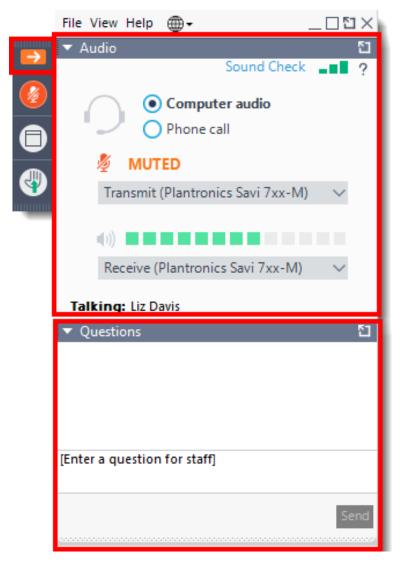
The Webinar will begin soon



DFW Concessions Outreach

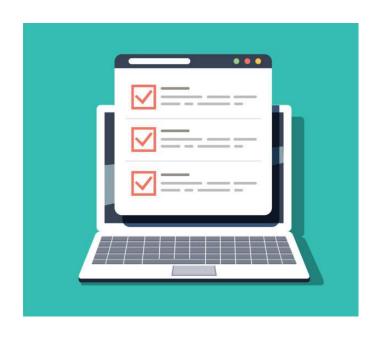


Go To Webinar Housekeeping





Please take the short survey at the end of this webinar











Agenda

Welcome to DFW Concessions Outreach

Overview of DFW Airport & Concessions Program

Consumer Insights

Business Diversity and Development: ACDBE

Small Business Enterprise Concession Program

Air Service

How to do Business with DFW Airport

Upcoming RFPs

Procurement & Materials Management (PMM)

Questions

Closing

This presentation will be posted on the DFW Concessions website.



Welcome to DFW
Concessions Outreach

Ken Buchanan

Executive Vice President, Revenue Management



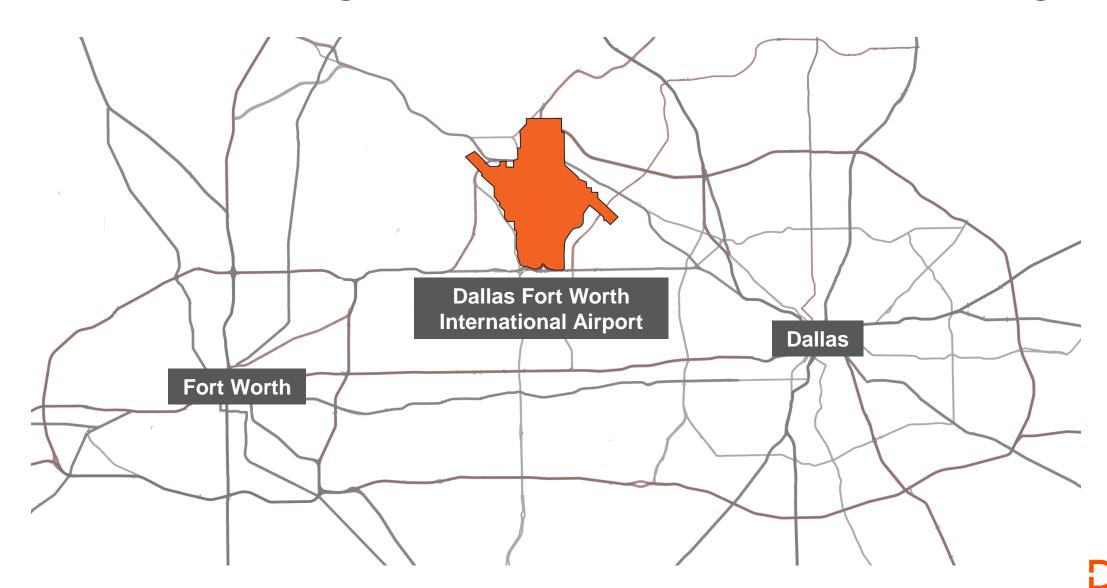
Overview of DFW Airport & Concessions Program

Kevin Lemmons

Assistant Vice President, Concessions



Jointly owned by the cities of Dallas and Fort Worth, DFW has built a huge infrastructure and still has room to grow.



DFW Airport now provides air service to 196 domestic and 66 international destinations, for a total of 262 non-stop destinations.



DFW Airport Overview

DFW operates four legacy terminals (A, B, C, E) and International Terminal D

- DFW has 165 Gates
- More than 200 destinations
- International super hub
- Home of American Airlines





Vision

Travel. Transformed.



Mission

We discover new ways to care for our customers, inspire our employees and strengthen our communities to create an exceptional Airport experience. Every Day.



MISSION

To proactively exceed our customers' expectations with best-in-class shopping, dining and service experiences at the Airport while increasing revenue to the Board

OBJECTIVES

- Maximize revenue
- WOW and excite customers
- Make DFW the "Partner of Choice" for new business & concessionaires
- Provide a frictionless experience with customer centric options and designs that add to the customer overall experience



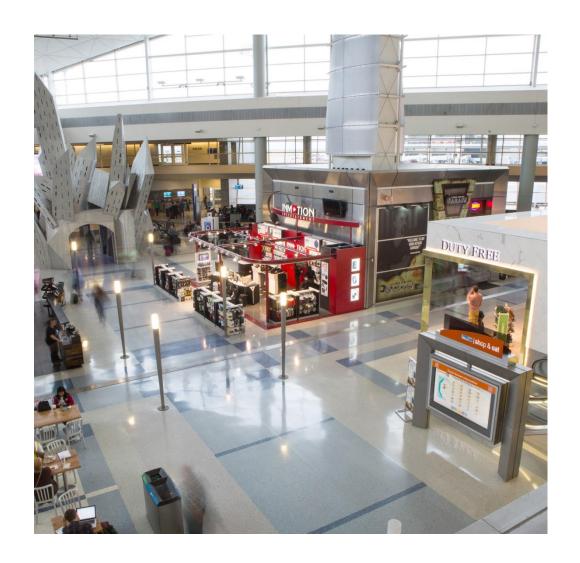
DFW Concessions Program

One of the largest concessions programs in North America

- Over 200 shops, restaurants, and services
- Generated over \$321M in FY21 Gross Receipts

Rental Car Center

- 3M passengers in FY21
- Generated over \$257M in FY21 Gross Receipts





DFW Airport Overview

2020:

Airport Experience News (AXN)

 Airport with the Best Commercial Management Team: Large Airport Division

DFNI Frontier Americas Awards

- Airport of the Year: DFW Airport
- Best New Shop Opening: Estee Lauder Terminal D Joint Venture

2021:

FAB Superstars (Moodie Davitt Report)

 Innovation Award (Americas) – Stores/Admin/Logistics: Terminal D Extension









Mastering the Basics

Clean

Working

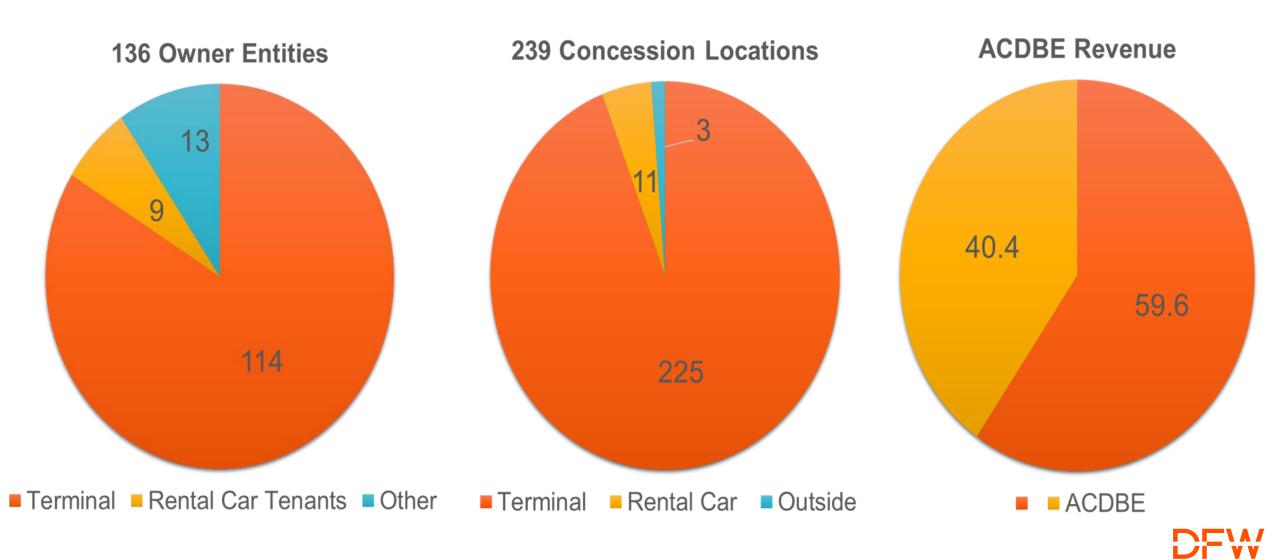
Friendly





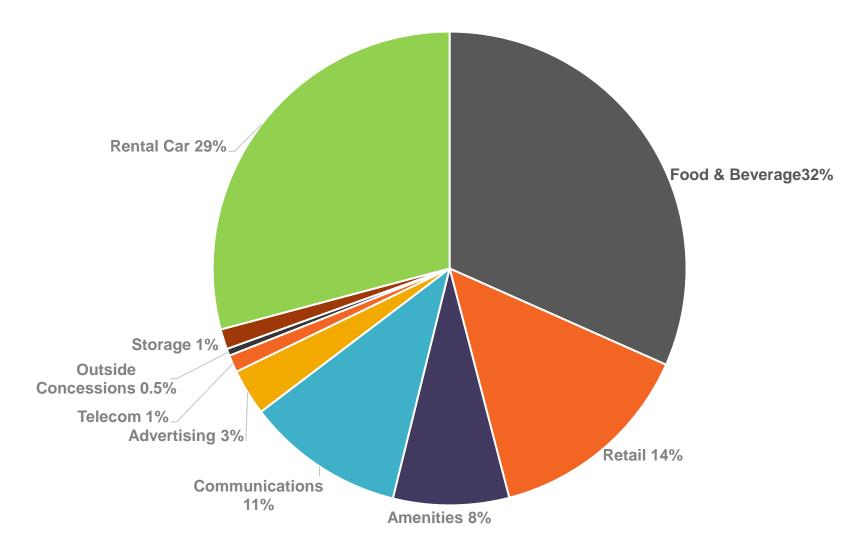
Background

DFW Concessions operates a direct leasing model



Background

Concessions – FY22 Outlook representing all the categories within the major lines of businesses





Consumer Insights

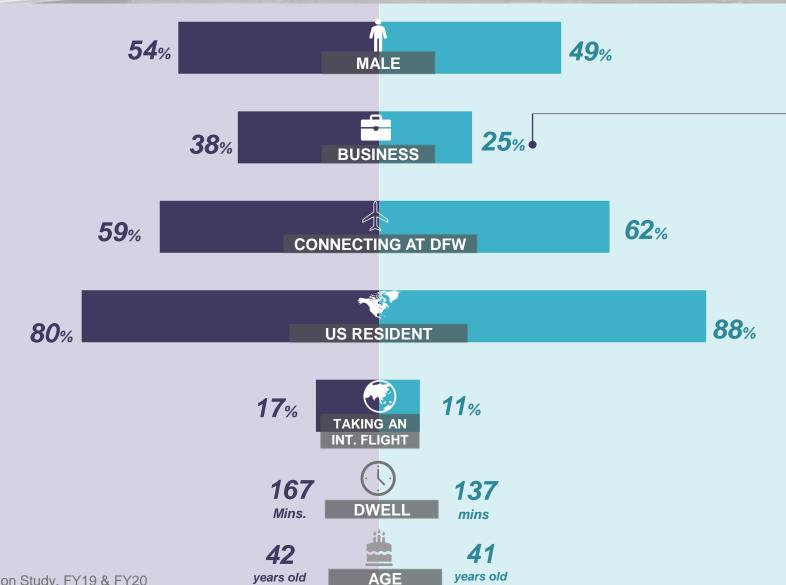
John Han

Sr. Insights and Analytics Manager, Customer Experience



CHANGING CUSTOMER PROFILES

FY2019



FY2 0 2 2

In FY22 to date, business travelers have declined significantly.





CONCESSIONS PURCHASE HABITS

Business travelers are still purchasing at the same levels as before. So far in 2022, 61% are making a concessions purchase.

The make up of a DFW business traveler has changed slightly over the past few years.



Travel frequency has declined

Businesses have not fallen back into old ways — Average number of business trips dropped from 10 trips in 2019 to 7 trips in 2022.



Female business travelers are on the rise

Female business travelers in 2022 accounted for 34% of all business travelers, up from 30% in 2019.



Business travelers are younger

Although not a large decline, average age for business travelers dropped by two years. (43 vs 41 years)





CONCESSIONS PURCHASE HABITS

Habits have mostly not changed — 60% of leisure travelers continue to make a purchase while at the DFW Airport.

Leisure travelers have seen some fluctuations in their demographics and behaviors as well.



Trip Frequency declined a little.

Leisure travelers are traveling a little less in 2022 than they have done in the past. (3 trip average in 2022 vs 4 trip average in 2019).



Dwell time in the terminals have dropped.

In 2022, dwell time saw a significant decline by an average of 37 minutes. (191 mins. in 2019 vs 154 mins. in 2022)



Income is on the rise

Although not a large increase, the average of those making above \$100,000 has increased. In 2022, 37% of leisure travelers make \$100K+, compared to 33% in 2019.





STORE VISITS

Travelers are still visiting our restaurants and stores like in the past.

2019

- 52% F&B
- 4% Retail
- 7% Both Retail & F&B

2022

- 52% F&B
- 4% Retail
- 5% Both Retail & F&B

Some of our travelers have increased their purchase habits over the past few years.



International traveler purchase habits

International travelers have increased their food and beverage purchases in 2022 (90% vs. 86%).



Store visits and purchase increase.

Gen X and Boomers have increased their food and beverage store visits as well as food and beverage purchases in 2022.



Business Diversity and Development ACDBE

Tamela Lee

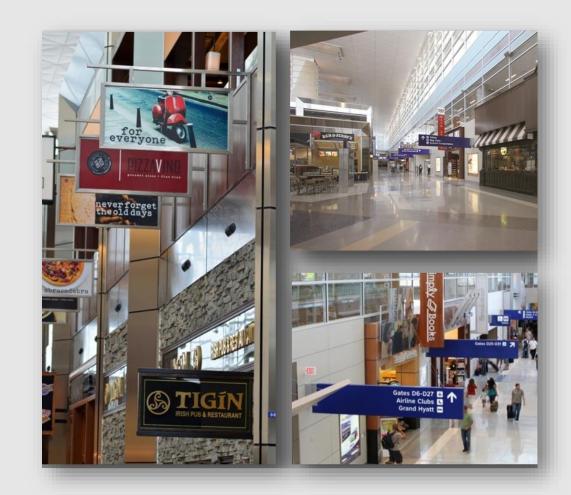
Vice President, Business Diversity and Development



Business Diversity Overview

Objective: Ensure full and fair access to contract opportunities for all businesses and in particular for Airport Concession Disadvantaged, Minority and Women Business Enterprises (D/M/WBEs)

- ensure nondiscrimination in the award and administration of procurements
- remove barriers to the participation.
- promote the utilization of D/M/WBEs in procurements
- assist the development of firms that can compete successfully in the marketplace



Business Diversity Programs

Federal Programs (Federal Regulations) Local Programs (Disparity Study)

Airport Concession Disadvantaged Business Enterprise (ACDBE)

- 51% owned and controlled by one or more socially and economically disadvantaged individuals
- Business size based on SBA size standards
- Personal Net Worth Threshold

Minority and Women Business Enterprise Program (M/WBE)

- 51% owned and controlled by one or more minority individuals or by one or more female individuals
- Socially Disadvantaged

ACDBE Program

Airport Concessions

Governed by 49 CFR, Part 23 and 26

33% Annual Goal

M/WBE Program

Tenant Finish Out

- Architectural and Engineering Services
- Construction Services

30% Goal



Business Diversity Overview

Goals

- Percentage of Revenue or Goods and Services
- Published in advertisement

Options for Meeting Goals

- 100% ACDBE Participation
 - The proposer is solely owned and operated as a certified ACDBE firm.
- Percentage of participation
 - A percentage of the business is designated to be owned, operated and/or maintained by a certified
 ACDBE through a sub-lease, management, operating and/or franchise agreement
- Percentage Participation by way of a Joint Venture Agreement
 - A proposer enters into a joint venture agreement with a certified ACDBE partner, in which the ACDBE
 partner has a financial risk and reward commensurate with the ACDBE participation for the concession
 opportunity. For purposes of ACDBE participation, joint venture entities are not certified as ACDBEs

Team Selection

- Diversity in terms of business disciplines, composition of ACDBEs, ethnicity and gender is encouraged
- Exclusive teaming agreements for purposes of submitting a proposal not allowed

Certifications

- If claiming ACDBE or M/WBE credit, must be certified by an approved certification agency <u>at the time of proposal</u> <u>submission</u> in order to be credited
- Certificates must be
 - included with proposal submission for credit
 - current and not expired (Except ACDBE must not be Revoked)
 - include North American Industry Classification
 System (NAICS) codes relevant to the proposed services (Commodity Codes)
- Relevant Market Area!
 - applicable to the M/WBE Program (know what this means!)
 - NO LOCAL PREFERENCE FOR THE ACDBE PROGRAM
 - State of Texas HUB certificates are <u>not</u> acceptable



NORTH CENTRAL TX REGIONAL CERTIFICATION AGENCY

624 Six Flags Drive, Suite 100 Arlington, TX 76011 (817) 640-0606 or www.nctrca.org (Processing timeframe: 60 – 90) (ACDBE, SBEC, MBE, WBE)



DFW MINORITY SUPPLIER DEVELOPMENT COUNCIL

8828 N. Stemmons Freeway, Suite 550 Dallas, TX 75247 (214) 630-0747 or www.dfwmsdc.com (Processing timeframe: 30-45 days) (MBE)



WOMEN'S BUSINESS COUNCIL SOUTHWEST

2201 N. Collins Street
Arlington, TX 76011
(817) 299-0566 or www.wbcsouthwest.org
(Processing timeframe: 30-45 days)
(WBE)



EXHIBIT "F"

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) SPECIAL CONTRACT PROVISIONS

An ACDBE participation commitment has been established for this Agreement, as noted in Article One (1) of this Agreement and stated in its <u>Commitment to Airport Concessions Disadvantaged Business Enterprise (ACDBE) Participation form.</u>

Such participation is a contractual commitment upon execution of this Agreement.

A. GENERAL REQUIREMENTS

- It is the policy of DFW International Airport ("Airport" or Board") that ACDBEs as defined in 49 CFR Part 23 ("Part 23") shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this Agreement. The Airport has developed and implemented an ACDBE program as required under Department of Transportation 49 CFR Part 23. The ACDBE program objective is to ensure full and fair access to concession opportunities for all businesses and in particular for ACDBE businesses.
- Concessionaire acknowledges that it is a "concessionaire" as that term is defined in 49 C.F.R. § 23.3.
- 3. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23.9. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the performance of this Agreement or any management agreement, subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. The Concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements. Failure by Concessionaire to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the Board deems appropriate.
- 4. The Business Diversity & Development Department ("BDDD") is responsible to ensure compliance with all the Airport's Business Diversity Programs, policies and procedures. The Airport's Vice President of BDDD has been designated as the ACDBE Liaison Officer. In that capacity, the Vice President is responsible for compliance with all aspects of the ACDBE program. The Vice President has established an overall, annual ACDBE goal for the Airport.
- Concessionaire specifically agrees to comply with all applicable provisions of the Board's ACDBE Policy and Procedures Manual and any

ACDBE Contract Provisions_rev03/xx/22-1 3/25/2022_4:50:53_PM

ACDBE Special Contract Provisions

Understand the ACDBE Business Diversity Program Requirements

- Read the ENTIRE document provided with the solicitation.
- Reference for guidance and instructions to complete the proposal.

II. Highlighted Sections

- C. Goals and Good Faith Efforts
 - Determining Responsive, Non-Responsive
- D. Counting ACDBE Participation
 - Joint Ventures
- E. Certification
 - Approved Certifying Entities
- F. Pre-Award Compliance Procedures
 - ACDBE Utilization Forms & Related Documentation
- I. Compliance and Enforcement





Airport Concessions Disadvantaged Business Enterprise (ACDBE) Policy and Procedures Manual Business Diversity & Development Department



Board Approved 10/03/2013

The Keys to Success

I. Understand the Business Diversity Program Requirements

- Difference in Programs
- Goal versus Commitment
- Required Forms and/or Evaluation Criteria

II. Bidding/Proposing

- Attend Pre-Proposal Meeting
- Submit questions in writing
- Communicate between Pre-Proposal Attendee and Proposal Preparer
- Proofread proposal response before submitting for compliance with Business Diversity requirements

III. Forms and/or Evaluation Criteria

- Complete and sign all required forms
- Provide exact dollar amounts and percentages for Diversity participation as requested
- Do not use "TBD" or "Up to a certain percentage"
- Submit applicable Certification Certificates
- JV Agreements must be submitted with the proposal
- MUST USE JV TEMPLATE OR NON-RESPONSIVE

IV. Responsive versus Non-Responsive

- Responsive determinations move forward in the evaluation and consideration process
- Non-responsive determinations do not move forward



Small Business Enterprise Concession Program

Tamela Lee Vice President, Business Diversity and Development





Background

Ensure Fair Access to Contract Opportunities

Allows for SBEC Direct Negotiations.

Race-Neutral measures are encouraged by federal regulations such as Small Business Enterprise Programs

FAA audit recommended SBE program for Direct Negotiations

Disparity Study Recommended all forms of contractual relationships, not just Joint Ventures (JV)





Small Business Enterprise Concession Program

Ensure Fair Access to Contract Opportunities

For all businesses and particularly for Disadvantaged, Small, Minority and Women Business Enterprises (D/S/M/WBEs)

Unique opportunity for smaller firms to independently operate as DFW concessionaires.

Increases opportunities for D/S/M/WBEs to manage and control their own locations

Creates a level playing field for D/S/M/WBEs to compete with similar sized business

Remove barriers to participation

Promote the utilization of D/S/M/WBEs

Assist the development of firms that can compete successfully in the marketplace



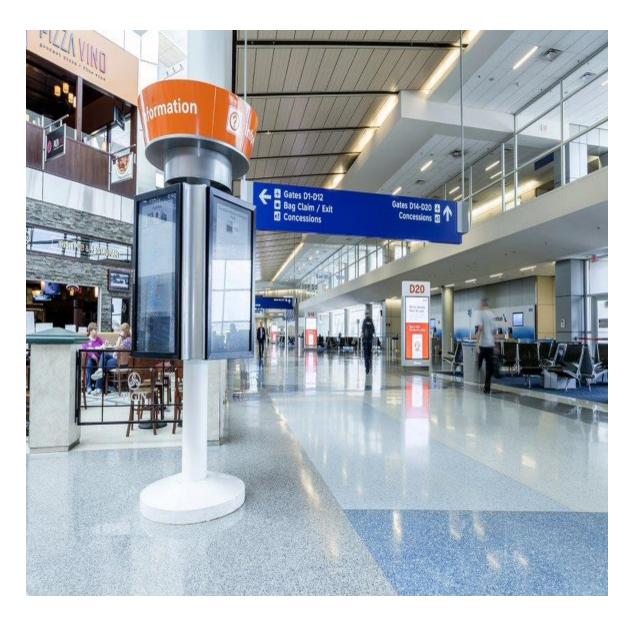
Business Diversity Program

Small Business Enterprise Concession (SBEC)

- Business size based on Small Business Administration size standards
- Personal net worth threshold same as ACDBE

Other Certification Requirements

- No Local Preference but must be certified in Texas
- Gross receipts averaged over three (3) years
- Site Visits Performed by NCTRCA for certification applicable to new applicants or as needed
- Certifications expire & require annual renewal
- ACDBEs qualify for the SBEC program subject to size standard and PNW threshold established
- Sustained business activity in the NAICS code described in the certification application for a minimum of six
 (6) months prior to the date of application



Program Requirements

To ensure program compliance

No concession specific goal (100% Certified SBEC)

SBEC Can JV with another SBEC but not with a non SBEC

Direct negotiations can be competitively bid among SBECs

An existing ACDBE that receives SBEC certification must be compliant with all BDDD and Airport requirements prior to a direct negotiation or proposal submittal

Must be SBEC certified at time of proposal or direct negotiation. No pending certifications

An applicant does not need to be ACDBE certified to apply for the SBEC program but must meet SBEC certification requirements





Program Eligibility

To ensure program compliance

Currently Certified with the North Central Texas Regional Certification (NCTRCA)Agency

ACDBE certification has not been revoked or in an appeal process with NCTRCA

Initially no upfront application fee for certification unless applicant is seeking SBEC only and not currently ACDBE certified

Application fee of \$50.00 due with the ACDBE "Change/No Change Affidavit

The \$50.00 application fee is for each SBEC entity seeking certification

Failure to pay the \$50.00 SBEC application fee at renewal of your ACDBE certification annually will result in a:

- Revocation of your SBEC certification
- Permanently could disqualify you as an SBEC and any future SBEC opportunities will not be available to you.

SBEC Program Next Steps



NCTRCA Database Configuration

ACDBEs Receive SBEC Invitation Letter

ACDBEs Return Signed Letter to NCTRCA for SBEC Certification

NCTRCA Issues SBEC Letter or Certificate

SBEC Presents Letter to BDDD prior to Direct Negotiation or at Time of Proposal



CAPACITY BUILDING PROGRAM SERIES

ARCH

- Doing Business with DFW, 3/9
- Doing Business with Airport Concessions, 3/23

JUNE

- Audits & Site Visits, 6/8
- Recovering Your Business from the Great Resignation, 6/22

APRIL

- Bonfire Electronic Solicitation Portal, 4/6
- Procurement Methods, 4/20
- Rental Car Supplier Diversity Day, 4/27

JULY

- DFW Airport 2021-2024 Strategic Plan, 7/13
- Types of Small Business Insurance Coverage, 7/27

MAY

- M/WBE Program & Certification, 5/11
- Contract Administration, 5/25

AUGUST

- Commercial Development Passport Park West, 8/10
- Innovation, 8/24



Resources

During the solicitation period, questions regarding the completion of the Business Diversity requirements should be directed to the Procurement Contract Administrator.

Other Resources

www.dfwairport.com/bdd

- DFW ACDBE Program Manual
- DFW M/WBE Program Manual
- Joint Venture Agreement Template

www.faa.gov

- ACDBE Program
- Joint Venture Guidance
- Federal Regulations

Point of Contact

Business Diversity & Development Cathy Jackson, Business

Development Manager

972-973-5507

cjackson@dfwairport.com

Amber Davis

Regulatory Compliance Specialist

972-973-6391

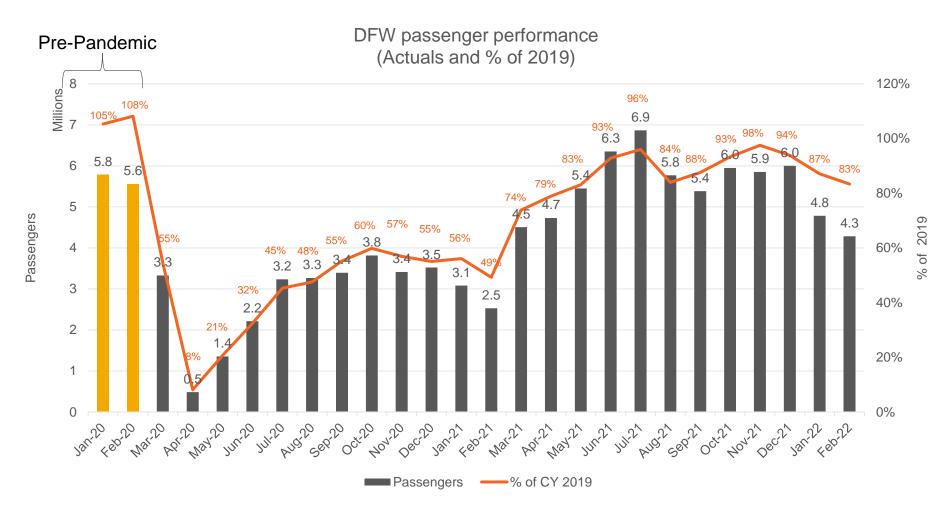
adavis@dfwairport.com

Air Service

Milton De la Paz Vice President, Airline Relations



DFW's passenger traffic has recovered strongly since last spring

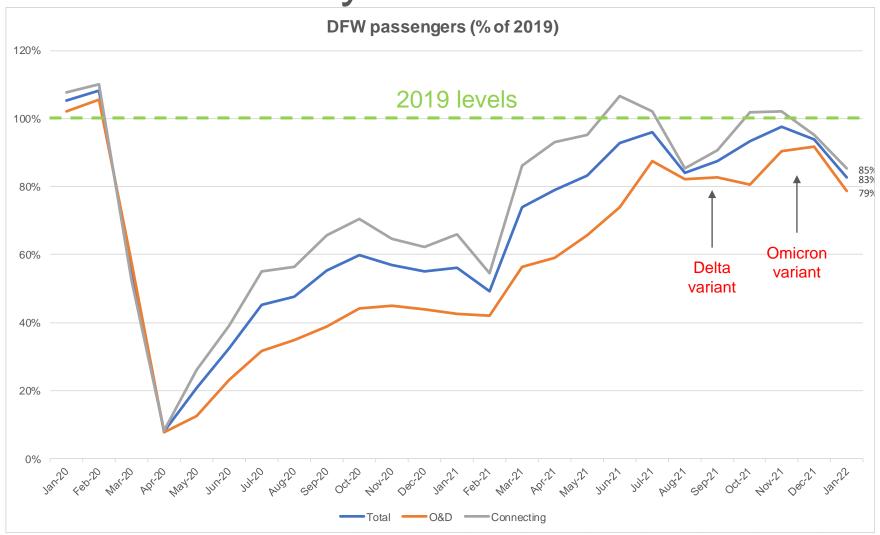




Note: 2019 levels refer to CY 2019



Connecting traffic has driven the recovery but local traffic recovery has accelerated as well



Source: Internal Statistics

Note: 2019 levels refer to CY 2019



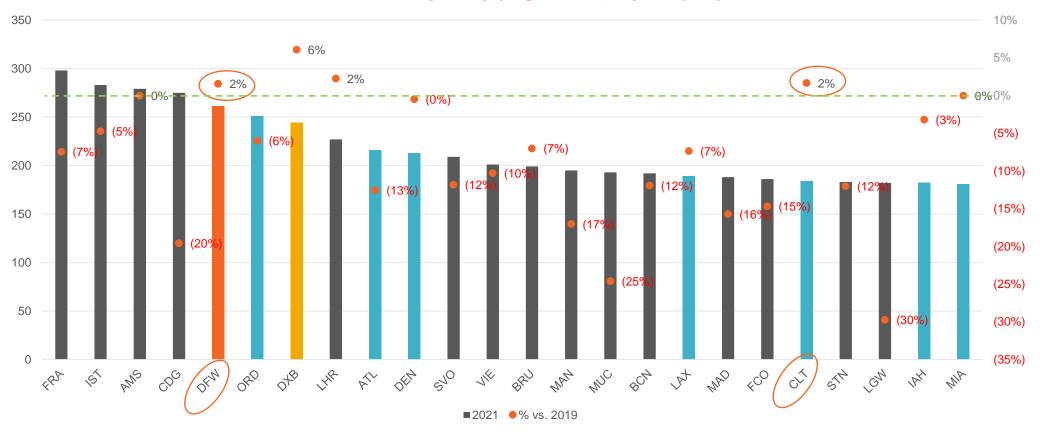
Destinations prior to and during the pandemic

	Pre- Pandemic	New/ Added	Lost	At 3/29/22	New (post 3/29/22)	Scheduled/ Intended to Return	Not Yet Scheduled to Return
Domestic	191	12	-7	196	1	0	8
International	66	11	-12	66	4	4	6
Total	257	23	-19	262	5	4	14



DFW and CLT are the only U.S. airports in the top 25 to have gained more destinations since the pandemic

DFW ranked 5th in the world



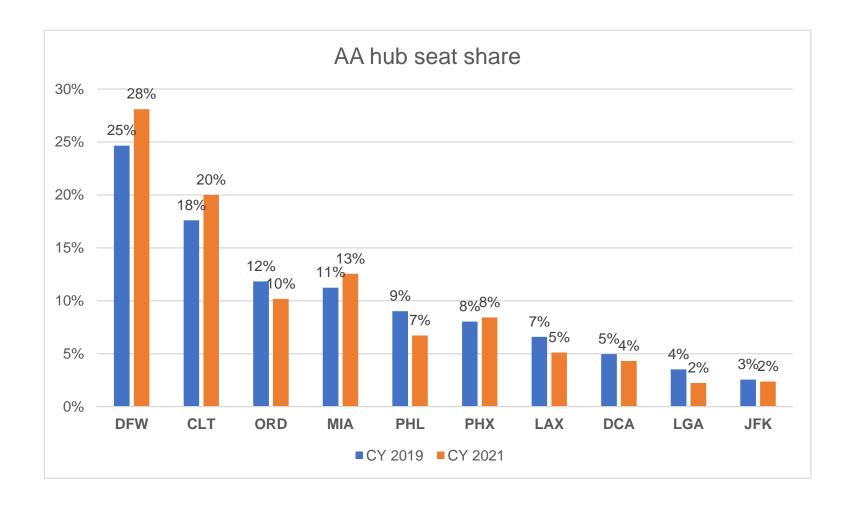






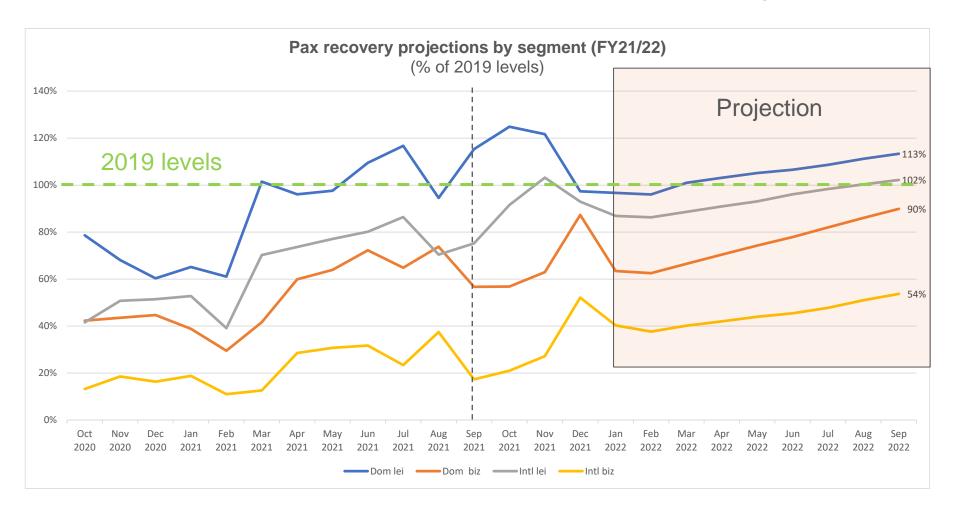


DFW has become a bigger part of AA's network during the pandemic





Leisure travel has been and continues to be the main driver of the recovery

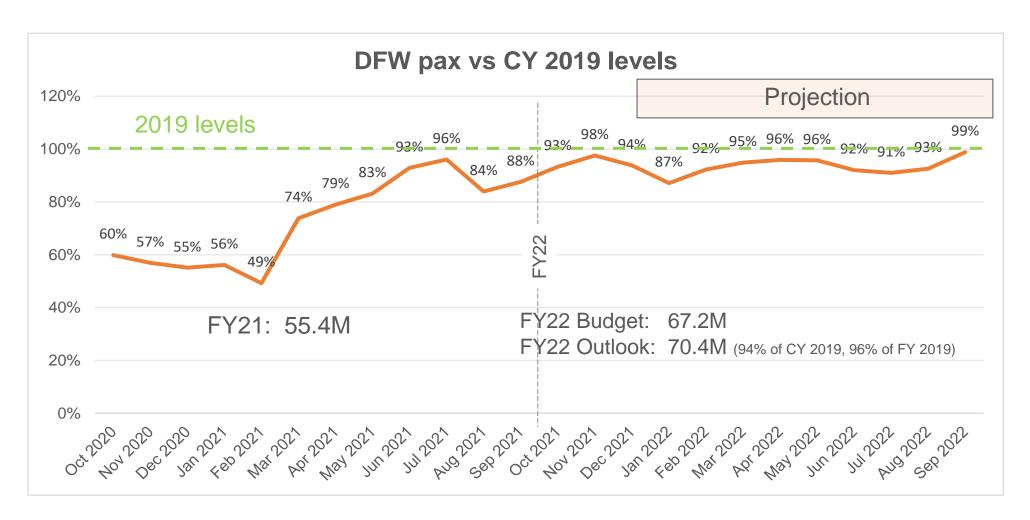




Note: Projections as of January 31, 2022; 2019 levels refer to CY 2019



FY22 total passengers are projected to approach 98% of 2019 levels

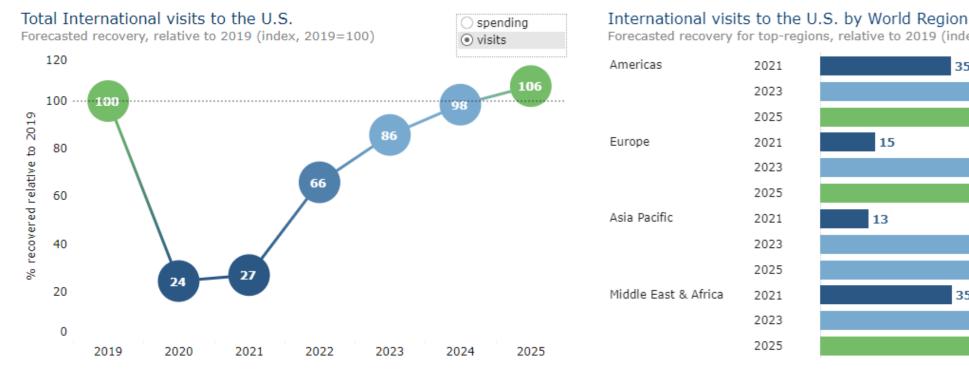


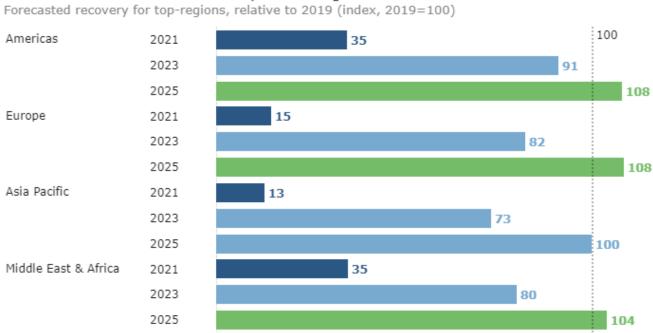
Source: Internal statistics; projections as of January 31, 2022

Note: 2019 levels refer to CY 2019



International visits to the US are expected to fully recover by 2025

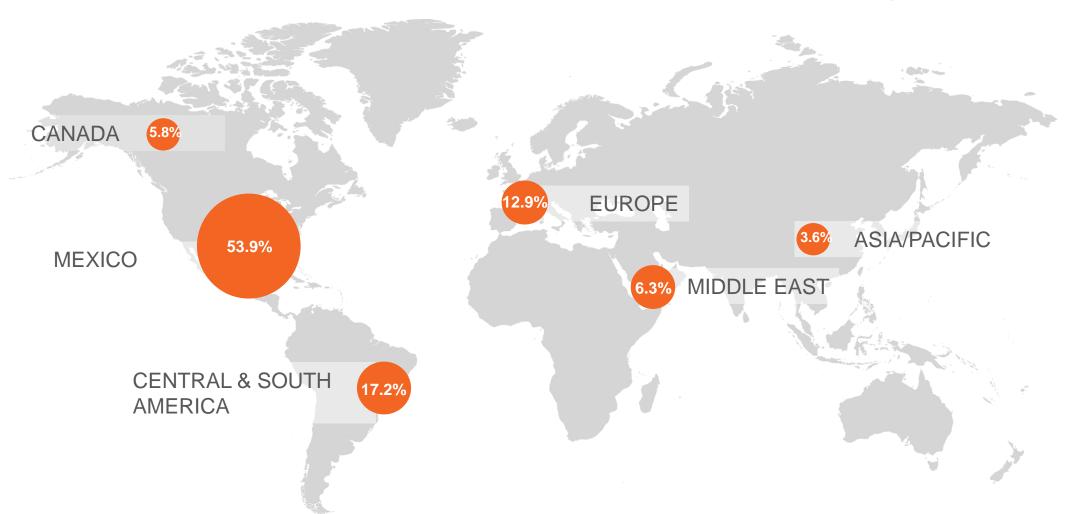






FYTD Jan 2022 International Passengers

Mexico represents more than 1/2 of all international passengers



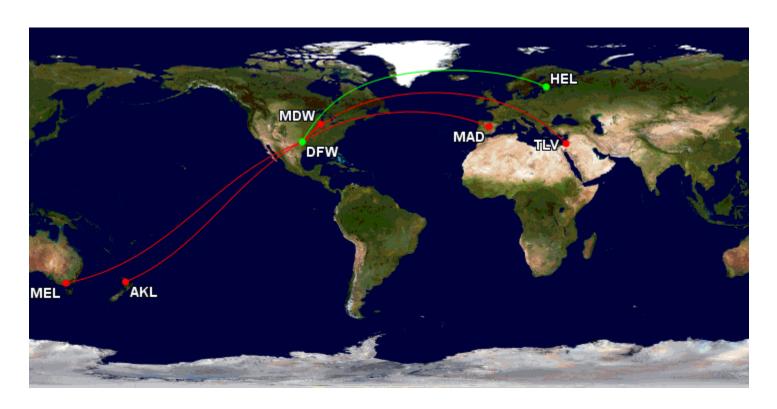


22 new routes have started since the beginning of the pandemic





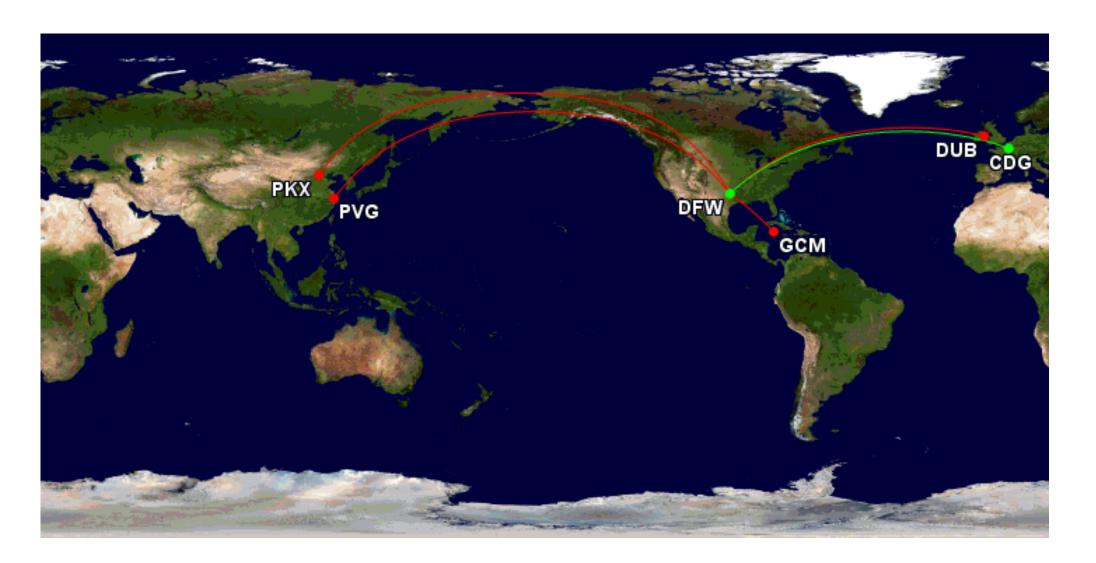
5 destinations scheduled/intended to begin in 2022



Destination Code	City	Start Date
HEL	Helsinki, Fl	3/27/2022
MDW	Chicago, IL,US	4/28/2022
TLV	Tel Aviv, IL	6/4/2022
MEL	Melbourne, AU	12/2/2022
AKL	Auckland, NZ	TBD
MAD	Madrid, Spain	6/01/2022



5 destinations scheduled to resume in 2022

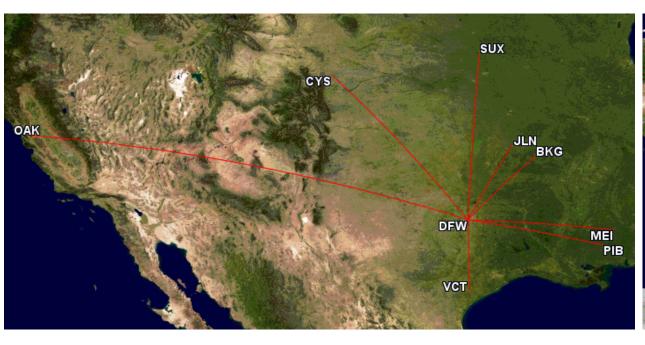




14 destinations not yet scheduled to return

Operated in CY 2019

8 Domestic 6 International







How to do Business with DFW Airport

Cristen Mosley
Concessions Manager



Doing Business with DFW

- Become a Concessionaire Own a Location
- Understand differences Operational, Construction, and Costs
- Understand DFW Proposal requirements
- Submit your proposal by the due date and time

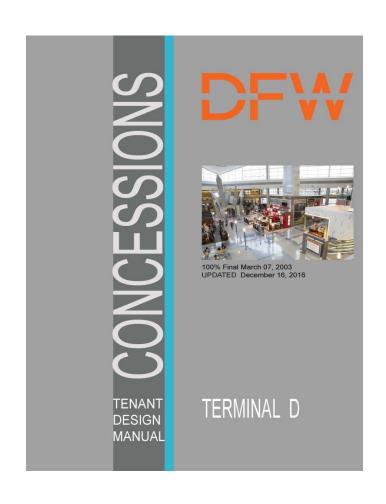




Doing Business with DFW Operational, Construction, and Costs

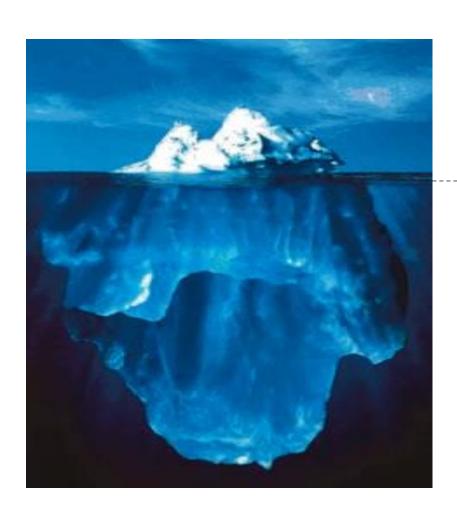
Governing Documents:

- Lease
- Concessions Handbook
- Tenant Design Manuals
 - Guidelines for the design and construction of spaces
 - A step-by-step system for preparing and submitting design compliant plans for approval
 - Terminal D
 - A-B-C-E and Other Concessions Related Projects
- Schedule of Charges





Doing Business with DFW Cost and Risks of Operating in an Airport



Traditional Operating Costs

- Build-out costs
- Rent
- Employee costs
- Insurance

Items Unique to an Airport

- Build-out costs 20% 40% higher
- TSA security requirements
- Product distribution
- Operation & Maintenance (O&M) costs
- Off-hours operations
- Banking
- Airline gate utilization
- Annual surety bonds/deposits



Doing Business with DFW Operations

- Badge Application Process
- AOA Training
- Prohibited Items Procedure
- ROCIP Training
- Risk Management
- Hours of Operations
- Irregular Operations (IROPS) Procedures
- Flight Banking
- Refurbishment/Improvement of Lease Space
- Maintenance





Doing Business with DFW Cost of Doing Business

- Rent Structure
- Greater of Minimum Annual Guarantee (MAG) or Percent Rent
 - MAG is set by airport and based on projected sales for that location
 - Percent rent is based on the proposal ranges 12% 21%+ based on type of product or concept
- Fees and Charges (refer to lease and Schedule of Charges (SOC) for complete list)
- Surety Bonds or Cash Deposits both operational and construction
- Insurance both operational and construction



Doing Business at DFW Benefits

- Over 70 million passengers annually
- Captive audience
- Concept placement and mix to meet customer needs
- Concept mix designed to maximize revenue
- Brand awareness
- Domestic and International exposure
- Concessions Department Management Team Support



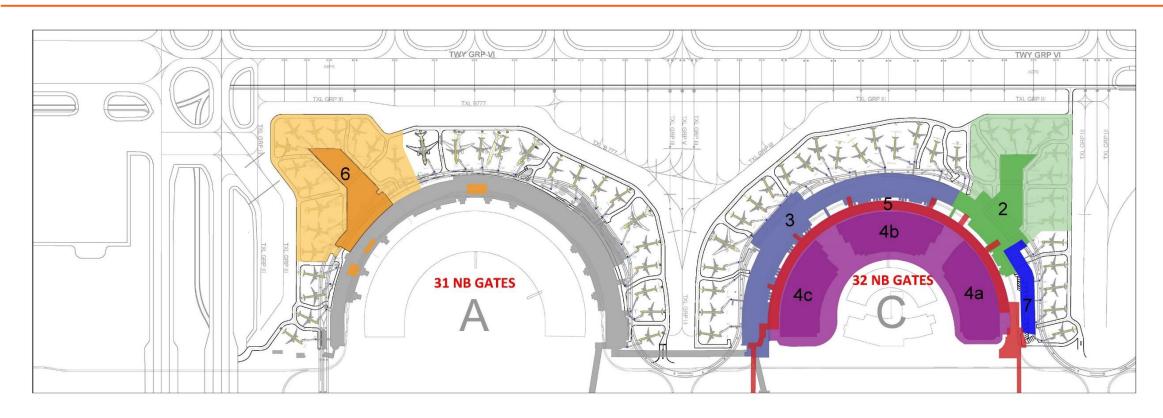


Upcoming RFPs

Cristen Mosley
Concessions Manager



Terminal, Landside and Utility Projects



- Terminal C South Processor and Pier
- Oct 2022-Oct 2024

- Terminal C Renovations
- Terminal C Garages and Roadways
- **Utility Corridor**
- Terminal A Modification and North Pier May 2023-July 2025
- High C Gates Current 2022



TERMINAL C & SOUTH PIER

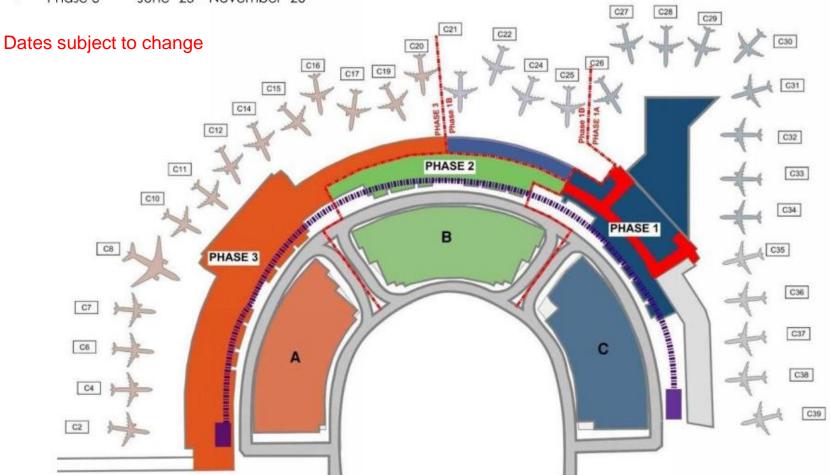
Construction Phasing

Phase 1a October '22 – October '24

Phase 1b October '24 – June '25

Phase 2 July '24 (TBD) – June '25

Phase 3 June '25 – November '26



▶Phase 1

- South Pier
- ▶ South Processor
- ► Concourse Level South EIP
- Fire Command Center
- ► Loading Dock
- ►New Garage C

►Phase 2

- Center Processor
- ▶ Admirals Club
- ► Garage B Refurbishment
- ► Concourse Level EIP

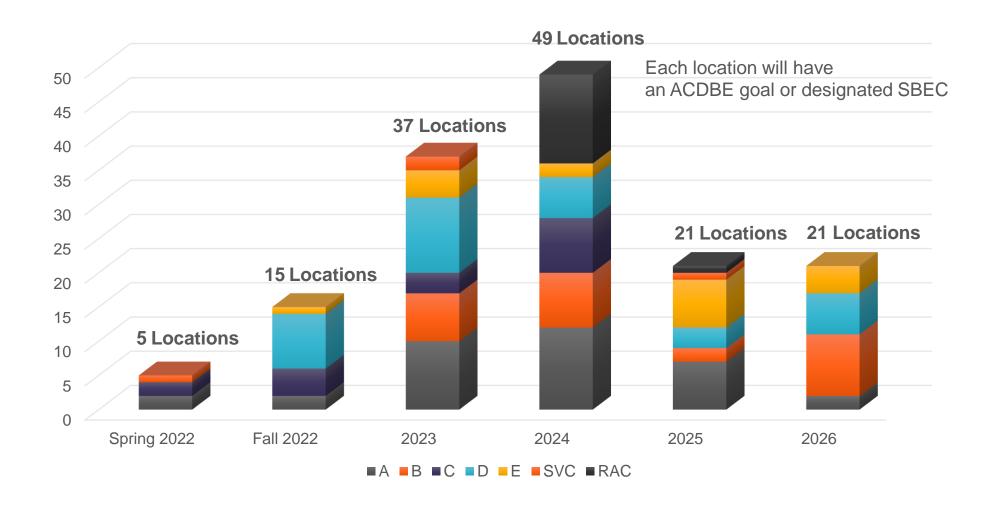
▶Phase 3

- ► North Processor
- ► Garage A Refurbishment

▶ Utilidor

- South Boiler House
- North Pump Room
- ► Hydronics Piping in Guideway

Over the Next Five Years the Concessions Program will Turnover







RFP Timeline

2022

Spring

Terminal A Enabling & C High Gates

Automated Vending

Fall

Expiring & Surrendered 2020 Locations

2023

Spring/Summer

F&B/RTL/SVC

Locations from all Terminals
Terminal A Pier & C TRIP

Summer Services

2024

Spring/Summer

F&B/RTL/SVC

Locations from all Terminals & C TRIP

Doing Business with DFW

Get Started Solicitations/RFPs Resources

All information for the RFP will be posted on our Website: www.dfwairport.com/concessions

Travel, Transformed. Welcome to DFW Concessions **Register for Concessions** Opportunities Learn More Concessionaire Submittal Application



Procurement & Materials Management (PMM)

Bruce D. Collins, CPPO

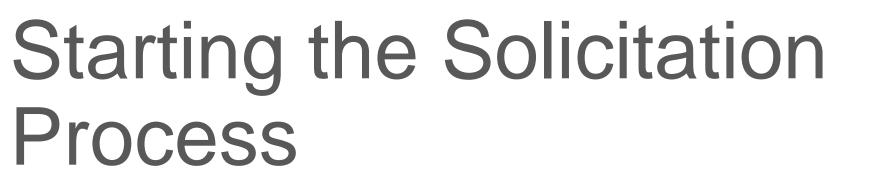
Vice President, Procurement and Materials Management



Agenda

- O1 Starting the Process
- 02 Successful Submissions
- 03 Bonfire





• In partnership with Concessions, the PMM department will release a request for proposal (RFP).

• To be informed about upcoming solicitations, register with iSupplier and make sure to assign your profile the applicable NAICs codes.

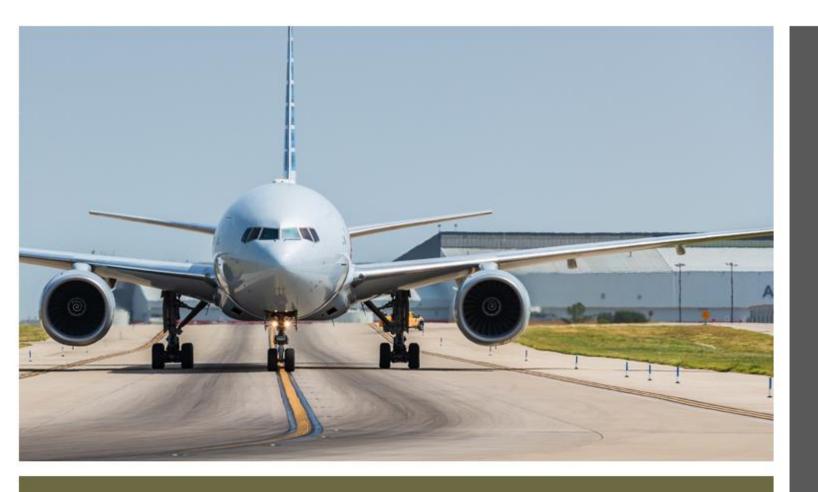
 Once the solicitation process has begun, the bidder shall not contact any DFW Airport Employees regarding the solicitation, other than the listed Contract Administrator.



Keys to a Successful Proposal

- Adhere to the Proposal due date and time.
- Only direct questions to the appropriate Contract Administrator.
- Include the required deposit.
- Use the "Proposer Checklist", included in the RFP and make sure you complete all of the required information.
- Sign/Endorse and date the Proposal.
- · Make sure all requested documentation is complete and submitted.
- Don't just state what you can do; explain why it will work and why it is best in class for the Airport's traveling public.
- Avoid placing limitations and conditions on your proposals.
- Be Proactive! Find out exactly where and when the proposals are due ahead of time.





Future Concessions RFPs

- Starting Fall 2022, all Concessions RFPs will be moved to a virtual Platform called Bonfire.
- Registration is quick, easy, and free.
- All information, proposals, and questions will be submitted through Bonfire.
- Once you register, you will be able to assign NAICs codes to your profile for upcoming business opportunities with DFW Airport.
- You will also be able to upload your certifications for future use.

Questions



Closing

Ken Buchanan

Executive Vice President, Revenue Management







DFW Concessions Outreach

