paradies Specialty Retail agreement which contains a 15% ACDBE goal, and Natalie’s Candy which is ACDBE owned (100%), most of the agreements are individual locations or small packages that do not include an ACDBE goal. In accordance with 49 CFR Part 26.51(e)(1), as referenced by 49 CFR part 23.25(e)(1)(iv), an ACDBE goal was not set for these concessions because the nature and size of the contracts does not provide opportunities for subcontracting. These agreements do not contain an ACDBE goal and some of these concessions are directly operated by ACDBE firms. KCAB anticipates 8.84% (see Table 1) for Specialty Retail during this three-year goal period.

Vending. The vending concessions are operated under three (3) separate agreements. One is set to expire in 2024 and will be sent out for bid during the triennial period, one operates on month-to-month basis and one will be removed in 2024. There is currently no ACDBE participation for these agreements and it is anticipated that these agreements will continue without an ACDBE goal for the duration of the three-year period.

2.3 Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, KCAB reviewed and assessed other known evidence to determine if the base figure calculation accurately reflects the relative availability of ACDBEs within the market area in accordance with the narrow tailoring provisions set forth under 49 CFR Part 23.51 Step 2 ACDBE Goal Adjustment guidelines.

Historical Non-Car Rental ACDBE Participation

Past ACDBE participation attainment provides demonstrable evidence of ACDBE availability and capacity to perform on CVG’s non-car rental concessions. Table 4 shows the ACDBE participation achieved on non-car rental concessionaires for the last five (5) federal fiscal years.

**Table 4
Past ACDBE Participation Achievements for Non-Car Rental Concessions**

FFY	RC Goal	RN Goal	Overall Goal	RC Part.	RN Part.	Total Part.
2018	5.20%	1.50%	6.70%	0.40%	1.95%	2.35%
2019	5.20%	1.50%	6.70%	3.27%	3.16%	6.43%
2020	5.20%	1.50%	6.70%	3.62%	3.75%	7.37%
2021	3.56%	3.34%	6.90%	3.72%	3.08%	6.80%
2022	3.56%	3.34%	6.90%	5.00%	8.88%	13.88%
Median ACDBE Past Participation						6.80%

Source: CVG Overall Triennial Goal Methodologies for FFY 2018-2020 and FFY 2021-2023 and Uniform Reports FFY 2018-2022

To arrive at an overall goal, KCAB added the Step 1 ACDBE Base Figure (15.28%) with the Step 2 Adjustment Figure (6.80%) and then averaged the total.

Non-Car Rental ACDBE Base Figure	+	Non-Car Rental Median ACDBE Participation Within the Last Five (5) Years	÷ 2	=	Non-Car Rental ACDBE Triennial Goal
(15.28%)		(6.80%)			(11.04%)

Other Considerations

KCAB is not aware of any other factors or adverse considerations that would have a material effect on ACDBE availability within CVG marketplace or on ACDBE’s ability to participate (meeting bonding, insurance and financial requirements) in KCAB’s FAA-assisted contracting program. Therefore, no further consideration toward a goal adjustment was made. KCAB will continue to explore and consider all available evidence that materially would affect the opportunities for ACDBEs to form, grow, and compete in KCAB’s concessionaire program.

2.4 ACDBE Triennial Goal for Non-Car Rental Concessions FFY 2024-2026

KCAB’s Non-Car Rental ACDBE Triennial Goal for FFY 2024-2026 is 11.04%.

KCAB will breakout this goal into race-neutral (RN) and race-conscious (RC) components. To determine the race-neutral component, KCAB calculated the anticipated race-neutral portion³ by dividing the estimated total race-neutral ACDBE gross receipts by the estimated total ACDBE gross receipts. KCAB then multiplied the anticipated race-neutral portion by the non-car rental ACDBE triennial goal to determine the race-neutral component.

$$\begin{array}{rcccl}
 \text{Race-Neutral Portion} & & \text{Non-Car Rental ACDBE} & & \text{Race-Neutral Component} \\
 & & \text{Triennial Goal} & & \\
 (51.90\%) & \times & (11.04\%) & = & (5.73\%)
 \end{array}$$

To determine the race-conscious component, KCAB subtracted the race-neutral component from the non-car rental ACDBE triennial goal.

$$\begin{array}{rcccl}
 \text{Non-Car Rental ACDBE} & & \text{Race-Neutral Component} & & \text{Race-Conscious Component} \\
 \text{Triennial Goal} & - & & = & \\
 (11.04\%) & & (5.73\%) & & (5.31\%)
 \end{array}$$

KCAB’s Overall Non-Car Rental ACDBE Triennial Goal is 11.04% with a 5.31% Race-Conscious Component and 5.73% Race-Neutral Component.

Overall Non-Car Rental ACDBE Goal	15.25%
Race-Conscious Component	5.31%
Race-Neutral Component	5.73%

3 ACDBE GOAL METHODOLOGY FOR CAR RENTAL CONCESSIONS FOR FFYS 2024-2026

KCAB annually has car rental concessionaire revenues greater than \$200,000. Because revenues exceed this amount, according to Part 23, KCAB must establish a goal for car rental ACDBE participation. The goal is intended to cover the three (3) year period for FFY 2024-2026, October 1, 2023 through September 30, 2026. The following subsections outline the methodology used to determine the goal for car rental ACDBE participation.

³ Estimated total race-neutral ACDBE gross receipts divided by the estimated total ACDBE gross receipts (\$14,544,360 ÷ \$28,044,491,790 = 51.90%)

3.1 Market Area

KCAB’s market area is the geographical area in which the substantial majority of firms which seek to do car rental concessions business with the CVG and in which the firms receive a substantial majority of car rental concessions related revenues are located. While there are 10 local firms, the majority (89%) are nationwide and therefore, KCAB has defined their market area as nationwide.

3.2 Car Rental Concessions

KCAB considered the previous three (3) federal fiscal years (FFYs) of good and services purchases (Table 1) and the car rental companies’ projected goods and services purchases for the upcoming triennial period (Table 2). The current car rental concession contracts will not expire during this goal period and no new contracts are being let during this goal period. These existing contracts require the car rental companies to make good faith efforts to comply with federal requirements regarding ACDBE participation.

Table 1
Past Goods and Services Purchases by Car Rental Concessions

Federal Fiscal Year	Amount
2020	\$14,675,479
2021	\$19,415,174
2022	\$54,742,706
Total	\$88,833,359

Source: CVG Uniform Reports for FFY 2020-2022

Table 2
Projected Goods and Services Purchases by Car Rental Concessions

Federal Fiscal Year	Amount
2024	\$55,831,748
2025	\$56,381,064
2026	\$56,931,374
Total	\$169,144,186

Source: Rental Car Agencies

3.3 Step 1: Determination of Base Figure

KCAB followed one of the five prescribed federal goal-setting methodologies in accordance with 48 CFR Part 23.51 specifically 23.51(c)(5)(ii). KCAB determined that all or most of the goal is likely to be met through other goods and services from ACDBEs. KCAB calculated the overall goal by dividing the estimated dollar value of such purchases from ACDBEs by the total estimated dollar value of all purchases to be made by car rental companies. Vehicle purchases have been excluded from the goal calculation because vehicle purchases are the bulk of car rental companies’ purchases. There are no car dealerships certified as an ACDBE by the Kentucky CUCP.

Estimated ACDBE Goods & Services	÷	Estimated Total Goods & Services	=	Car Rental Base Figure
(\$1,947,352) ⁴		(\$169,144,186)		(1.15%)

3.4 Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, KCAB reviewed and assessed other known evidence to determine if the base figure calculation accurately reflects the relative availability of ACDBEs within the market area in accordance with the narrow tailoring provisions set forth under 49 CFR Part 23.51 Step 2 ACDBE Goal Adjustment guidelines.

⁴ The Estimated ACDBE Goods & Services was calculated based on current car rental concessionaires’ projection of ACDBE goods and services purchases for the upcoming triennial period.

Historical Car Rental ACDBE Participation

Past ACDBE participation attainment provides demonstratable evidence of ACDBE availability and capacity to perform on CVG’s car rental concessions. Table 3 shows the ACDBE participation achieved on car rental operations for the last five (5) federal fiscal years. The median historical ACDBE accomplishments from FFYs 2018 through 2021 is 2.14%.

**Table 3
Past ACDBE Participation Achievements for Car Rental Concessions**

FFY	RC Goal	RN Goal	Overall Goal	Total Goods & Services	Total Goods & Services to ACDBEs	ACDBE Part. %
2018	0.00%	1.00%	1.00%	\$72,929,623	\$2,594,468	3.56%
2019	0.00%	1.00%	1.00%	\$94,747,138	\$686,098	0.72%
2020	0.00%	1.00%	1.00%	\$14,675,479	\$418,673	2.85%
2021	0.00%	1.00%	1.00%	\$19,415,174	\$416,391	2.14%
2022	0.00%	1.00%	1.00%	\$54,742,706	\$624,146	1.14%
Median ACDBE Past Participation						2.14%

To arrive at an overall goal, KCAB performed an adjustment by adding the Step 1 Base Figure (1.35%) and the Step 2 Car Rental Median ACDBE Past Participation within the Last Five (5) Years (2.14%) and then averaged the total.

Car Rental ACDBE Base Figure	+	Car Rental Median ACDBE Participation Within the Last Five (5) Years	÷ 2	=	Car Rental ACDBE Triennial Goal
(1.15%)		(2.14%)			(1.62%)

Other Considerations

KCAB is not aware of any other factors or adverse considerations that would have a material effect on ACDBE availability within CVG’s marketplace or on ACDBE’s ability to participate (meeting bonding, insurance and financial requirements) in the KCAB’s FAA-assisted contracting program. Therefore, no further consideration toward a goal adjustment was made. KCAB will continue to explore and consider all available evidence that materially would affect the opportunities for ACDBEs to form, grow, and compete in the KCAB’s concessionaire program.

3.5 ACDBE TRIENNIAL GOAL FOR CAR RENTAL CONCESSIONS FFY 2024-2026

KCAB’s Car Rental ACDBE Triennial Goal for FFY 2024-2026 is 1.62%.

KCAB expects to meet the triennial goal with race-conscious means. KCAB will review its car rental goal annually to determine whether the overall goal is appropriate or can be adjusted. KCAB will inform the FAA of any significant adjustments to the goal before the next scheduled triennial goal period.

Overall Car Rental ACDBE Goal	1.62%
Race-Conscious Component	1.62%
Race-Neutral Component	0.00%

4 RACE -NEUTRAL MEASURES

49 CFR Part 23 requires that airports meet the maximum feasible portion of their overall ACDBE goals utilizing race-neutral means. Race-neutral participation includes any time that an ACDBE wins a contract through customary competitive procedures. Race-conscious methods are those that are focused specifically on assisting only ACDBEs, such as establishing

a contract goal of ACDBE participation. KCAB will make an effort in executing the following race-neutral measures to help achieve the non-car rental and car rental ACDBE goals:

- Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23.
- Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate.
- When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs.
- Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how KCAB's ACDBE program will affect the procurement process;
- Providing technical assistance to ACDBEs in overcoming limitations, such as obtaining bonding or financing.

If race-neutral measures, standing alone, are not projected to be sufficient to meet an overall goal, KCAB will use the following race-conscious measures:

- Establishing concession-specific goals for particular concession opportunities.
- Requiring competitors to make good faith efforts, either by obtaining enough ACDBE participation to meet the goal or by documenting that it made sufficient good faith efforts to do so.

In order to ensure KCAB's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, KCAB will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race conscious participation will be tracked separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry an ACDBE goal; ACDBE participation on a prime contract exceeding a concession specific goal; and ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

KCAB will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

5 PUBLIC PARTICIPATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations within the market area were contacted and provided an opportunity to review the triennial goal analysis and provide input. Prior to submitting the ACDBE goal for non-car rental and car rental concessions to FAA, KCAB sponsored a virtual stakeholder consultation meeting to consult with minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as with existing and potential concessionaires, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and CVG's efforts to increase participation of ACDBEs.

A Public Notice was issued on CVG's website (Attachment 1), notifying the public of the Draft Proposed FAA Overall ACDBE Goal-Setting Methodology for FFY 2024-2026. The notice informed the public that the proposed goal and rationale are available for inspection for 30 days following the date of the Public Notice and will accept comments.

KCAB reached out to local minority, women, and community business organizations to provide them information on KCAB's ACDBE program and specifically the Draft Proposed ACDBE Goal-Setting Methodology for FFY 2024-2026 and to

solicit their comments. Each organization was contacted multiple times by both telephone and email. The email blast which was distributed is Attachment 2. The summary of all contact made in an attempt to receive input as part of this process is Attachment 3. KCAB hosted a webinar for public comment and will show a presentation outlining the methodology (Attachment 4).

After the consultative process was concluded, KCAB found the estimated total car rental goods and services was inaccurate. Upon reviewing the data, KCAB did not find a substantial change to the goal and therefore did not initiate a new consultative period.

ATTACHMENT 1: WEBSITE NOTIFICATION



DBE & ACDBE Programs

CVG's commitment to diversity includes facilitating the participation of Disadvantaged Business Enterprises (DBE) and Airport Concessions Disadvantaged Business Enterprises (ACDBE) in all contractual opportunities at the CVG Airport. It is the policy of CVG to ensure that DBEs/ACDBEs have an equal opportunity to participate in federally-funded contracts and concessions opportunities.

Draft FY 2024-2026 ACDBE Program Goals

- Draft Program Goals
- Draft Program Methodology
- Virtual Stakeholder Consultation Meeting - Tuesday, September 26, 2023, 2:30 p.m. EST
- Draft Triennial Public Notice

DBE Program Goals

- Construction, equipment, professional services: 7.6 % — [More Info \(PDF\)](#)

ACDBE Program Goals

- Concessions non-rental car: 6.9%, rental car: 1% — [More Info \(PDF\)](#)

Opportunities with CVG

- Click [here](#) to view bids or to register to receive notices of bid opportunities
- Email your questions or call our DBE Liaison Officer at 859-767-1421

[Learn More](#) about getting certified or finding certified firms in Kentucky.

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CINCINNATI/ NORTHERN KENTUCKY INTERNATIONAL AIRPORT
FEDERAL AVIATION ADMINISTRATION (FAA)
ACDBE GOAL FEDERAL FISCAL YEARS 2024-2026

In accordance with 49 CFR Part 26.45(g), the Kenton County Airport Board (KCAB) operator of the Cincinnati/Northern Kentucky International Airport (CVG), located in Boone County, Kentucky, as a recipient of U.S. Department of Transportation (DOT) assistance, announces a proposed Federal Aviation Administration (FAA) Airport Concessions Disadvantaged Business Enterprise (ACDBE) goal for Non-Car Rental and Car Rental Concessions.

Triennial Period

October 1, 2023 through September 30, 2026

11.04%

ACDBE Goal for *Non-Car Rental Concessions*

1.75%

ACDBE Goal for *Car Rental Concessions*

The above percentages represent KCAB's overall goals for non-car rental and car rental concessions. Of the 11.04% goal for non-car rental concessions, 5.73% is expected through race/gender neutral methods and 5.31% is expected through race/gender conscious methods. The 1.75% goal for car rental concessions is expected to be filled through race/gender conscious methods. These goals represent the percentage of work anticipated to be performed by certified ACDBE firms on CVG's FAA-assisted projects during Federal Fiscal Years FY2024 – 2026 (October 1, 2023 through September 30, 2026).

For the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process a virtual public meeting will be held on:

Tuesday, September 26, 2023 at 2:30 p.m.

This meeting will provide an overview of the goal setting process and include an opportunity for comments and questions. To register for the virtual Teams Meeting click [here](#) or email dbecomments@cvgairport.com.

The proposed goal and rationale are also available for public review until October 1, 2023 during normal business hours (8:00 a.m. to 5:00 p.m. ET), Monday through Friday, at the CVG Administration Offices, 77 Comair Blvd, Erlanger, Kentucky, 41018 and online at www.cvgairport.com.

Written comments will be accepted until October 1, 2023. Comments submitted in writing by mail addressed to the attention of Larisa Sims, AC/DBE Liaison Officer, Cincinnati/Northern Kentucky International Airport, P.O. Box 752000, Cincinnati, Ohio 45275-2000, or by e-mail addressed to dbecomments@cvgairport.com.

Written comments can also be sent directly to the FAA, DBE/ACDBE Compliance Specialist for the Southern Region Office of Civil Rights, AGL-9, 2300 E. Devon Ave., Des Plaines, IL 60018.

ATTACHMENT 2: SAMPLE E-BLAST

FW: [Test] - ACDBE Goal Setting Public Meeting Notice




Mikayla Courtney

To Larisa Sims

Cc Lesley Holgate



9/18/2023

 You forwarded this message on 9/25/2023 10:34 AM.

From: CVG Airport <lsims@cvgairport.com>
Sent: Monday, September 18, 2023 1:44 PM
To: Mikayla Courtney <mcourtney@cvgairport.com>
Subject: [Test] - DBE Goal Setting Public Meeting Notice

No images? [Click here](#)

CVG DBE Goal Setting Public Meeting Notice

September 18, 2023

SUBJECT: CVG Proposed Triennial ACDBE Goal

Dear Stakeholder/Community Member,

To comply with Federal Regulations 49 CFR Part 26.45(g), the Kenton County Airport Board (KCAB), operator of the Cincinnati/Northern Kentucky International Airport (CVG) is proposing a new Federal Aviation Administration (FAA) Airport Concessions Disadvantaged Business Enterprise (ACDBE) goal for Non-Car Rental and Car Rental Concessions. CVG hereby announces its proposed ACDBE participation goal for non-car rental concessions is 11.04% and 1.75% for car rental concessions. The proposed goal pertains to FAA-funded contracts/agreements during federal fiscal years 2024 through 2026 (10/1/2023 - 9/30/2026).

CVG is required under part 26.45 to consult with identified stakeholders, as a recipient of Federal Aviation Administration funds. CVG is required to comply and is committed to fulfilling its goals under this program.

As a part of our community and/or stakeholder, we would like to invite you to consult with us and give feedback prior to finalization of our triennial goal.

CVG will hold a virtual public meeting on Tuesday September 26, 2023, at 2:30 p.m.

[Register for the Virtual Meeting Here](#)

The proposed goal and rationale are available for public review through October 1, 2023, during normal business hours (8:00 a.m. to 5:00 p.m. ET), Monday through Friday, at the CVG Administration Offices, 77 Cornair Blvd, Erlanger, Kentucky, 41018, or online at [DBE & ACDBE Programs \(cvgairport.com\)](#)

Comments on the DBE goal will be accepted until **October 1, 2023**.

Comments should be directed to the attention of:
Larisa Sims, AC/DBE Liaison Officer
Cincinnati/Northern Kentucky International Airport
P.O. Box 752000
Cincinnati, OH 45275-2000
lbecomm@cvgairport.com

Please feel free to contact me with any questions at lsims@cvgairport.com, 859-414-3746.

Sincerely,

Larisa Sims

Director of Business Administration / CVG DBELO



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ATTACHMENT 3: CONSULTATIVE PROCESS SUMMARY

Consultation:

Prior to submitting the ACDBE goal for car rental and non-car rental concessions to the FAA, the Airport Authority sponsored a virtual stakeholder consultation meeting on September 26, 2023 at 2:30 PM EDT to consult with minority and women's business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as with existing and potential concessionaires, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the Airport Authority's efforts to increase participation of ACDBEs.

Invitations were sent via email to the following stakeholders:

1. Minority Business Accelerator – Cincinnati Regional Chamber of Commerce
2. Tri-State Minority Supplier Development Council (TSMSSDC)
3. Ohio Minority Business Assistance Center
4. Greater Cincinnati Northern Kentucky African American Chamber-Commerce
5. KY Transportation Cabinet Office of Civil Rights & Small Business Development
6. Southwest Ohio Regional Transit Authority (SORTA) – FTA Recipient
7. Ohio Department of Transportation
8. City of Cincinnati
9. Lexington (KY) Bluegrass Airport
10. Louisville Regional Airport Authority
11. Hispanic Chamber Cincinnati USA, OH
12. Ohio River Valley Women's Business Council
13. Urban League of Greater Cincinnati
14. Indian American Chamber of Commerce – Greater Cincinnati and Northern Kentucky
15. Northern Kentucky Chamber of Commerce
16. Japan America Society of Greater Cincinnati
17. Greater Cincinnati Chinese Chamber of Commerce
18. The Associated General Contractors of America (AGC of America)
19. European American Chamber of Commerce
20. The Associated General Contractors of Western Kentucky
21. Airport Minority Advisory Council (AMAC)
22. American Subcontractors Association, Inc.
23. American Subcontractors Association of Ohio
24. Greater Cincinnati World Affairs Council
25. Construction Estimating Institute (CEI) DBE Support Services
26. Transit Authority of Northern Kentucky
27. Over 70 current and past concessionaires and car rental businesses serving CVG Airport.

The Airport Authority's DBELO led the stakeholder consultation meeting. Registered participants included:

Registered (6)	
Name	Email
Tara Walker	twalker@go-metro.com
Lynnette Stevens	lynnette.stevens@dot.ohio.gov
Valeria Swope	valeria.cummings@cincinnati-oh.gov
Archie Carper	acarper@cvgairport.com
Leo Chan	leo@china-midwest.com
Paul Hegedus	phegedus@cvgairport.com

No additional comments or feedback was provided during the stakeholder meeting, nor submitted via mail or email. After reviewing the comments, The Airport Authority determined that no further changes or adjustments to the goal were warranted.

ATTACHMENT 4: WEBINAR PRESENTATION



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ACDBE Certification Eligibility

Airport Concession Disadvantaged Business Enterprises

A for-profit small business concern—

1. That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and,
2. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.



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ACDBE Regulations

49 CFR Part 23 – Objectives:

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

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ACDBE Program

- **Certification**
 - Certified in home state first
 - Only eligible to count towards participation in state(s) where certified ACDBE
 - Certified by NAICS codes
- **KY Transportation Cabinet Office for Civil Rights & Small Business Development** responsible for certification in KY
 - <http://transportation.ky.gov/civil-rights-and-small-business-development/Pages/default.aspx>




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DBE Stakeholder Consultation

- §23.43 What are the consultation requirements in the development of recipients' overall goals?
- Must consult with stakeholders before submitting overall goals to FAA.
- Stakeholders include those which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and CVG's efforts to increase participation of ACDBEs.



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Non-Car Rental Concessions ACDBE Goal Development



Past & Projected Gross Receipts for Non-Car Rental Concessions

Non-Car Rental Base Figure Calculation

Historical ACDBE Participation Adjustment

Breakdown of Overall Non-Car Rental Concessions ACDBE Goal



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Past & Projected Gross Receipts

Past
3 Federal Fiscal Years

Table 1

Federal Fiscal Year	Amount
2020	\$28,695,880
2021	\$33,298,825
2022	\$46,136,657
Total	\$108,131,362

Projected
3 Federal Fiscal Years

Table 2

Federal Fiscal Year	Amount
2024	\$59,731,100
2025	\$61,233,798
2026	\$62,585,124
Total	\$183,540,022

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Base Figure Calculation

Table 3

Concession Category	Est. Total Gross Receipts	ACDBE \$ of Total Est. Gross Receipts	ACDBE Part. %
Advertising	\$3,470,494	\$3,470,494	100.00%
Food and Beverage	\$92,433,387	\$14,698,270	15.90%
News and Gifts	\$38,669,684	\$5,800,453	15.00%
Shoe Shine	\$80,336	\$0	0.00%
Specialty Retail	\$46,106,514	\$4,075,275	8.84%
Vending	\$2,779,608	\$0	0.00%
Total	\$183,540,022	\$28,044,491	15.28%

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Historical ACDBE Participation Adjustment

Table 4

FFY	RC Goal	RN Goal	Overall Goal	RC Part.	RN Part.	Total Part.
2018	5.20%	1.50%	6.70%	0.40%	1.95%	2.35%
2019	5.20%	1.50%	6.70%	3.27%	3.16%	6.43%
2020	5.20%	1.50%	6.70%	3.62%	3.75%	7.37%
2021	3.56%	3.34%	6.90%	3.72%	3.08%	6.80%
2022	3.56%	3.34%	6.90%	5.00%	8.88%	13.88%
Median ACDBE Past Participation						6.80%

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Breakdown of Overall Non-Car Rental Concessions ACDBE Goal

$$\begin{array}{rcl}
 \text{Non-Car Rental ACDBE Base Figure} & + & \text{Non-Car Rental Median ACDBE Participation Within the Last Five (5) Years} \div 2 = \text{Non-Car Rental ACDBE Triennial Goal} \\
 15.28\% & & 6.80\% & & 11.04\%
 \end{array}$$

Overall Non-Car Rental ACDBE Goal	11.04%
Race-Conscious Component	5.31%
Race-Neutral Component	5.73%

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Car Rental Concessions ACDBE Goal Development



Past & Projected Goods and Services Purchases for Car Rental Concessions



Car Rental Base Figure Calculation




Historical ACDBE Participation Adjustment



Breakdown of Overall Car Rental Concessions ACDBE Goal



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Past & Projected Goods and Services Purchases

Past
3 Federal Fiscal Years
Goods and Services Purchases

Table 1

Federal Fiscal Year	Amount
2020	\$14,675,479
2021	\$19,415,174
2022	\$54,742,706
Total	\$88,833,359

Projected
3 Federal Fiscal Years
Goods and Services Purchases

Table 2

Federal Fiscal Year	Amount
2024	\$45,903,433
2025	\$46,353,467
2026	\$46,803,500
Total	\$139,060,400

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Base Figure Calculation

Estimated ACDBE Goods & Services	÷	Estimated Total Goods & Services	=	Car Rental Base Figure
\$1,880,682		\$139,060,400		1.35%

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Historical ACDBE Participation Adjustment

Table 3

FFY	RC Goal	RN Goal	Overall Goal	Total Goods & Services	Total Goods & Services to ACDBEs	Total Part.
2018	0.00%	1.00%	1.00%	\$72,929,623	\$2,594,468	3.56%
2019	0.00%	1.00%	1.00%	\$94,747,138	\$686,098	0.72%
2020	0.00%	1.00%	1.00%	\$14,675,479	\$418,673	2.85%
2021	0.00%	1.00%	1.00%	\$19,415,174	\$416,391	2.14%
2022	0.00%	1.00%	1.00%	\$54,742,706	\$624,146	1.14%
Median ACDBE Past Participation						2.14%

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DBE Goal & Program

- DBE Program/Goal available at:
<https://www.cvgairport.com/about/biz/procure/dbe>
- Provide comments using the form provided or email to
dbecomments@cvgairport.com

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Embrace What's Next 

Thank You
Larisa K. Sims, AICP
DBE Liaison Officer
Director Business Development
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