



DEN CONCESSIONS EXCELLENCE IN SERVICE PROGRAM

January 1, 2023



Purpose and Introduction

The Concessions Excellence in Service Program (the “EIS Program”) establishes standards for best-in-class concessions and encourages concessionaires to voluntarily achieve targets and participate in extra assessments that promote the values of DEN and the City and County of Denver, including equity, diversity, inclusion, and accessibility (“EDI”); outstanding customer service; and environmental sustainability. By elevating social and environmental commitments alongside customer care, the EIS Program advances DEN’s related goals of enhancing passenger experiences and providing a rich variety of world-class retail offerings to the traveling public.

Therefore, effective January 1, 2023, the EIS Program provides each participating concession an opportunity to receive a three-year extension of its agreement’s expiration date¹ (the “EIS Extension”) by demonstrating excellence-in-service across four recurring evaluations:

- EDI
- Airport Concession Disadvantaged Business Enterprise (“ACDBE”) Partnership
- Customer Service
- Environmental Sustainability

Points may be earned by achieving the below described targets and requirements. In turn, a participating concession may receive the EIS Extension if it earns at least 90% of all possible points throughout its evaluation period.

Eligibility

This Policy applies to eligible concessions that have voluntarily agreed to participate in the EIS Program by executing a participation letter in the form provided by DEN. Concession participation eligibility will be determined by DEN at its sole discretion. In determining participation eligibility, factors contemplated by DEN may include, but are not limited to, business operations or models that comport with the assessments described in the Policy, the ability to assess one-on-one customer service experience without additional logistical challenges, concessions that have contracts directly with the City, and agreement status for existing concessions. A concession loses eligibility if any of its owners has an interest in a concession that earned the PVC benefit but failed to comply with DEN’s proposal and negotiation requirements. All participating concessions must contribute to the Joint Marketing Fund in the amount of 1% of Gross Revenues each month.

¹ Each concession may receive only one EIS Extension. A marketplace concession or other consolidated development with multiple connected concepts may be treated as a single concession. If multiple discrete concessions are operated under a single agreement, the EIS Extension will only be applied to each concession for which it was earned. No three-year extension will be effective for more than three years after the contractual expiration date.



Evaluations

New concessions will be evaluated beginning the first full month after the required opening date and ending 18 months before contract expiration.² Existing concessions, many of which participated under the PVC Program without a final determination, will have shortened evaluation periods and appropriate phase-in requirements to be specified in individual participation letters. Evaluation periods may extend past contract expirations for some existing concessions, but no evaluation period will be shorter than 12 months.

A concession may receive up to 12 points per year through each of the following evaluations³:

EDI

A concession demonstrates excellence-in-service in EDI by maintaining an approved written EDI plan and showing good faith commitment to its implementation. EDI plans should be tailored to the needs and goals of individual concessions but may be similar in approach to affiliated operations. Using objective standards that may be updated from time to time, EDI plans must sufficiently articulate and support an equity, diversity, and inclusion framework for the applicable business. Proposed EDI plans, plan updates, and other information should be submitted well in advance of deadlines to provide sufficient time for review and responses.

The first official EDI evaluation for new concessions will occur on or around six months after the required opening date, with annual re-evaluations to occur at times decided by DEN. A concession that demonstrates continuing good faith adherence to an approved EDI Plan at the time of its annual evaluation will receive 12 points. Although formal evaluations are performed annually, updates to EDI plans and additional steps relating to EDI may be requested, and good faith adherence to EDI plans (including specific implementation efforts and measurable outcomes) may be reviewed at any time.

ACDBE Partnership

A concession demonstrates excellence-in-service in ACDBE Partnership by displaying commitment to the letter and spirit of the ACDBE requirements and following any related DEN directives. The first official ACDBE Partnership evaluation for new concessions will occur on or around six months after the required opening date, with annual re-evaluations to occur at times decided by DEN. A concession that shows continued commitment to the ACDBE requirements and DEN instructions—without any non-compliance or non-cooperation notices in the past year—will receive 12 points. Although formal evaluations are performed annually, additional steps and reviews relating to ACDBE requirements may be requested at any time.

DEN will treat any material violation of the ACDBE rules as a major contract violation that would, at minimum, disqualify the concession from receiving the EIS Extension.

² If a concession is closed and re-established under a different brand, its evaluation period may reset based on the re-opening date and previous evaluations will not transfer to the new operation.

³ If any annual, quarterly, or monthly evaluation cannot be conducted for any reason, no points will be assessed or considered in final calculations with respect to such evaluation. No points may be earned for an evaluation that takes place in any month that a concession closes for more than three days or remains unopened for any reason.



Customer Service

Customer Service is paramount to DEN. The EIS program will evaluate customer service based on to-be-determined methods. Those methods could be any selection or combination of secret shopping, intercept surveys, digital offerings, or some other method not yet contemplated.

12 points per year will be possible for each method. If a method involves monthly evaluations, a concession may earn one point per month. If there are quarterly evaluations for a method, three points may be earned per quarter.

Environmental Sustainability

A concession demonstrates excellence-in-service in sustainability by obtaining and maintaining an active certification through Certifiably Green Denver (“CGD”) or any other program or set of standards that DEN may use. The CGD certification program currently addresses sustainability practices across five criteria: Business Management, Energy Efficiency, Water Conservation, Resource Management, and Transportation. To obtain initial certification under the existing program, which may change, businesses must meet the industry-specific baseline requirements for each of these five categories and achieve two additional elective goals for each criterion that reflect business-specific interests and values. To maintain the certification, concessions must continue to satisfy the baseline requirements and complete at least two new elective goals each year. Additional steps relating to environmental sustainability may be required regularly or from time to time.

The first official sustainability evaluation for new concessions will occur on or around six months after the required opening date, with annual re-evaluations to occur at times decided by DEN. A concession that has an active CGD certification at the time of its annual evaluation—without any demonstrated compliance lapses in the past year—will receive 12 points. Although formal evaluations are performed annually, additional steps relating to sustainability may be requested, and maintenance of CGD certificates may be reviewed at any time.

EIS Extension Award

A concession may receive the EIS Extension for a concession if it is awarded at least 90% of all possible points throughout its entire evaluation period, with no rounding up. DEN reserves ultimate authority on all determinations, including as to whether an awarded EIS Extension should be rescinded for any subsequent contractual violation or violation of this Policy. Before an EIS Extension is finalized and documented with a formal contract amendment, all requested items and information must be promptly submitted to DEN. EIS Extensions are subject to DEN’s final review and approval of compliance with all applicable laws, rules, and regulations, as well as the satisfaction of all past and present contractual requirements pursuant to any concession agreements involving any individual owners of the concession.

While DEN anticipates that concession agreement business terms would remain the same and that no significant capital investment would be needed in connection with an EIS Extension, DEN may require refurbishment, changes in premises or operations, or potential contractual modifications on a case-by-case basis. If any EIS Extension is not fully executed before the expiration of the concession’s current agreement, the concession may be disqualified from receiving it unless the delay was caused solely by DEN.



Contract Compliance and Disqualifications

A concession may be disqualified or have its EIS Extension rescinded for a contract violation at any point during the concession's contractual term, including pre-opening and post-award periods. A concession will be disqualified from earning the EIS Extension if it is assessed (a) for a single violation that would constitute a material breach or a specific cause for termination outlined in the concession agreement (e.g., non-payment of rent, failure to maintain insurance or surety, ACDBE non-compliance, unapproved assignments or transfers, etc.) or (b) for three separate violations of any other contractual requirements. Opportunities to cure violations will only be allowed to the extent specifically provided in individual concession agreements. By treating a contractual breach as an EIS Program violation, DEN does not waive any rights and may pursue remedies up to and including liquidated damages and contract termination.

Concession Ownership Changes

A primary objective of the EIS Program is to recognize those concessions that, through their existing organizational structures, consistently demonstrate commitment to DEN's core values. Therefore, the EIS Extension may be provided to a concession only if its existing ownership and operational arrangements, including any approved subleases, remain the same following its evaluation period.

Concentration of Ownership Restrictions

Each concession's individual owners must comply with DEN's Concentration of Ownership Policy. Unless sufficient divestment is ensured to DEN's satisfaction, a concession will be disqualified from receiving the EIS Extension if any of its owners have leasehold interests that exceed the policy restrictions.

Adherence to Policy and Directives; Participation Liability Waiver and Release; No Lawsuits

A concession will be disqualified from receiving the EIS Extension for any failure to comply with this Policy or a related directive. Directives may include installing contract compliance systems at concession locations, implementing customer service training programs, or any other effort relating to the EIS Program. As more broadly established in individual concession agreements, and as an express condition of participating in the EIS Program, each concession and its individual owners must release, indemnify, and hold harmless DEN, the City, and their officers, employees, agents, and contractors, including the JMFA, from any and all liability, claims, causes of action, damages, losses, and expenses, including attorneys' fees, arising out of or relating in any way to the EIS Program. By participating in the voluntary EIS Program, each concession and its individual owners further acknowledge that they waive their rights and assume the risk of any claimed loss or damages in connection with the administration of the EIS Program, and that they may not commence, maintain, prosecute, or threaten to prosecute, or cause any other person or entity to commence, maintain, prosecute, or threaten to prosecute, any action, lawsuit, proceeding, charge, petition, complaint, or claim against DEN arising from or relating in any way to the EIS Program.



EIS Program Modification and Termination; DEN Authority

By participating in the EIS Program, each concession and its individual owners acknowledge and agree that DEN may modify, pause, or annul any aspect of the EIS Program and this Policy in its sole discretion and at any time to align with DEN's best interests and policy objectives without prior notice. Should DEN pause or terminate the EIS Program, there will be no reimbursement of fees and DEN will not be liable for any related claims, damages, or expenses whatsoever. DEN may conduct an annual review of the EIS Program to evaluate its methodology and effectiveness in achieving the stated purposes and goals. If any circumstance arises in connection with the EIS Program that is not addressed in this Policy, DEN may adopt any measures or modifications to address such circumstance. DEN may use any data, materials, and other information collected through the EIS Program or relating to the EIS Program.