SMALL & EMERGING BUSINESS DEPARTMENT
MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE PROGRAM
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October 1, 2002 to September 30, 2003
MISSION STATEMENTS

Dallas/Fort Worth International Airport shall be the Airport of choice by creating a positive, competitive and safe environment, thereby expanding the economic benefits for Dallas, Fort Worth and the Region.

The Small & Emerging Business Department creates and sustains a business environment that enables minority and women-owned business enterprises to compete equitably for business opportunities and achieve economic success, contributing to DFW's overall mission of being the Airport of choice.
LETTER FROM THE CEO

A year of Recovery... and Records

2003 -- listing the events that had a profound impact on DFW International Airport sounds like a rundown of the nightly news:

The War in Iraq. SARS. Airline bankruptcies. Level Orange. And so it goes. Through it all, DFW has made an impressive comeback from the dark days following September 11, 2001, and DFW's airlines, businesses, concessionaires, and M/WBE contractors continue to make impressive gains.

In fact, I am proud to say that 2003 was one of the best years ever for M/WBE businesses at DFW: the Airport spent more than $813.8 million in construction, professional services and procurement expenditures in fiscal year 2003. Of the FY03 expenditures, the Airport spent $249 million, or 30.6 percent, with minority and women owned firms. These expenditures were all during a period when the aviation industry and national economy struggled to regain its footing.

While DFW is certainly not out of the woods in terms of its post 9/11 recovery, it is clear our Airport continues to outpace the industry as a result of our low cost operating environment and continued room to grow. And of course, all of our M/WBE businesses have contributed greatly to that recovery and continued growth.

DFW also made great strides in making our Airport easier to work with: we streamlined the payment process to contractors, cutting the time to cutting a check by nearly 50 percent. And our outreach efforts through the Small & Emerging Business and Procurement Departments netted great results, bringing new contractors and new skills to the Airport.

2004 will be a big year. We're headed for the finish line in completing International Terminal D, the SkyLink people mover and the Grand Hyatt Hotel. We're finishing work on the largest overhaul of Airport security in the nation's history with the installation of our inline baggage screening system and technology across all terminals. And our M/WBE partners will be with us every step of the way to complete these critical projects.

We will open these multi-billion dollar facilities in 2005, but the expansion and improvements of DFW will continue. We are fortunate to be a growing enterprise that is always in the market for good business people and contractors. As the economic engine of North Texas, the Airport contributed more than $14 billion to the North Texas economy last year. That figure is destined to grow.

Yes, 2003 will be remembered as a year of big challenges, but also a time of great opportunity. I look forward to working with you in the months and years ahead.

Jeffrey P. Fegan
Chief Executive Officer
LETTER FROM THE VICE PRESIDENT

The Real Deal

I have often been told that you cannot appreciate where you are today unless you understand where you were yesterday. In other words to appreciate the progress of Dallas/Fort Worth International Airport's Minority and Women Owned Business Enterprise (M/WBE) program, it is important to look back at the program's origins.

Only 14 years ago, the Airport's M/WBE program adopted a goal of 12 percent M/WBE participation on Airport contracts and subcontracts. During FY89, the Airport spent only $2.8 million with M/WBE owned construction firms and $8.4 million with M/WBE owned professional services firms.

From these modest beginnings, the Airport's M/WBE program has made tremendous progress. During 2003, a total of $249.4 million or 30.6 percent of Airport expenditures was paid to M/WBE firms in the construction, professional services and procurement categories.

As we look back on 2003, Small & Emerging Business Department (SEBD) staff worked passionately to implement new ideas to involve community organizations in our efforts. We conducted quarterly joint briefings for the various Dallas and Fort Worth minority contractors associations and chambers of commerce. We also launched the new Small Contractors Development Program to provide two small minority construction firms with task orders up to $50,000 per task. This program gives these firms the opportunity to develop and potentially compete for larger contracts in the future.

The contributions of M/WBE to the Airport are spread across many diverse fields. Minority owned firms played key and significant roles in the $2.5 billion design and construction of Terminal D and the SkyLink system.

Our department's M/WBE participation and new program efforts did not go unnoticed. The SEBD received numerous awards in 2003 demonstrating our commitment to M/WBEs and to the community at large. This recognition from our peers and national business leaders is another testament to the fast tract success of our M/WBE partners.

I am proud of my staff's contributions to these efforts and the Airport's achievements. These accomplishments were only possible through the hard work and cooperation of the Airport's various departments, particularly Airport Development and Energy and Asset Management.

Equally important is the support and commitment of the Airport's executive management team and the Airport Board to making equal opportunity real at the Airport. My staff and I look forward to serving the M/WBE community in 2004 with a vision and commitment to an even better FY04.

Finally, I would like to take a moment to honor the memory of Minerva Hernandez-Hinkle, Assistant Vice President of the SEBD. Minerva passed away in December 2003, and although she is gone, we will continue to carry forth her example of excellence.

Don T. O’Bannon
Vice President
DFW M/WBE POLICY OVERVIEW

Dallas/Fort Worth International Airport Board (hereinafter referred to as "DFW" or "the Airport") has adopted a policy of non-discrimination in Airport contracting. The Airport's policy is that the Airport, its contractors, subcontractors and concessionaires, shall not discriminate on the basis of race, color, religion, national origin or sex in the award and performance of contracts, subcontracts and concessions. DFW also requires a critical review of the Airport's procurement policies and practices to remove barriers for Minority and Women Owned Business Enterprises (M/WBEs) to compete for contracts, subcontracts and concessions awarded by the Airport.

The Airport's policy recognizes the importance of supporting the growth and development of minority and women owned businesses that can successfully compete for prime and subcontracting opportunities. In the implementation of this policy, the priority of DFW is to foster the growth and development of local minority and women owned businesses in the Owner Cities of Dallas and Fort Worth.

Finally, the Airport's policy authorizes the use of race-conscious and race-neutral measures to enhance the participation of minority and women owned businesses in Airport contracts, subcontracts and concessions. DFW has also adopted a policy authorizing the use of contract specific goal setting to ensure that opportunities are considered in light of the pool of available M/WBE firms in the DFW marketplace.
SMALL & EMERGING BUSINESS DEPARTMENT

The Small & Emerging Business Department ("SEBD") is responsible for the implementation of the Airport's M/WBE policies and programs. SEBD develops programs and procedures to achieve the stated purpose of the M/WBE policies adopted by the Airport. SEBD is also responsible for administering, monitoring and reporting on the implementation and accomplishments of the M/WBE program.

Don T. O’Bannon, Vice President of SEBD, reports to the Executive Vice President of Administration and Diversity, Linda Valdez Thompson. SEBD operations are staffed with an assistant vice president, manager, two M/WBE liaisons and administrative personnel that support the mission of the program. SEBD's organizational chart below reflects the department's FY03 staffing and the staff's duties and responsibilities.
M/WBE Program Overview

The Airport has implemented a Minority and Women Owned Business affirmative action contracting program using race-neutral and race-conscious measures for procurements in the areas of construction, professional services and general procurements. The M/WBE program utilizes race-neutral measures such as general outreach, targeted outreach and technical assistance to increase the access of small and emerging businesses to the Airport's public contracts.

The Board has established annual race-conscious contracting goals for M/WBE participation for each category: construction, professional services and general procurements. SEBD establishes contract specific subcontracting goals for M/WBE participation on each solicitation based upon the subcontracting opportunities and the relative availability of potential M/WBE subcontractors in the relevant industries. In addition, the scope of the M/WBE program includes M/WBE participation goals on revenue generating concession contracts.

In calculating M/WBE participation, SEBD counts only the participation of M/WBE firms certified by the North Central Texas Regional Certification Agency (NCTRCA). The contractors' M/WBE participation commitment is stated on the Official Board Action prior to award as a percentage of total contract dollars awarded.

Key elements of the DFW M/WBE program include the requirements that a contractor not discriminate, make prompt payments and return retainage upon satisfactory completion of the subcontractors work. Each contractor is contractually required to appoint a high level official that is responsible for acting as a liaison with SEBD staff regarding M/WBE participation matters.

During the performance of the contract, contractors submit monthly Pay Application Reports that detail the payments to M/WBE firms. SEBD collects the payment data and issues a Monthly Expenditures Report that is disseminated to the Board and other M/WBE program stakeholders. SEBD monitors the contractor's M/WBE performance by onsite inspections and analyzes the monthly data to track a contractor's performance against commitment.

PROGRAMS

Small Contractors Development Training Workshop
Established in 1992, the Small Contractors Development Training Workshop (SCDTW) has graduated more than 150 minority and women-owned businesses.

The SCDTW is an eight-week course designed to provide technical training for minority and women-owned businesses. SCDTW provides intense training on all aspects of owning and operating a small construction firm and doing business with the Airport. Although sponsored by the SEBD, the workshops are a cooperative effort between SEBD and the major contracting
Small Contractors Development Program

The Small Contractors Development Program (SCDP) is a two-year training program in which two small general contractors compete for minor maintenance construction projects. Administered by the Energy and Asset Management Department, the program provides training and technical assistance in the execution of the work. Energy and Asset Management also manages the project estimates, schedules and administrative processes to ensure compliance with internal DFW requirements.

The SCDT contractors are required to provide construction services including but not limited to coordination, planning, cost control and support services. Furthermore, the Airport could elect to negotiate or bid delivery orders for any type of general construction, heavy highway, paving, drainage and/or utility construction.

The Airport issued a Request for Qualifications solicitation to select two firms for the Small Contractors Development Program in November of 2002. The SCDP targeted companies that were in business 3 to 5 years in their current structure and had gross revenue of $1 to $3 million annually. The SCDP scope of work was for indefinite delivery construction projects from $25,000 to a maximum of $50,000.

In January 2003, a selection panel composed of representatives from EAM and SEBD selected Vestal Builders, Inc. and New World Industries to participate in the training program. Vestal and New World were awarded contracts totaling more than $100,000.
Surety Support Program

DFW Airport's Small Contractors Surety Support Program (DFW-SSP) was established to assist small, minority and women owned businesses in obtaining the necessary bonding and insurance to bid on DFW projects. DFW has contracted with SSP Consulting, L.C., (SSP) a professional management consulting company, to administer a no-fee-based program designed to provide technical support to assist minority and women owned firms in obtaining bonding and insurance for the Capital Development Program, and selected projects outside of the Capital Development Program.

SSP provides technical assistance to small, minority and women owned contractors regarding general business practices, building bonding capacity, obtaining working capital and lines of credit. SSP also assists minority and women owned businesses in obtaining certification through the North Central Texas Regional Certification Agency. In addition, SSP conducts on-going outreach, training seminars and routinely participates in pre-bid conferences and outreach events to inform potential contractors of the services available through SSP. SSP's role was expanded in 2003 to assist in pre-qualifying firms to participate in the DFWIA Integrated Partners Subguard Default Insurance Program.

In 2003, SSP worked with 52 small, minority and women owned firms on bonding and insurance issues and was instrumental in obtaining bonding for 17 firms totaling more than $4.2 million dollars. Furthermore, SSP's market assessment of the bonding capacity of minority and women-owned businesses in the DFW marketplace was instrumental in SEBD's program initiatives in FY03.

M/WBE Concessions Program

DFW's 42 minority and women owned concessionaires worked hard across the Airport's four terminals to deliver quality food and shopping options for travelers. Overall, DFW's concessionaires set a new all-time sales record in FY03 at $163.5 million. The Airport's M/WBE concessionaires also fared extremely well, bringing in more than $94.9 million in gross revenue.

However, the success and service of these great business people goes far beyond the bottom line. Many M/WBE concessionaires, including Roland Parrish/Karen Lopez-McWilliam of McDonald's and Candace and Marlon Brooks of Harlon's and Dickey's BBQ, donated dozens of meals to U.S. military personnel coming back from the war in Iraq on Rest and Recuperative Leave. Concessionaires also instituted a daily discount to give troops and families 10 to 50 percent off their normal prices.

In the spirit of aviation and celebration, Gina and John Brancato launched "AeroPort," a limited edition port wine to commemorate the 100 year anniversary of the Wright Brothers. The Brancato's La Bodega winery in Terminal A is the only winery in any U.S. Airport. Au Bon Pan and Star Concessions participated in the innovative "Buy at the Gate" food program sponsored by DFW Airport and American Airlines, the first of its kind in the country, offering prepackaged, delicious food for passengers rushing to their next flight.
2003 MAJOR PROGRAM HIGHLIGHTS

Contractor Default Insurance
DFW partnered with DFWIA Integrated Partners (DFWIA), Airport Development, Risk Management and Legal and Audit Departments to establish mechanisms to remove the barrier of bonding and improve cash flow for small contractors. The contractor default insurance program eliminated bonding requirements for most subcontractors. The September 11 terrorist attacks changed the insurance and bonding rules to do business at the world’s third busiest airport and made the requirements much more stringent.

Recognizing the challenge of some contractors to obtain necessary bonding and insurance, DFW has implemented a Subguard Default Insurance (SDI) Program that will greatly expand the contractor pool at DFW while reducing overall costs to the Airport.

The SDI program protects the general contractor from costs of subcontractor defaults. DFWIA will first implement the program on the Airport’s Aviation and Transportation Security Act Compliance (ATSAC) construction project, which includes building new infrastructure and installing new explosive detection machines across four terminals.

Subcontractors must still be prequalified to participate, but now smaller companies with good track records are eligible to do the work without the requirement of bonding.

Expedited Payment Process
The Airport's Board of Directors approved the Expedited Payment Program at its September 2003 meeting. In the past, it could take subcontractors almost 40 days to receive payment after the prime contractor filed an invoice with the Airport. The expedited system can cut up to 32 days off the elapsed time, with most payments arriving in just 20 days. Once the prime contractor pays the subcontractor, the subcontractor must pay any lower tier subs within seven days.
**Construction and Professional Services Highlights**

The contributions of minority and women owned businesses to the Airport are spread across many diverse fields. Minority owned firms played key roles in the $1.4 billion bond package to finance the Capital Development Program. E. Evans Architects designed a state of the art operations and emergency operations center. Azteca played a leading role along with Phillip May and Meridian in building the SkyLink stations for the automated people mover project. Moye I.T. was instrumental in the development of the internal technology infrastructure for homeland security upgrades for Terminals B, C and E.

Robinson Industries, DFW Fire Protection, and Renaissance Contractors are all minority owned firms that received multi-million dollar contracts for work on International Terminal D in 2003. This short list of firms only scratches the surface of the large number of minority and women owned businesses that have contributed to the development and operation of the third busiest airport in the world.

**Facilities Maintenance Conferences**

SEBD collaborated with Energy and Asset Management, Procurement and Materials Management, and Risk Management departments to launch a series of facilities maintenance conferences. The conferences provided information on approximately $34 million in potential contracting opportunities in the custodial, electrical and maintenance fields. The conferences drew over 400 M/WBE businesses.

**M/WBE Program Revised and Adopted**

In 2003 the DFW Airport Board of Directors approved revisions to its Minority and Women Owned Business Enterprise program.

The Airport’s Small & Emerging Business Department is responsible for program implementation, coordination and monitoring. Some of the enhancements to the M/WBE program include areas such as the Airport Development Team (ADT) and the Airport Concessions Department (ACD). ADT and ACD will now have a more defined role in communication with SEBD to highlight upcoming contracting opportunities to SEBD and to facilitate the participation of M/WBE contractors on guaranteed maximum construction and concession-related contracts.

M/WBE annual goals will be set on the basis of all funds that the Airport expects to expend on contracts during the upcoming fiscal year. The annual goals will be expressed as a percentage of the total estimated dollar amount of all contracts and subcontracts to be awarded during the applicable fiscal year.

The Board established a contract specific goal setting process that sets contract-by-contract M/WBE goals for each construction, professional services and general procurement solicitation. The contract specific goals are established so that M/WBE goals for specific solicitations reflect actual subcontracting opportunities. The revised M/WBE Program was adopted in May 2003 and the Board also established the annual goals for FY04.
**Panduit Certification**
SEBD initiated a training program with Panduit Corporation (Panduit) to expand the pool of Panduit certified M/WBE vendors to install copper and fiberglass conduit at DFW. DFW requires Panduit certification as a pre-qualification requirement to bid on DFW information technology projects. M/WBE firms advised SEBD that Panduit was not certifying additional firms and therefore, potential M/WBEs were ineligible to submit bids. The Panduit certification program was initiated to increase the pool of M/WBE contractors available to bid on communication projects.

**Quarterly Chamber/Contractor Briefings**
SEBD partnered with Information Technology, Energy and Asset Management, Concessions and Airport Development Departments to conduct quarterly joint briefings for the various Dallas and Fort Worth minority Chambers of Commerce, and the Black and Hispanic Contractors Associations. These briefings were established in an effort to enhance communication between the Airport's Owner Cities and the minority and women owned business community.

**MWBE Cumulative In-Terminal Concessions Gross Revenue**
Total Gross Revenue: $163.5M
MWBE: $94.9M (58%)
Non/MWBE: $68.6M (42%)

Source: FY03 Concession Ethnicity Report
Note: Percentages reflect the percentage of gross sales data to M/WBE's gross sales data.
(October 2002 - September 2003)
HONORS AND AWARDS

Recognized nationally and regionally for DFW's commitment to minority and women owned businesses, the Airport received four prestigious awards in 2003.

Momentum Award
DFW was recognized by the Greater Dallas Chamber of Commerce as a Community Investor, creating the greatest overall economic and community impact. The Dallas Chamber of Commerce selected DFW to receive its Award of Merit in 2003 honoring DFW for its programs encouraging and facilitating M/WBE participation in DFW contracts, subcontracts and concessions.

Sharing Success Award
DFW's role as a leader in the area of economic development was recognized at the 7th Annual MCompany Awards Reception where the Airport was awarded the Sharing Success Award for its significant contribution to the growth and development of minority and women owned businesses.

Pacesetter Award
DFW received the Pacesetter Award from the Dallas Together Forum based upon the 2002 reporting period for the Private Sector Covenant for Workplace Diversity and Minority Economic Opportunity.

LACP Magellan Publicity Campaign Award
DFW's M/WBE communications efforts received a Bronze Award in the 2003 Magellan Awards Publicity Campaign from the League of American Communications Professionals.

Dallas Chamber’s Momentum Award as a Community Investor. Pictured left to right: Ken Capps, Vice President Public Affairs; Linda Valdez Thompson, Executive Vice President Administration and Diversity; Minerva Hernandez-Hinkle, Assistant Vice President Small & Emerging Business; Don T. O’Bannon, Vice President Small & Emerging Business; William Johnson, Manager Small & Emerging Business
**M/WBE EXPENDITURES BY CATEGORY**

**Construction**  
(Goal 30%, Achieved 30.5%)  
Total Amount Spent: $651.5M  
MWBE: $198.6M  Non/MWBE: $452.9M (69.5%)

**Procurement**  
(Goal 25%, Achieved 24%)  
Total Amount Spent: $46M  
MWBE: $11M  Non/MWBE: $35M (76%)

**Professional Services**  
(Goal 27%, Achieved 39.6%)  
Total Amount Spent: $100.5M  
MWBE: $39.8M  Non/MWBE: $60.7M (60.4%)

**Capital Development Program**  
(Goal Not Applicable, Achieved 30.3%)  
Total Amount Spent: $663M  
MWBE: $201.1M  Non/MWBE: $461.8M (69.7%)

**Bar Graphs:**  
- Hispanic American  
- White Female  
- African American  
- Native American  
- Asian American
REMEMBERING MINERVA HERNANDEZ-HINKLE

DFW International Airport honors and remembers Minerva Hernandez-Hinkle, who died in a car accident in December 2003.

Minerva was the Assistant Vice President of the Small & Emerging Business Department. Ms. Hinkle joined the Airport in August 2002 and helped DFW continue to make great strides in its minority and small business contracting efforts. During her tenure, the SEBD won several major awards for its dedication to diversity and leadership in working with minority and women owned firms.

"Minerva brought a wealth of talent to DFW and was a person of great integrity. She will be greatly missed," said Don O'Bannon, Vice President of SEBD. "She leaves a legacy of success and dedication that we will continue to build on."
CORPORATE/COALITION PARTNERSHIPS

- American Indian Chamber of Commerce
- Black Contractors Association, Inc.
- Dallas Black Chamber of Commerce
- Fort Worth Hispanic Chamber of Commerce
- Fort Worth Metropolitan Black Chamber of Commerce
- Greater Dallas Asian American Chamber of Commerce
- Greater Dallas Hispanic Chamber of Commerce
- Greater Dallas Indo-American Chamber of Commerce
- Hispanic Contractors Association of DFW
- Tarrant County Asian American Chamber of Commerce

For further information about doing business with DFW, contact the Small & Emerging Business Department at 972 574 8008.