

**Exhibit F-4: Airport Concessions Disadvantage Business Enterprise (ACDBE)  
Concessionaire Information**

Program Name \_\_\_\_\_

**Program will be Owned by the Following Entities (only those owning 10% or more):**

Entity 1: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Entity 2: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Entity 3: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

**Entity 1 Information:**

Entity's principal place of business is in the city of \_\_\_\_\_

Entity's principal place of business is in the county of \_\_\_\_\_

Entity's majority stockholders, majority partners, majority owners, or franchisees reside or work in the city of \_\_\_\_\_

Owner 1: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 2: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 3: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

**Entity 2 Information:**

Entity's principal place of business is in the city of \_\_\_\_\_

Entity's principal place of business is in the county of \_\_\_\_\_

Entity's majority stockholders, majority partners, majority owners, or franchisees reside or work in the city of \_\_\_\_\_

Owner 1: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 2: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 3: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

**Entity 3 Information:**

Entity's principal place of business is in the city of \_\_\_\_\_

Entity's principal place of business is in the county of \_\_\_\_\_

Entity's majority stockholders, majority partners, majority owners, or franchisees reside or work in the city of \_\_\_\_\_

Owner 1: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 2: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

Owner 3: \_\_\_\_\_ Ownership Percentage \_\_\_\_\_

**Exhibit F-4**  
(continued)

**Are any of the entities currently certified by the North Central Texas Regional Certification Agency or other ACDBE Certification Agencies?**  Yes  No

If yes, please include copy(ies) of certificate(s).

If Yes, which entity of the Joint  
Venture? \_\_\_\_\_

What is the certification agency? \_\_\_\_\_

What is the certification number? \_\_\_\_\_

If Yes, which entity of the Joint  
Venture? \_\_\_\_\_

What is the certification agency? \_\_\_\_\_

What is the certification number? \_\_\_\_\_

**Is the entity certified as a Disadvantaged Business Enterprise?**  Yes  No

If yes, please include copy(ies) of certificate(s).

**Is the entity certified as a Minority/Women Business Enterprise?**  Yes  No

If yes, please include copy(ies) of certificate(s).

**Exhibit F-4**  
(continued)

**Information and Questionnaire**

**How to Determine ACDBE Participation**

In accordance with the objectives of the ACDBE regulations, joint ventures are intended to have a business structure set forth in a signed written agreement that clearly and specifically defines the participation of each party in the contribution of property, capital, efforts, skills and knowledge.

An ACDBE is to be responsible for a **distinct, clearly defined portion of the work of the contract. In this context, “distinct” means separate and distinguishable from the work of the non-ACDBE. “Clearly defined” means that there is no guesswork involved in determining the nature of the work assigned to the ACDBE.** In order to be considered a distinct, clearly defined portion of the work, it is necessary to fully understand exactly what the work will entail, including an estimate of the time and resource requirements for each major task. For example, if the ACDBE’s portion of the work is only described as “advise about ” or “participate in” a portion of the work, the work would likely not be considered distinct or clearly defined because it is not clear what work the ACDBE will accomplish. Much more detail would be necessary in order to determine the portion of the work to be attributed to the ACDBE. Of course, the work of the contract also includes the role of the ACDBE in the overall management of the business (e.g., as a participant on a management committee or some other governing board) as well as participation in the day-to-day management of the business.

The FAA has outlined the following areas for review when substantiating the level of ACDBE participation on your proposed lease(s) with the DFW International Airport.

**Capital contribution** – The capital to be contributed by each party should be clearly specified in the joint venture agreement. The agreement should specify the initial capital contributions to be made by each party and how future capital contributions will be allocated. The ACDBE’s portion of the initial and future capital contributions should be equal to its ownership percentage. A subsequent section of this guidance will discuss issues relating to how the capital is contributed (i.e., cash contributions or financing provided by the non-ACDBE joint venture participant).

**Control** – The ACDBE participant(s) in the joint venture should have control in proportion to their ownership interest and proportionate control of the governance of the joint venture.

**Exhibit F-4**  
(continued)

**Each joint venture partner should assume full responsibility for executing each element of the work assigned to it.** Usually, a joint venture will have a management committee (referred to by various names, including “Executive Committee” or “Board”) that controls the overall business. The ACDBE participant(s) is usually a minority participant, owning less than 50% of the business. In this case, the ACDBE(s) can be out-voted on most of the business decisions made by the committee. This really means that for the most part, the joint venture is controlled by the party owning 51% or more of the business, usually not the ACDBE. **However, the agreement should provide for control by the ACDBE of the activities for which it is responsible. This can be accomplished through direct control of their assigned role or establishment of a separate management committee or subcommittee in which the ACDBE has majority vote for issues involving facilities or responsibilities which it controls. In addition, there should be some major decisions requiring a unanimous vote to substantiate some level of control attributable to the ACDBE (e.g., items related to expansion, borrowing, lending money, etc.).**

**Management** – The ACDBE participant must share in the management of the joint venture. The agreement should address the issue of the overall management, or governance, of the business of the joint venture and the day-to-day management of the joint venture’s operation. **The ACDBE participant should participate in the overall management, decision making, and day-to-day operations, including decisions on the hiring and firing of management personnel (and if appropriate non-management personnel) for the joint venture to be eligible for ACDBE credit.** This can be accomplished through a “Management Committee,” as described under “control,” though this is not the only acceptable mechanism. Under a management committee structure, the committee is responsible for managing and directing the business of the joint venture. Each participant is represented on the management committee and votes according to its ownership interest in the venture. Each participant on the management committee not only has a right, but an obligation to receive and consider the views of the ACDBE participant. The agreement should specify the frequency of the management committee meetings, and formal agendas and meeting minutes should be prepared. In addition, the agreement should provide for the day-to-day management of the joint venture and specify the roles and responsibilities of each participant. The issue of day-to-day roles and responsibilities assigned to the ACDBE participant is further discussed in Section 4.

**Risks** – **Each of the participants in the joint venture must share in the risks of the business in proportion to their ownership interest.** These risks include financial, legal, operational, etc. The agreement should include provisions for proportional sharing in profits as well as losses. However, a monthly distribution of actual profits or monthly payment of a management fee, as defined in the agreement, consistent with industry standards, is permissible.

**Exhibit F-4**  
(continued)

**Profits** – Each of the participants must also share in the profits and losses in proportion to the ownership interest. Accounting methods and the timing of distribution should be included in the agreement and reviewed for reasonableness by the airport. There should be no provisions in the agreement which have the effect of creating separate profit centers to siphon profits before each participant's share is calculated. For example, requirements to purchase goods and/or services from one of the participants that result in controlling profits remaining for distribution to the joint venture participants are not acceptable. However, purchasing goods and/or services from one of the participants may be acceptable if the terms are spelled out and the cost of the goods reflects the actual cost of the product plus any processing/handling costs and reasonable overhead expenses. Airports should carefully examine all accounting mechanisms to ensure that the distribution process is reasonable.

**Annual Requirement** - Concessionaire shall file with BDDD and Department of Concessions on the anniversary date of the ACDBE's certification, a written affidavit, in a form acceptable to BDDD, stating any change(s) in the circumstances affecting the ACDBE's ability to meet ACDBE certification eligibility, including but not limited to size, ownership or control criteria of 49 C.F.R. Part 23 or any material changes in the information provided with the ACDBE's application for certification.

Concessionaire shall also file with BDDD and Department of Concessions on an annual basis on or before January 1<sup>st</sup>, or as requested by the Vice President of Business Diversity or designee, a written affidavit, in a form acceptable to BDDD, stating any change(s) in the circumstances affecting the Concessionaire's ACDBE participation. The written affidavit shall show Concessionaire's compliance with 49 C.F.R Part 23 and the FAA Joint Venture Guidance including but not limited to capital contribution, roles, responsibilities, control, percentage of equity ownership and address any material change(s) in the ACDBE's participation in the operations authorized by the Lease and information provided in the Concessionaire's proposal regarding ACDBE participation to the Board.

The following are a list of questions used in evaluating a new Joint Venture Agreement, but are also helpful when evaluating a current agreement as well.

**Exhibit F-4**  
(continued)  
**Joint Venture Eligibility**

**ACDBE Review Questionnaire** (submittal should include both the questions with the corresponding answers):

1. Name of joint venture: \_\_\_\_\_

2. Name, address and phone number of joint venture contact person:

\_\_\_\_\_

\_\_\_\_\_

3. Firms participating in joint venture (use additional pages if necessary):

Name of firm: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Contact name/phone number: \_\_\_\_\_

% ownership: \_\_\_\_\_

ACDBE:       

Certifying agency: \_\_\_\_\_

Date of Certification: \_\_\_\_\_

Type of work for which certification was granted: \_\_\_\_\_

\_\_\_\_\_

Name of firm: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Contact name/phone number: \_\_\_\_\_

% ownership: \_\_\_\_\_

**Exhibit F-4**  
(continued)

ACDBE:        no

Certifying agency: \_\_\_\_\_

Date of Certification: \_\_\_\_\_

Type of work for which certification was granted: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CAPITAL**

*Is the ACDBE capital investment financed by the Prime? If so, how is it being repaid?*

4. ACDBE initial capital contribution: \$ \_\_\_\_\_ and/or \_\_\_\_\_ %

5. Future capital contributions (explain requirements):

6. Source of funds for the ACDBE capital contribution:

**CONTROL/ MANAGEMENT**

What areas of the business are to be controlled by the ACDBE? The ACDBE is expected to have distinctive areas of the business for which they have a majority "vote" and control. We need more information than terms and phrases such as "participate in", or "advise about" when used in describing the work of the ACDBE, since the work and responsibility are not distinctive. The ACDBE is expected to participate in the day-to-day management of the business.

7. Describe the portion of the work or elements of the business that will be controlled by the ACDBE:

8. Describe the portion of the work or elements of the business to be controlled by the non-ACDBE:

9. Describe the ACDBE's involvement in the overall management of the joint venture (e.g., participation on a management committee or managing board, voting rights, etc.).

**Exhibit F-4**  
(continued)

10. Describe the roles and responsibilities of each joint venture participant with **respect to managing** the joint venture (use additional sheets if necessary):

a. ACDBE joint venture participant:

b. Non-ACDBE joint venture participant:

11. Describe the roles and responsibilities of each joint venture participant with **respect to operation** of the joint venture (use additional sheets if necessary):

a. ACDBE joint venture participant:

b. Non-ACDBE joint venture participant:

12. Which firm will be responsible for accounting functions relative to the joint venture's business?

13. Explain what authority each party will have to commit or obligate the other to insurance and bonding companies, financing institutions, suppliers, subcontractors, and/or other parties?

14. Please provide information relating to the approximate number of management, administrative, support and non-management employees that will be required to operate the business and indicate whether they will be employees of the ACDBE, non-ACDBE or joint venture.

	Non-ACDBE	ACDBE Firm	Joint Venture
Management	<hr/>		
Administrative	<hr/>		
Support	<hr/>		
Hourly Employees	<hr/>		

15. Please provide the name of the person who will be responsible for hiring employees for the joint venture. Who will they be employed by?



**Exhibit F-4**  
(continued)

16. Are any of the proposed joint venture employees currently employees of any if the joint venture partners? ye  no

If yes, please list the number and positions and indicate which firm currently employs the individual(s).

17. What will be the voting rights of the joint venture members?

**RISKS AND PROFITS**

18. Describe the ACDBE's share in the profits of the joint venture:

19. Describe the ACDBE's share in the risks of the joint venture:

20. Does the ACDBE pay the Prime a service or management fee? If so,

- a. How is the service or management fee calculated?
- b. How often is the service or management fee paid?
- c. What are the services provided by the non-ACDBE partner in return for the service or management fee?

**OTHER**

21. Attach a copy of the Joint Venture Agreement, Promissory Note or Loan Agreement (if applicable), and any and all written agreements between the joint venture partners.

22. List all other business relationships between the joint venture participants, including other Joint Venture Agreements in which the parties are jointly involved.

23. What is the ACDBE participation commitment of your Lease Agreement with the DFW International Airport?