Small Business Enterprise Concession (SBEC)
Program Policy
Business Development Department

Effective: November 6, 2025

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I. PROGRAM PREAMBLE

WHEREAS,

Dallas Fort Worth International Airport (DFW or Airport) commits to implement its Small Business Enterprise Concessions (SBEC) program in a nondiscriminatory manner, using ACDBE-neutral measures as its primary means of fostering small business participation.

The following Small Business Enterprise Concession (SBEC) Program Policy is adopted effective November 6, 2025.

Christopher McLaughlin
Chief Executive Officer
Dallas/Fort Worth International Airport

November 6, 2025
Date

I. POLICY STATEMENT

DFW has a long history of supporting small businesses. The intent of the SBEC Program is to provide full and fair opportunities for equal participation by small businesses in DFW concession contracts through ACDBE-neutral means.

The SBEC Program Policy seeks to foster participation by small business concessionaires (SBECs) at DFW by increasing the opportunities for such firms to perform as prime or joint venture concessionaires. The Policy shall allow DFW to more effectively target small business participation and create opportunities relating to the Airport's concessions program.

III. SCOPE OF SBEC PROGRAM

DFW's Business Development Department (BDD) and Concessions Department will evaluate each concessionaire opportunity for SBEC participation and may set contract-specific SBEC participation goals where appropriate based on SBEC availability and capacity to perform a Commercially Useful Function (CUF). Solicitations may be (1) directed to SBECs, (2) open to SBECs and non-SBECs for the formation of joint ventures meeting the requirements of this policy, or (3) open to all proposers with SBEC contract-specific goals and applicable good faith efforts standards.

Local geographic preferences are prohibited. The Airport shall not give an advantage to firms based on their location.

IV. ADMINISTRATION OF THE SBEC PROGRAM

A. SBEC Certification

Only SBEC certification by the North Central Texas Regional Certification Agency is recognized for SBEC credit. The personal net worth and size standards applicable to ACDBEs under 49 C.F.R. §§ 23.33 and 23.35 shall be used for SBEC eligibility determinations unless otherwise specified herein.

DFW may implement a micro-small business program with a personal net worth threshold that is lower than the threshold included in the federal Small Business Association (SBA) 8(a) Certification Program. If implemented, provisions will be outlined in the SBEC Policy and Procedures manual.

B. Counting and Tracking SBEC Participation

Credit for SBEC participation will be based on the value of the concession scopes actually performed by the SBEC while performing a CUF, including SBEC self-performance and SBEC joint venture performance. An SBEC must perform a CUF; arrangements in which the SBEC serves as a conduit do not qualify for credit.

If BDD determines that an SBEC is affiliated with another entity such that it no longer meets the definition of an SBEC, the size standards, or independence requirements, BDD may deny or revoke recognition of the certification for counting purposes.

C. Technical and Business Development Resources

DFW may offer a wide range of technical assistance and business development resources to SBECs, through the Capacity Building Program which includes assistance with understanding joint ventures and proformas. In addition to services offered or funded directly by DFW, numerous assistance programs are offered to small businesses throughout the North Texas Region.

D. Role of BDD in SBEC Program Administration

BDD is responsible for the establishment, implementation, coordination and monitoring of the SBEC Policy, including the promulgation of the SBEC Policy and Procedures manual. BDD will coordinate and cooperate with the Concessions Department staff as necessary for effective implementation of the SBEC Policy and Procedures. BDD will:

- Be responsible for establishing the administrative procedures in support of the SBEC Policy, including but not limited to:

  - Overseeing Certification Standards and Procedures for SBECs
  - Identifying Contract Opportunities for SBEC Program Participation
  - Counting SBEC Participation
  - Monitoring and Reporting
  - Identifying and Addressing Potential Violations

- Establish, distribute, interpret, and administer the Airport's SBEC Policy and Procedures Manual. These policies and procedures will ensure that SBECs are able to compete on all appropriate Airport Concession opportunities whether in-terminal or outside the terminal.

- Promote and conduct outreach functions to the SBEC community and other stakeholders.

- Assist all Airport departments and Proposers with the implementation and/or application of the SBEC Policy and Procedures Manual.

- Promote and educate Airport personnel and concessionaires about the SBEC Program.

- Review and verify the certification status of SBECs.

- Develop listings of SBECs for prime concession opportunities. These listings reflect concessions, suppliers, or services for which the Airport has a business use.

- Assess the procurement methods that can be applied on individual contracts to implement the SBEC Policy and Procedures Manual.

- Participate in pre-solicitation discussions including any design review meetings to ensure consideration of factors, including but not limited to, SBEC availability, bonding limits, opportunities for unbundling larger contracts into smaller units for bidding purposes, and type of work capabilities available from SBECs in the development of drawing and specifications.

- Review requests for bids/proposals and other solicitation documentation, including the evaluation criteria, to ensure inclusion of SBEC Policy and Procedures and remove artificial barriers to potential SBEC participation. Specifically, BDD will review the scope of work, bonding requirements, and insurance requirements.

- Attend pre-proposal to explain the SBEC Policy and Procedures and respond to pertinent questions.

- Determine whether a SBEC is performing a CUF on an Airport procurement.

- Monitor and ensure SBEC Program compliance for Airport procurements in the contract closeout process.

- Monitor and report the progress of SBEC participation in all procurements by Airport departments.

- Prepare and present periodic reports to the Airport Board of Directors on compliance with the SBEC Policy and Procedures manual.

- Assess and recommend periodically any process changes that may be necessary to improve the overall effectiveness of the SBEC Policy and Procedures manual.

- Promote the SBEC Policy and Procedures manual and its accomplishments through innovative initiatives, such as recognition programs and awards, annual reports, and newsletters.

E. Other Airport Departments' Roles and Responsibilities

Each Airport department that has or shares responsibility for the awarding or monitoring of Airport contracts is responsible for promoting, supporting, and assisting in carrying out the SBEC Program Policy and Procedures manual. Such departments will be held accountable for exercising specific functions in support of the Policy and Procedures manual, as well as any other function(s) deemed necessary by management to implement the goals and objectives of the SBEC Program Policy.

Legal Department

- Provide legal assistance, as necessary, to ensure that the SBEC Program Policy and Procedures manual and their implementation meets legal standards.

Audit Services Department

- As appropriate, audit and provide other assistance with respect to compliance with the SBEC Program Policy and Procedures manual.

The following Airport departments have specific additional implementation responsibilities as outlined in the SBEC Procedures manual:

- Communications & Marketing
- Risk Management Department
- Concessions Department
- Procurement and Materials Management Department

V. AUTHORIZATION AND PROMULGATION OF PROCEDURES

The SBEC Program Policy is promulgated by the Chief Executive Officer pursuant to his powers and duties as defined by the Contract and Agreement between the City of Dallas and the City of Fort Worth dated and effective as of April 15, 1968. The Executive Vice President, Chief Administrative Officer or the Vice President of Business Development is authorized to issue exceptions to this Policy, and to promulgate and enforce procedures and practices necessary to effectuate its objectives.

VI. DEFINITIONS

"ACDBE" stands for Airport Concessions Disadvantaged Business Enterprise.

"ACDBE-neutral" means a measure or program that is, or can be, used to assist all small business concerns, such as certified SBECs.

"Commercially Useful Function" (CUF) means responsibility for and performance of a distinct element of the concession with the SBEC actually performing, managing, and supervising the work involved or fulfilling responsibilities as a joint venture partner; an SBEC that acts as a conduit does not perform a CUF.

"Joint Venture" means an association of two or more firms combining property, capital, efforts, skills, or knowledge to perform a concession, with each partner at risk and responsible for a distinct, clearly defined portion of the work and sharing in control, management, profits, losses, and risks commensurate with ownership and contribution. Any joint venture used to meet SBEC participation must comply with applicable SBA joint venture requirements at 13 C.F.R. § 125.8 for a distinct, clearly defined portion of the work and sharing in control, management, profits, losses, and risks commensurate with ownership and contribution.

"SBEC" means a small business concern, as defined in Section 3 of the Small Business Act and 13 C.F.R. § 121, that does not exceed the annual gross receipts thresholds in 49 C.F.R. § 23.33, and that is certified by the North Central Texas

Regional Certification Agency as an SBEC at the time of proposal submission.

The personal net worth standard used in determining eligibility for purposes part of SBEC eligibility is $2.047 million, Any individual who has a personal net worth exceeding this amount will not qualify for certification as an SBEC.

VII. SEVERABILITY

If any section, paragraph, sentence, clause, phrase, or word of this SBEC Program Policy, or the application thereof, to any person or circumstance is for any reason held by a court of competent jurisdiction to be unconstitutional, inoperative, invalid, or void, such holding shall not affect the remainder of this Policy or the application of any other provisions of this Policy, which can be given effect without the invalid provision or application, and to this end, all the provisions of this Policy are hereby declared to be severable.

SECTION I. SCOPE AND INTERPRETATION

A. This SBEC Administrative Procedures Manual (the Manual) has been established for the Dallas Fort Worth International Airport (DFW or Airport) SBEC Program. The Manual, along with the SBEC Program Policy (the Policy) and the SBEC Special Lease Provisions (the Contract Provisions), shall be applicable to all concessions identified by the Airport for inclusion in the SBEC Program.

B. The SBEC Program is designed to provide full and fair opportunities for equal participation by small businesses in DFW concession contracts through ACDBE-neutral means. The SBEC Program seeks to foster participation by small business concessionaires at DFW by increasing the opportunities for such firms to perform as prime or joint venture concessionaires.

C. The SBEC Program applies equally to all certified SBECs, regardless of geographical location. The SBEC Program is separate from DFW's Disadvantaged Business Enterprise (DBE) and ACDBE Programs, although some guidelines and procedures may be similar as required by Federal Aviation Administration (FAA) guidelines. The SBEC Manual will not apply to solicitations that have been issued prior to the effective date of this Manual.

D. A concession may be operated under various types of agreements, including but not limited to the following: leases, subleases, permits, contracts or subcontracts, management agreements, and other instruments or arrangements.

E. The SBEC Policy, Manual, and Contract Provisions shall apply to all SBEC concession agreements, unless the provisions herein conflict with state or federal law or rules and regulations promulgated thereunder. The Business Development Department (BDD) and/or Airport may make changes to the existing Policy, Manual, and Contract Provisions. Any future changes supersede past policies, procedures, and contract provisions. All concessionaires are expected to be aware of and comply with future changes.

SECTION II. DEFINITIONS

A. An SBEC means a small business concern:

   1. as defined at Section 3 of the Small Business Act and the U.S. Small Business Administration (SBA) regulations implementing the Act (13 C.F.R. § 121), including the SBA size standards by industry available online at https://www.sba.gov/document/support-table- size-standards;

   2. that does not exceed the annual gross receipts specified in 49 C.F.R. § 23.33; and

3. is owned and controlled by an individual or individuals with a personal net worth equal to or less than $2.047 million,

B. Entities excluded from the definition of "concession" in 49 C.F.R. § 23.3 are not subject to the SBEC Policy, Manual, and Contract Provisions. https://www.ecfr.gov/current/title-49/subtitle-A/part-23.

C. Only firms that are certified as SBECs by an agency recognized by the Airport at the time of the proposal submission are eligible to participate in the SBEC Program. Certification procedures may be found in Section VI below.

SECTION III. BDD'S PROGRAM ROLES AND RESPONSIBILITIES

A. BDD is responsible for the establishment, implementation, coordination, and monitoring of the SBEC Policy, Manual, and Contract Provisions. BDD will coordinate and cooperate with the Airport operational staff, including the Concessions Department, as necessary for effective operation of the SBEC Program.

B. The BDD Vice President reports directly to the Executive Vice President, Chief Administrative Officer and has direct, unrestricted access to the Airport Board's Chief Executive Officer in matters concerning the SBEC Program.

C. BDD will:

1. Be responsible for establishing the administrative procedures in support of the SBEC Policy as reflected in this Manual, including but not limited to: overseeing certification standards and procedures for SBECs; identifying contract opportunities for SBEC Program participation; counting SBEC participation; monitoring and reporting; and identifying and addressing potential violations.

2. Establish, distribute, interpret, and administer the SBEC Manual. The policies and procedures set forth in this Manual will ensure that SBECs are able to compete on all appropriate Airport concession opportunities whether in-terminal or outside the terminal.

3. Promote and conduct outreach functions to the SBEC community and other stakeholders.

4. Assist all Airport departments and Proposers with the implementation and/or application of the SBEC Manual.

5. Promote and educate Airport personnel and concessionaires about the SBEC Program.

6. Review and verify the certification status of SBECs.

7. Develop listings of SBECs for prime concession opportunities. These listings reflect concessions, suppliers, or services for which the Airport has a business use.

8. Assess the procurement methods that can be applied on individual contracts to implement the SBEC Policy and Manual.

9. Participate in pre-solicitation discussions including any design review meetings to ensure consideration of factors, including but not limited to, SBEC availability, bonding limits, and opportunities for unbundling larger contracts into smaller units.

10. Review requests for bids/proposals and other solicitation documentation, including the evaluation criteria, to ensure inclusion of the SBEC Policy and Manual, where appropriate, and to remove artificial barriers to potential SBEC participation. Specifically, BDD will review the scope of work, bonding requirements, and insurance requirements.

11. Attend pre-proposal meetings to explain the SBEC Policy, Manual, and Contract Provisions and respond to pertinent questions.

12. Determine whether an SBEC is performing a CUF on an Airport procurement.

13. Monitor and ensure SBEC Program compliance for Airport procurements in the contract closeout process.

14. Monitor and report on the progress of SBEC participation in all procurements by Airport departments.

15. Prepare and present periodic reports to the Airport Board of Directors on compliance with the SBEC Policy and Manual.

16. Assess and recommend any process changes that may be necessary to improve the overall effectiveness of the SBEC Program.

17. Promote the SBEC Program and its accomplishments through innovative initiatives, such as recognition programs and awards, annual reports, and newsletters.

D. Reports

1. In order to monitor the progress of the SBEC Program, BDD shall maintain a record-keeping system designed to assess, quarterly and annually, overall SBEC utilization on Airport agreements, including contracts and subcontracts associated with tenant finish outs.

2. BDD will prepare other SBEC-related internal and external reports as required or requested. If the Contract Administrator or any other Airport personnel becomes aware of any issues of non-compliance with the SBEC Policy and Manual, BDD shall be notified immediately.

SECTION IV. OTHER AIRPORT DEPARTMENT'S ROLES AND RESPONSIBILITIES

A. Each Airport department that has or shares responsibility for the awarding or monitoring of Airport contracts is responsible for promoting, supporting, and assisting in carrying out the SBEC Policy and Manual. Such departments will be held accountable for exercising specific functions in support of the SBEC Policy and Manual, as well as any other function(s) deemed necessary by management to implement the goals and objectives of the SBEC Program.

B. To reduce barriers for SBEC participation on Airport procurements, all departments requesting proposals or any other solicitation on behalf of the Airport shall have the following roles and responsibilities:

1. Notify and provide BDD, upon departmental knowledge of an anticipated procurement, all information necessary for BDD to determine whether to set a contract-specific SBEC participation goal and the appropriate solicitation approach. The information provided shall include the anticipated scope of work, relevant experience and insurance requirements, revenue projections, location, North American Industry Classification System (NAICS) codes for the concession opportunity, delivery schedule, proposal specifications, and any other relevant information. This information shall be provided to BDD no later than (60) business days prior to the procurement announcement.

2. Evaluate anticipated solicitations to determine if unbundling items or services is practicable in order to provide opportunities for SBEC participation. Such unbundling may allow the Airport to contract with SBECs for quantities or scopes of work less than the total project requirement, or the performance of discreet portions of the project, where feasible.

3. Review all concession lease terms to encourage a maximum of ten (10) years with no more than three (3) one-year extensions. BDD must be notified in advance about leases that are expected to be an exception to this limit.

4. Forward a copy of each solicitation advertisement to BDD to ensure appropriate SBEC language has been included at least five (5) business days before the solicitation will be advertised.

5. Ensure that the most current version of the SBEC Contract Provisions and required federal contract provisions are included in the solicitation documents and agreements.

6. Assist BDD in identifying potential SBECs for participation in particular concession opportunities.

7. Assist BDD in the development, monitoring, and implementation of SBEC commitments.

8. Manage leases in a consistent manner to ensure compliance with the utilization of SBECs and the SBEC Policy and Manual.

9. Provide BDD access to lease management systems or shared networks to access the necessary information for each lease, including but not limited to, pre-proposal sign-in sheets, proposal results, the SBEC contracting parties' signatures confirming an executed agreement with the Airport, the maximum annual guarantee and any lease modifications when requested. This information can be provided to BDD through a copy of the cover sheet and key pages of the signed executed Lease, Notice of Award, Notice to Proceed, as well as any other relevant information.

10. Notify BDD no later than five (5) business days prior to any key post award lease meeting(s) or issues that could affect the SBEC's ability to achieve the SBEC commitment, such as Lease kickoff meetings, onboarding meetings, progress meetings, or meetings to address Lease performance issues.

11. Assist and support BDD by ensuring that the SBEC provides all necessary documents and information.

12. Assist and participate in workshops, trade fairs, and outreach events to identify and increase the participation of SBECs on Airport solicitations.

13. Advertise the Airport's concession opportunities via the Airport's website to maximize SBEC participation.

14. Include BDD representatives as part of the principal selection and evaluation teams as voting members to ensure review and consideration of SBEC participation in such agreements and compliance with the SBEC Policy and Manual.

15. Provide BDD with forecasts of upcoming procurement opportunities.

16. Provide technical assistance to SBECs regarding compliance with the SBEC Policy, Manual, and Contract Provisions.

C. The following Airport departments have specific SBEC Program responsibilities, as follows:

   1. Audit Services: Audit and provide other assistance with respect to compliance with the SBEC Policy and Manual, as appropriate.

   2. Concessions Department: Tenant Finish Outs: Include BDD in design and construction kick off meetings, onboarding meetings, progress meetings, and close out meetings with the SBEC and its Proposer. Facilitate compliance site visits as necessary to monitor SBEC Program compliance.

   3. Communications & Marketing: Provide communications, outreach, community engagement, and collaboration to support the BDD in achieving the SBEC Program goals.

   4. Legal: Provide legal assistance, as necessary, to ensure that the SBEC Policy and Manual and their implementation meet legal standards. Review lease language for appropriate implementation of the SBEC Program as set forth in the Policy and Manual.

   5. Procurement and Materials Management:

      a. Inform BDD of upcoming solicitations.

      b. Provide support and technical assistance in coordination with BDD's implementation of the SBEC Policy and Manual.

      c. Advertise opportunities via the Airport's website, Bonfire, and other methods, including print, digital, and radio.

      d. Implement procurement approaches that will remove contracting barriers and increase potential SBEC participation.

      e. Review applicable insurance and bonding requirements to determine if they are prudent and feasible, including review of whether the risk/exposure limits hinder the ability of SBECs to propose more competitively on Airport solicitations.

      f. Include BDD representatives as part of the principal selection and evaluation teams as voting members to ensure review and consideration of SBEC participation and compliance with the SBEC Policy and Manual.

      g. Ensure leases with SBECs are executed in compliance with the SBEC Policy and Manual.

h. Require compliance with the SBEC Contract Provisions, including but not limited to, prior written BDD approval of substitution of SBECs.

i. Provide BDD with proper documentation required to prepare an Official Board Action and reports in a timely manner.

6. Risk Management: Review applicable insurance requirements to determine, if prudent and feasible, whether established risk/exposure limits may be changed to allow SBECs and other small firms to bid more competitively on Airport concession opportunities. Provide technical assistance and programs that support SBECs' efforts to obtain insurance and bonding.

SECTION V. SBEC PROGRAM GENERALLY

A. BDD may, in its discretion, establish a contract-specific goal for SBEC participation on concession solicitations where SBECs are available and able to perform a CUF. In setting a goal, BDD will consider: (1) the scopes of work and projected revenues, (2) the availability and capacity of SBECs, and (3) past SBEC utilization on similar concessions.

B. The contract-specific goal may be met through (1) SBEC self-performance, (2) a joint venture between SBEC(s) and non-SBEC(s), or (3) good faith efforts on the part of the non-SBEC to solicit SBEC participation.

C. The FAA does not permit airports to use local geographic preferences in their SBEC programs. A local geographic preference is any requirement that gives an SBEC located in one place (*e.g.,* the airport's local area) an advantage over SBECs from other places in awarding a contract.

D. Because the SBEC Program is a ACDBE-neutral program, there is no annual percentage goal for the SBEC Program. However, the utilization of SBECs will be tracked by BDD.

SECTION VI. SBEC CERTIFICATION

A. To be considered an SBEC, BDD recognizes SBEC certifications by the North Central Texas Regional Certification Agency. Other certifications are not recognized.

B. Businesses interested in obtaining an SBEC certification must meet the SBA size standards for the applicable industry, as required by 13 C.F.R. § 121. The size standards are available online at https://www.sba.gov/document/support-table-size-standards.

C. Affiliate/Affiliation: Firms seeking SBEC certification must include the employees or receipts of all affiliates for purposes of determining the size of the business. The SBA determines affiliation in accordance with 13 C.F.R. § 121.103.

1. Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists. Control may be affirmative or negative. Negative control includes, but it not limited to, instances where a minority shareholder has the ability, under the concern's charter, by-laws, or shareholder's agreement, to prevent a quorum or otherwise block action by the board of directors or shareholders.

2. In determining whether affiliation exists, SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships.

3. Affiliation may be found where an individual, concern, or entity exercises control indirectly through a third party.

4. In determining whether affiliation exists, SBA will consider the totality of the circumstances and may find affiliation even though no single factor is sufficient to constitute affiliation.

5. Affiliation may arise among two or more persons with an identity of interest. Individuals or firms that have identical or substantially identical business or economic interests (such as family members, individuals or firms with common investments, or firms that are economically dependent through contractual or other relationships) may be treated as one party with such interests aggregated.

6. Firms owned or controlled by married couples, parties to a civil union, parents, children, and siblings are presumed to be affiliated with each other if they conduct business with each other, such as subcontracts or joint ventures or share or provide loans, resources, equipment, locations or employees with one another.

D. If the Airport is notified or suspects that an SBEC is affiliated with a non-SBEC, the Airport has the discretion to investigate and request documentation from the SBEC. In the event the SBEC is not cooperative or it becomes clear that the SBEC is affiliated with another business such that it does not meet the SBEC definition, the Airport has the discretion to not recognize the SBEC's certification.

SECTION VII. JOINT VENTURES

A. Eligibility. A proposer may form a joint venture in which at least one venturer is an SBEC. Joint ventures must comply with SBA joint venture requirements at 13 C.F.R. § 125.8, as applicable.

B. Ownership, Control, and Risk. The joint venture agreement must clearly set forth each firm's ownership interest; capital contributions; allocation of profits, losses, and risks; management structure and voting rights; and the specific, distinct scopes that each firm will perform with its own forces. The SBEC's ownership and share of the profits must be commensurate with its capital contribution and performance responsibilities. The SBEC must have meaningful control over day-to-day operations relating to its scope and must perform a CUF.

C. Submission and Approval. A draft joint venture agreement shall be submitted with the proposal. BDD will review the agreement to determine the SBEC participation level eligible for credit and may require revisions as a condition of approval.

D. Counting. The joint venture may count toward any SBEC goal, the portion of the total concession value corresponding to: (1) the distinct, clearly defined scope the SBEC performs with its own forces, and (2) the SBEC's proportionate ownership interest in joint venture profits attributable to performance risk it actually assumes. No credit will be given for conduit relationships or scopes not performed by the SBEC.

E. Changes. Any post-award change to joint venture ownership, management, scopes, profit/loss allocations, or control requires at least 60 days' prior written notice to and approval by BDD.

SECTION VIII. PRE-AWARD COMPLIANCE PROCEDURES

A. SBEC Participation Form and SBEC Certificate

1. For all solicitations and proposals, each proposer shall submit the following completed and signed SBEC forms. These forms are due at the time of proposal submission and are required for the proposal to be considered responsive:

   a. ***Commitment to SBEC Participation***. Submission of the form shall constitute a representation by the SBEC or non-SBEC to the Airport that it commits to maintain the stated SBEC participation throughout the performance of the lease.

   b. ***SBEC Certificate(s)***. The certificate(s) must not be expired. If an SBEC is not certified at the time of the proposal submission, the proposal will be deemed non-responsive. Pending certifications are not acceptable.

B. The Airport reserves the right to reject the participation of a certified SBEC in its sole discretion if, for instance, the SBEC is affiliated with a non-SBEC. Such rejection shall be in writing and state the reason(s) for the rejection. BDD's decision shall be final.

C. An SBEC certification does not constitute a representation or warranty as to the qualifications or capabilities of any certified firm.

D. BDD maintains a directory of certified SBECs that have expressed an interest in doing business with the Airport or are currently doing business with the Airport. The directory is not a certification database. Certifications listed are provided by third-party service providers. SBECs may use the directory to assist them in locating other SBECs for joint ventures or percentage participation in the SBEC contract; however, the certifications should be verified through the approved certification agency. The directory is located at https://dfw.gob2g.com/.

E. If the SBEC information or status changes after the forms have been submitted, but prior to consideration by the Airport, the SBEC must immediately notify BDD of the changes and provide a written explanation for the change. All pre-award changes must be approved by BDD.

SECTION IX. RESPONSIVENESS AND NON-RESPONSIVE DETERMINATIONS

A. Determining Responsive and Non-Responsive (Pre-Award)

1. Responsive; compliance with requirements. A proposal subject to an SBEC contract goal is responsive if it either meets the goal or demonstrates good faith efforts to meet the goal in the manner prescribed by BDD. In evaluating good faith efforts, BDD will consider: (1) early, targeted outreach to potentially available SBECs, (2) reasonable division of work into economically feasible units to facilitate SBEC participation; (3) provision of adequate and timely information; (4) good faith negotiation with interested SBECs; (5) assistance with bonding, insurance, or financing where appropriate; and (6) effective use of community and business assistance organizations. Pro forma or formalistic efforts are insufficient.

2. Non-Responsive; failure to meet requirements. If a proposal subject to the SBEC Manual does not provide the necessary information, documentation, or forms, then BDD shall notify the procuring department to deem the proposal as non-responsive. Such determination shall result in no further consideration of the proposal by the Airport and is not appealable.

1. **If BDD establishes a Contract Specific Goal, the goal will be stated in the Advertisement and Invitation to Bid/proposal. In order to comply with the bid/proposal requirements of the solicitation and the SBEC Program Policy and Administrative Procedures, a Proposer must either meet the contract specific goal or demonstrate that the Proposer has made sufficient good faith efforts to meet the**

Contract Specific Goal. If the Proposer will not meet the SBEC goal, it shall nevertheless be eligible for award of the Contract if it can demonstrate to BDD that it has made good faith efforts to meet the goal. This good faith effort documentation must be submitted with the Proposer's bid or proposal.

2. In evaluating a Proposer's good faith effort submission, BDD will only consider those documented efforts that occurred prior to the good faith efforts submission.

3. The submission of good faith efforts documentation is a matter of responsiveness and shall include a specific response to each of the following criteria with the bid or proposal. The following factors are taken into account when assessing whether a Proposer made good faith efforts to meet the Contract Specific Goal. These factors are minimally considered as good faith efforts and demonstrate specific initiatives made in attempting to achieve the Contract Specific Goal. These factors should not be considered as a template, checklist or some quantitative formula. A Proposer is required to meet all factors outlined below and provide support documentation in order for good faith efforts to be assessed. Mere pro forma efforts are not good faith efforts to meet the Contract Specific Goal. This means that a Proposer must show that it took all necessary and reasonable steps to achieve a Contract Specific Goal, which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to meet the Contract Specific Goal, even if they were not fully successful. Failure of the Proposer to demonstrate adequate good faith efforts as to any one of the following categories shall render the overall good faith showing insufficient and the bid/proposal non-responsive. BDD will evaluate the good faith efforts on quality, quantity, and intensity of the different kinds of efforts that the Proposer has made based on the regulations and the guidance in 49 C.F.R. Part 26. **NOT SUBMITTING PROPER SUPPORT DOCUMENTATION IS NOT EVIDENCE OF A PROPER DEMONSTRATION OF GOOD FAITH EFFORT. SUBMITTAL OF THE CRITERIA, WITH NO ADDITIONAL DOCUMENTATION, WILL NOT BE CONSIDERED ADQUATE DEMONSTRATION OF GOOD FAITH EFFORT.** Proposers are not limited to these particular areas and may include other efforts deemed appropriate. Complete the **Commitment to SBEC Participation** form and attach support documentation only if the Contract Specific Goal is not achieved. For additional guidance concerning good faith efforts, please refer to the Electronic Code of Federal Regulations (CFR 49 Part 26, Appendix A).

   a. Conducting market research to identify small business Proposers and suppliers and solicit through all reasonable and available means the interest of all certified SBECs that have the capability to perform the work of the contract. This may include attendance at any pre-bid or pre-proposal meetings to discuss subcontracting and supplier opportunities (acceptable documentation shall include copies of the meeting sign-in sheets with Proposer name noted as signed-in) and business matchmaking meetings and events, advertising and/or written notices, posting of Notices of Sources Sought and/or Requests for Proposals, written notices or emails to all SBECs listed in the State and/or Local directories of firms that specialize in the areas of work desired (as noted in the SBEC directory) and which are located in the area or surrounding areas of the project. *The Proposer should solicit this interest as early in the acquisition process as practicable to allow the SBECs to respond to the solicitation and submit a timely offer for the subcontract. The bidder should* *determine with certainty if the SBECs are interested in taking appropriate steps to follow up initial solicitations at least three (3) business days prior to bid opening*.

b. Selecting portions of the work to be performed by SBECs in order to increase the likelihood that the SBEC goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units (for example, smaller tasks or quantities) to facilitate SBEC participation, even when the prime Proposer might otherwise prefer to perform these work items with its own forces. This may include, where possible, establishing flexible timeframes for performance and delivery schedules in a manner that encourages and facilitates SBEC participation.

c. Providing interested SBECs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation with their offer for the subcontract.

d. Negotiating in good faith with interested SBECs. It is the bidder's/proposer responsibility to make a portion of the work available to SBEC subcontractors and suppliers and to select those portions of the work or material needs consistent with the available SBEC subcontractors and suppliers, so as to facilitate SBEC participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of SBECs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional Agreements could not be reached for SBECs to perform the work. A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including SBEC subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using SBECs is not in itself sufficient reason for a bidder's failure to meet the contract SBEC goal, as long as such costs are reasonable. Also, the ability or desire of a prime Proposer to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime Proposers are not, however, required to accept higher quotes from SBECs if the price difference is excessive or unreasonable.

e. Not rejecting SBECs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The Proposer's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union status) are not legitimate causes for the rejection or non-solicitation of bids in the Proposer's efforts to meet the project goal. Another practice considered an insufficient good faith effort is the rejection of the SBEC because its quotation for the work was not the lowest received. However, nothing in this paragraph shall be construed to require the bidder or prime Proposer to accept unreasonable quotes in order to satisfy contract goals. *A prime Proposer's inability to find a replacement SBEC at the original price is not alone sufficient to support a finding that good faith efforts have been made to replace the original SBEC. The fact that the Proposer has the ability and/or desire to perform the contract work with its own forces does not relieve the Proposer of the obligation to make good faith* *efforts to find a replacement SBEC, and it is not a sound basis for rejecting a prospective replacement SBEC's reasonable quote.*

f. Making efforts to assist interested SBECs in obtaining bonding, lines of credit, or insurance as required by the recipient or Proposer.

g. Making efforts to assist interested SBECs in obtaining necessary equipment, supplies, materials, or related assistance or services.

h. Effectively using the services of available minority/women community organizations; minority/women Proposers' groups; local, State, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of SBECs.

i. At a minimum, DFW will review the performance of other bidders/proposers in meeting the contract goal. For example, when the apparent successful bidder/proposer fails to meet the contract goal, but others meet it, DFW may reasonably raise the question of whether, with additional efforts, the apparent successful bidder/proposer could have met the goal. As provided in §26.53(b)(2)((vi), the bidder must submit copies of each SBEC and non-SBEC subcontractor quote submitted to the bidder when a non-SBEC subcontractor was selected over an SBEC for work on the contract to review whether SBEC prices were substantially higher; and contact the SBECs listed on a Proposer's solicitation to inquire as to whether they were contacted by the prime. Pro forma mailings to SBECs requesting bids are not alone sufficient to satisfy good faith efforts under the rule.

4. BDD will review not only the different kinds of efforts the Proposer has made but also the quantity and quality of those efforts. Efforts that are merely *pro forma* or merely formalistic are not good faith efforts to meet the goal, even if they are sincerely motivated. The scope and intensity of the efforts will be considered in determining whether the bidder or proposer has achieved a good faith effort. Whether other Proposers attained a sufficient level of SBEC participation to meet the Contract Specific Goal will also be taken into consideration when determining whether the Proposer in question has made a good faith effort. A promise to use SBECs after Contract award is not considered to be responsive to the Contract solicitation or to constitute good faith efforts. BDD will also consider if, given all relevant circumstances, the Proposer’s efforts could reasonably be expected to produce a level of SBEC participation sufficient to meet the Goal.

5. Whether or not the Contract Specific Goal has been met and/or whether there were sufficient good faith efforts is considered a matter of the Proposer’s responsiveness. The requirement to submit documentation that the Contract Specific Goal has been met or good faith efforts documentation has been submitted in the manner prescribed by BDD is considered a matter of the Proposer’s responsiveness. The Airport Board will only award Contracts to Proposers determined to be responsive. If a Proposer fails to submit good faith efforts documentation with the bid or proposal, it waives the right to appeal the BDD’s decision that sufficient good faith efforts were not made. The Vice President of BDD or designee shall determine whether the Proposer made the required good faith efforts and, if not, shall recommend that the Proposer be deemed non-responsive.

6. If a Proposer, that has submitted good faith efforts documentation, desires a review of BDD's decision, it must file a written request for an appeal within two (2) business days after receipt of the written decision to the following Reconsideration Official:

   Chief Administrator Officer
   DFW Airport, 2400 Aviation Drive
   P.O. Box 619428
   DFW Airport, Texas 75261-9428

7. As part of the reconsideration, the Proposer will have the opportunity to meet in person with the Reconsideration Official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The Proposer will also have the opportunity to provide written documentation or argument concerning the issue of good faith. Arguments, evidence, and documents supporting the basis for the appeal must be received no later than five (5) business days after the notice of appeal is filed. The Reconsideration Official's decision shall be made based solely on the entire administrative record presented with the original good faith efforts documentation. No new additional information or documentation can be provided or allowed for review. The Reconsideration Official will issue a final written decision in response to the appeal.

8. Failure of the bidder or proposer to show good faith efforts as to any one (1) of the criteria listed above shall render its overall good faith effort insufficient and its bid or proposal deemed non-responsive.

B. SBEC Commitment Modification Due to Change in Scope of Work (Post Award)

1. The Proposer has a continuing obligation as a covenant of performance to meet the SBEC utilization to which it committed at Contract award, inclusive of change orders, amendments, and modifications. If the Proposer during Contract performance is not able to meet its original SBEC commitment, due to changes to the scope of work made by the Airport Board, the Proposer and User Department must immediately notify BDD of the scope of work changes that impact SBECs for approval. The Proposer has a continuing obligation to meet its original SBEC commitment.

2. Such good faith efforts during Contract performance must include, but are not limited to:

   a. Solicitation of SBECs that are certified in the applicable area of work or specialty.

   b. Providing interested SBECs with adequate information about the plans, specifications, scope of work and requirements of the Contract.

   c. Fairly investigating and evaluating the interested SBECs' regarding their capabilities, not rejecting SBECs as unqualified without sound reasons based on a thorough investigation, and providing verification, including a statement giving the Proposer's reasons for its conclusion, that it rejected each non-utilized SBEC because the SBEC was not qualified;

d. Negotiating in good faith with interested SBECs regarding price, using good business judgment and not rejecting reasonable quotes from interested SBECs and providing written documentation why the Proposer and any of the SBECs contacted did not succeed in negotiating an agreement; and

e. Effectively using the services of available community organizations; chambers and Proposer groups; local, State, and Federal business assistance offices, and other organizations that provide assistance in the identification of SBECs.

3. Modified good faith efforts must be demonstrated to be meaningful and not merely for formalistic compliance with this requirement. The scope and intensity of the efforts will be considered in determining whether the bidder or proposer has achieved a good faith effort.

4. A Proposer determined not to have made good faith efforts to meet its SBEC contractual commitments may request administrative review and final reconsideration by the Vice President of BDD. The Proposer may elect to meet in person to discuss whether the Proposer made good faith efforts in accordance with the SBEC Program Policy and Administrative Procedures. BDD's determination shall be final.

3.

SECTION X. POST-AWARD COMPLIANCE PROCEDURES

A. Changes. Any proposed change to SBEC commitments or joint venture structure must be submitted to BDD at least 60 days in advance and approved in writing before implementation. The concessionaire must demonstrate good cause for any termination or substitution of an SBEC. Changes requiring advance approval from BDD include, but are not limited to, the following:

1. The SBEC or joint venture seeks a material change to the joint venture ownership, concept, and/or operations.

2. The joint venture seeks to change the roles and responsibilities from what was originally proposed and submitted in its joint venture agreement, including but not limited to, in altering the concept for the concession.

3. The SBEC or joint venture seeks to sublet the concession space to another SBEC or non-SBEC.

4. The SBEC or joint venture seeks to sell all or a portion of its equity interests to another SBEC or non-SBEC.

5. The SBEC or joint venture voluntarily terminates or returns the concession space before the end of the lease term.

6. The SBEC or joint venture intends to assign the lease in whole or in part to another SBEC or non-SBEC.

7. The joint venture dissolves before the end of the lease term.

Notice shall be in writing and shall be deemed to have been received by BDD: (i) if notice is sent by email to bdd@dfwairport.com, on the next Business Day after being sent unless the sender receives an automated message that the email has not been delivered, or (ii) five business days after the date it is sent by United States registered mail or certified mail to Dallas Fort Worth International Airport, ATTN: Tamela Lee, P.O. Box 6194281, DFW Airport, TX 75261-9428.

Failure by the SBEC to carry out the requirements of this section is a material breach of the lease and may result in the termination of the lease or such other remedies set forth in the Compliance and Enforcement section below.

B. Monitoring and Reporting. Concessionaires shall attend onboarding, progress, and compliance meetings upon request; submit required reports and payment data; and cooperate with site visits and audits. BDD may investigate any report of noncompliance and require corrective action.

1. In the event BDD is notified or suspects that an SBEC no longer qualifies as an SBEC under the SBA size provisions due to its affiliation with another business concern or otherwise, BDD may investigate further by requesting additional information and/or documentation from the SBEC. The SBEC is responsible for submitting the requested information and/or documentation in a timely manner.

2. As part of its compliance monitoring responsibilities, BDD may also conduct on-site inspections. The SBEC is responsible for providing BDD, if requested, a project work schedule together with a list of all subProposers for the scheduled work during the tenant finish outs or during the course of operations.

3. All reports of noncompliance may be referred by BDD to the Contract Administrator, and if appropriate, to the Legal Department.

C. Failure to comply with SBEC commitments, CUF requirements, reporting, or other program obligations is a material breach of the lease and may subjecting the firm to withholding of funds, temporary suspension of performance, denial or revocation of SBEC credit, and suspension/debarment consistent with Airport policies and applicable law.

SECTION XI. COMPLIANCE AND ENFORCEMENT

A. These provisions address the additional contractual remedies available to the Airport as a result of the concessionaire's failure to comply with the obligations set forth in this SBEC Manual. The contractual remedies set forth are also applicable to the concessionaire's failure to comply with the Program requirements, as well as any remedies available at law or in equity.

B. BDD has the authority to investigate complaints and allegations by SBECs, third parties, or Airport staff, or to initiate its own investigations regarding concessionaires' compliance with the Program requirements. If BDD determines that an investigation is warranted, the concessionaire must fully cooperate with the investigation and provide complete, truthful information to the Airport.

C. The failure of the concessionaire to comply with the Policy, Manual, and/or Contract Provisions (as defined herein) may constitute a material breach of the lease entitling the Airport to exercise any remedy available to it under the contract or by law. In addition, the SBEC's breach of the Contract Provisions or failure to comply with the Policy or Manual may lead to temporary suspension or disbarment for purposes of future procurement opportunities.

D. The Airport may report any suspected false, fraudulent, or dishonest conduct relating to the SBEC's performance of the Program requirements to the Airport's Department of Audit Services or to any applicable enforcement agency, including the State Attorney General's Office and appropriate federal law enforcement authorities.

E. If the concessionaire is in breach of any of the Program requirements, the Airport may exercise any of the following remedies, in addition to any other remedies available to it under the contract or at law or in equity:

    1. Withholding funds payable under the contract until such time as the breach is remedied.

    2. Temporarily suspending, at no cost to the Airport, concessionaire's performance under the contract.

    3. Termination of the contract.

    4. Denial or revocation of BDD's recognition of the SBEC certification.

    5. Suspension/debarment, in accordance with applicable law, of the concessionaire for a period of time from participating in any solicitations issued by DFW based on the severity of the contract breach.

F. If a concessionaire fails to meet the Contract Provisions on a previous SBEC contract, then the BDD may regard the SBEC's proposals in response to future solicitations as non-responsive.

SECTION XII. OUTREACH

A. An integral component of the SBEC Program is identifying and soliciting SBEC participation on the Airport's contracting opportunities. Outreach efforts are designed to document initiatives and establish procedures that best inform stakeholders and achieve results that maximum consideration of, and participation by, SBECs. Internal and external communications and outreach, as well as engagement among BDD, other Airport departments, and the SBEC business community, are key.

B. Internal Communications: As detailed in Section IV of this Manual, all Airport departments are responsible for promoting and implementing the SBEC Policy and Manual. BDD has established, in conjunction with appropriate departments, procedures to enhance the qualifications, competitiveness, and opportunities for SBECs. Processes have been jointly established to capture, disseminate, analyze, and communicate Airport business opportunities, and address barriers to effective SBEC participation.

C. External Communications: Communication and support of SBEC initiatives by entities that represent or promote SBECs' interests are a crucial element to a viable and effective SBEC Program. BDD has formalized efforts to ensure communication and participation by external SBEC-related entities to maximize the Airport's SBEC identification and solicitation efforts. The Airport aims to establish a transparent communication process that informs and assists in the overall development and management of the SBEC Program. BDD shall participate in SBEC-sponsored activities and look to these entities as the principal organizations to generate support and participation by the SBEC community.

D. SBEC Listings: As part of the Airport's efforts to identify and ensure solicitation of SBECs, BDD shall maintain listings of certified SBECs by industry codes. These listings will be used to notify SBECs of upcoming business opportunities. Such listings may also be used by proposers to satisfy the SBEC Program requirements or to facilitate partnership arrangements or joint ventures.

SECTION XIII. SEVERABILITY

The provisions of the SBEC Manual are separate and severable. In the event any provision of this Manual is determined to be void or unenforceable, such determination shall not affect the remainder of the Manual, which shall continue to be in force.