

REQUEST FOR PROPOSALS (RFP) for Aeronautical Lease of Executive Hangar 1



November 14, 2025

1601 East 3rd Street San Bernardino, CA 92408 909.382.4100 Flysbd.com

I. REQUEST FOR PROPOSAL

Overview

The San Bernardino International Airport Authority (SBIAA) is owner and operator of San Bernardino International Airport, a commercial service airport that includes commercial passenger service, commercial air cargo, corporate and general aviation, and MRO providers. Airport facilities include a Group VI runway, passenger terminal facilities, air cargo facilities, expansive concrete ramps, federal contract control tower, ILS, and large commercial, corporate, and general aviation hangars.

SBIAA is issuing this Request for Proposals (RFP) to Aeronautical Operators (Operator) interested in leasing a 6,817 square foot hangar constructed in 2016, and known as Executive Hangar 1, located at 170 N. Victoria Avenue at San Bernardino International Airport (SBD).

Executive Hangar 1 is a corporate hangar capable of accommodating certain corporate and general aviation aircraft. Hangar features include:

- ★ Executive Hangar 1 is approximately 6,817 square feet
- ★ Two bi-fold overhead hangar doors:
 - o East hangar door opening: 74-feet, 4-inches
 - North hangar door opening: 59-feet, 4-inches
 - o Door clear height (both): 18-feet
- ★ High-gloss enamel floor coating
- ★ ±600 feet of air-conditioned office space
- ★ Two (2) restrooms, one with shower
- ★ Automated rollup 10-ft. x 10-ft. vehicle door
- ★ Electrical 120/240
- ★ Compressed air plumbing
- ★ LED lighting

RFP Schedule

The following milestones are provided for reference only. SBIAA reserves the right to modify the dates presented herein at its sole discretion.

‡	Issue RFP	November 14, 2025
†	Non-mandatory walk-through of facility	December 2, 2025
†	Deadline for Questions	December 8, 2025
†	Proposal due date	December 18, 2025
†	Interviews Week of	January 5, 2026
†	Negotiations (if necessary) Week of	January 12, 2026
‡	Selection and notification Week of	January 19, 2026
†	Approval by SBIAA Commission	January 28, 2026

Minimum Qualifications

The following minimum qualifications are required and must be included in Operator's Proposals as a statement of qualifications in order to be considered responsive to this RFP:

- ♣ Provide past business references
- ★ Owners and key managers must be able to successfully pass a background check in conformance with TSA and SBIAA requirements
- ★ A statement indicating the hangar will be utilized for aircraft charter, broker, management, storage, and/or maintenance of airworthy aircraft, return to service aircraft, or aircraft support services
- ♣ Provide three (3) years of detailed financial information

Submission of Proposals

Submit Proposals with one (1) signed original and six (6) additional copies bound with cover. Proposals shall be brief and concise, containing no more than twelve (12) single-sided pages of material. Please note that the Transmittal Letter, Table of Contents, completed Company Information Sheets, and Resumes are not considered as part of the twelve (12)-page limit but in no case should the total package exceed twenty (20) pages. Each package shall be responsive to the requests made in this RFP. Each Proposal shall include the following as a minimum:

- ★ Cover Letter A maximum one-page, dated Introductory Letter must be submitted including the legal name of the Operator, address, telephone and fax numbers, and the name, title and signature of the person or persons authorized to submit the Proposal on behalf of the Operator
- ★ Type of aeronautical operator
- ★ Type of aeronautical hangar use and/or proposed services
- ♣ Proposed lease term
- ♣ Proposed rental rate
- ★ Ability to finance and construct improvements
- ★ A substantiated estimate of the number and aircraft types proposed for hangar use
- ★ Narrative of Operator's beneficial addition to the San Bernardino International Airport
- ★ Additional Data Provide additional information about the Operator relating to this RFP

Submission Deadline

All Proposals in response to this RFP shall be submitted to SBIAA's administrative offices Attention: Ms. Jillian Ubaldo, Assistant Secretary of the Commission <u>no later than Thursday, December 18, 2025 at 2:00pm.</u> Proposals received after that date and time will be rejected by SBIAA as non-responsive and returned unopened. Proposals may be delivered in person or by courier or by US Mail at the following address marked with the words: "RFP for Lease of Executive Hangar 1" It is Operator's responsibility to ensure that Proposals are received by SBIAA by the Submission Deadline.

Address

Proposals shall be delivered to SBIAA at the following address: San Bernardino International Airport Authority Attn: Ms. Jillian Ubaldo, Assistant Secretary of the Commission 1601 East 3rd Street San Bernardino, CA 92408

Acceptance of Proposals

- ★ SBIAA reserves the right to accept or reject any and all Proposals, or any item or part thereof, or to waive any informalities or irregularities in Proposals
- ★ SBIAA reserves the right to withdraw this RFP at any time without prior notice and SBIAA makes no representations that any agreement will be awarded to any Operator responding to this RFP
- ★ SBIAA reserves the right to postpone Proposal opening for its own convenience.

Proposal Expenses

SBIAA shall not, in any event, be liable for any Proposal expenses incurred by Operator in the preparation of its Proposal. Operator shall not include any such expenses as part of its Proposal. Proposal expenses are defined as expenses incurred by the Operator in:

- ♣ Preparing its Proposal in response to this RFP
- ★ Submitting the Proposal to SBIAA
- ★ Negotiating with SBIAA any matter related to the Proposal
- ★ Any other expenses incurred by the Operator prior to date of award, if any, of the Agreement

Agreement Award

Issuance of this RFP and receipt of Proposals does not commit SBIAA to award an Agreement. SBIAA reserves the right to postpone Proposal opening for its own convenience, to accept or reject any or all Proposals received in response to this RFP, to negotiate with other than the selected Operator(s) should negotiations with the selected Operator(s) be terminated, to negotiate with more than one Operator simultaneously, or to cancel all or part of this RFP.

Selection Process

SBIAA will complete a review of Proposals submitted in response to this RFP, and may elect to short-list the top Proposals to conduct follow up interviews and/or negotiations. Proposals will be reviewed to ensure compliance with the requirements and completeness of information as requested in this RFP. A committee designated at the sole discretion of the SBIAA will evaluate the Proposals that are deemed complete. The selection committee will review written responses to this Proposal and will assess the proposals on the following criteria, including but not limited to the following:

#	Proposed Lease Rate	35 points
†	Financial Fitness and Stability of Firm	25 points
†	Aviation Activity Proposed for Hangar Facility	20 points
†	Proposed Improvements	10 points
†	History & References	10 points

Operators should refrain from undertaking any actions to promote or advertise their interests except in the context of presentations submitted to SBIAA. SBIAA reserves the right to accept or reject any or all Proposals and/or re-solicit or cancel this RFP, if deemed to be in the best interest of SBIAA. Additionally, SBIAA reserves the right to waive any informality in this RFP. Operators shall be responsible for any and all expenses incurred in preparing Proposals.

RFP Questions

In order to manage the dissemination of information regarding this RFP, organizations interested in submitting an RFP shall not make personal contact with any member of SBIAA staff members other than Mr. Darrell Hale. Questions regarding this RFP shall be submitted no later than December 8, 2025 at 5:00 PM PDT. All questions must be directed via e-mail to the individual listed below:

Mr. Darrell Hale, Property Manager 1601 E. Third Street, Suite 100 San Bernardino, CA 92408 (909) 382-4100, Ext. 155

Email: dhale@sbdairport.com

Non-mandatory facility walk-through

A non-mandatory walk-through will be held on Tuesday, December 2, 2025 at 10:00 AM local time beginning in the main lobby at 1601 East 3rd Street, San Bernardino, CA 92408. All interested Operators are encouraged to attend the walk-through.

Revision to the Request for Proposals

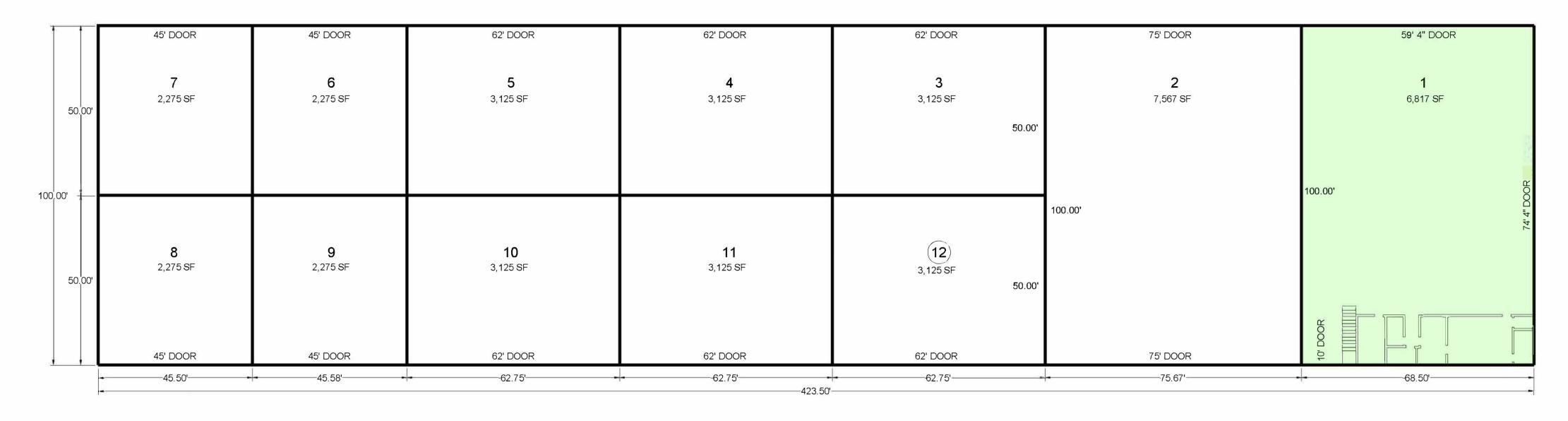
SBIAA reserves the right to revise this RFP. Revisions, in the form of an Addendum to this RFP will be posted on the SBIAA website at www.sbiaa.org. It is the sole responsibility of interested parties to check the website regularly for updates related to this RFP. No information or addendums will be sent directly to any interested parties.

Security Access and Background

All of Operator's employees, contractors, service providers, and any other personnel assigned to perform on-site work or services shall be required to disclose information about any criminal conviction history and be required to undergo background checks performed through SBIAA, at the Operator's sole cost and expense, at a time and place, and in a manner, to be determined by SBIAA.

Operator shall comply fully with federally-mandated security requirements by TSA and/or Department of Homeland Security as may change from time-to-time and the provisions set forth in 49 CFR Part-1542 Airport Security in all pertinent parts as directed either by representatives of the federal government or SBIAA. The cost of this process will be the responsibility of the Operator.

Exhibit A Executive Hangar #1, Lease Area



HANGAR A1 - EXECUTIVE

Exhibit B Non-Exclusive Vehicle Parking Area



Exhibit C FAA Provisions for Solicitations

Application of Required Provisions for Solicitations:

Part I Provisions apply to all Solicitations.

Part II Provisions apply to Solicitations of over \$10,000

Part III Provisions apply to Solicitations of over \$100,000

Part IV Provisions apply to Solicitations of over \$250,000

Part I All Solicitations

1. FAA BUY AMERICAN PREFERENCE

The Contractor certifies that its bid/offer is in compliance with 49 USC § 50101, BABA and other related Made in America Laws, U.S. statutes, guidance, and FAA policies, which provide that Federal funds may not be obligated unless all iron, steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

The bidder or offeror must complete and submit the certification of compliance with FAA's Buy American Preference, BABA and Made in America laws included herein with their bid or offer. The Airport Sponsor/Owner will reject as nonresponsive any bid or offer that does not include a completed certification of compliance with FAA's Buy American Preference and BABA.

The bidder or offeror certifies that all constructions materials, defined to mean an article, material, or supply other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of: non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber; or drywall used in the project are manufactured in the U.S.

2. GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

¹ Per Executive Order 14005 "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to federal financial assistance awards or federal procurement, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured products offered in the United States.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

3. Title VI Solicitation Notice:

The Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.

4. Davis- Bacon Act:

The Davis-Bacon Act (40 USC §§ 3141-3144, 3146, and 3147) ensures that laborers and mechanics employed under the contract receive pay no less than the locally prevailing wages and fringe benefits as determined by the Department of Labor.

Any contract that exceeds \$2,000 entered into pursuant to this solicitation will be subject to the Davis-Bacon Act and the contract will contain required provision including minimum wages of labors and mechanics, payroll and records requirements, apprentice and trainee requirements, compliance with Copeland Act requirements. The bidder or offeror is encouraged to review such Davis-Bacon Act requirements as part of submitting a proposal to the Authority, and such requirements are available upon request.

5. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The [Contractor | Consultant] has full responsibility to monitor compliance to the referenced statute or regulation. The [Contractor | Consultant] must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

6. Foreign Trade Restriction - TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

- (A) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
- (B) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
- (C) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

- (A) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
- (B) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
- (C) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

Part II Solicitations of over \$10,000

1. NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY

- 1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
- 2. The goals and timetables for DBE participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for participation for each trade: [Sponsor must insert established goal]

Goals for participation in each trade: 6.9%

These goals are applicable to all of the Contractor's construction work (whether or not it is Federal or federally assisted) performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its federally involved and nonfederally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, and obligations required by the specifications set forth in 41 CFR 60-4.3(a) and its efforts to meet the goals. The hours of employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ DBEs evenly on each of its projects. The transfer of DBE employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

- 3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs (OFCCP) within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.
- 4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is the Authority, California, County of San Bernardino, City of San Bernardino.

2. CERTIFICATION OF OFFEROR / BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

3. CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds \$25,000 as a "covered transaction", must confirm each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally-assisted project. The successful bidder will accomplish this by:

- (a) Checking the System for Award Management at website: http://www.sam.gov.
- (b) Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
 - (c) Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

4. PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

- (1) The contract requires procurement of \$10,000 or more of a designated item during the fiscal year; or
- (2) The contractor has procured \$10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

- a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- b) Fails to meet reasonable contract performance requirements; or
- c) Is only available at an unreasonable price.

Part III Solicitations of over \$100,000

1. CERTIFICATION REGARDING LOBBYING

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(C) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Part IV Solicitations of over \$250,000 - Disadvantaged Business Enterprise Provisions

1. <u>Bid Information Submitted as a matter of **responsiveness**:</u>

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR § 26.53.

As a condition of responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

- 1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- 2) A description of the work that each DBE firm will perform;
- 3) The dollar amount of the participation of each DBE firm listed under (1);
- 4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal
- 5) Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment; and
- 6) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26. The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.
- 2. Contract Assurance (49 CFR § 26.13. The requirements of 49 CFR part 26 apply to this contract. It is the policy of the Authority [Insert Name of Owner] to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;

- 2) Assessing sanctions;
- 3) Liquidated damages; and/or
- 4) Disqualifying the Contractor from future bidding as non-responsible.

3. Prompt Payment (49 CFR § 26.29.

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than [specify number of days, not to exceed 30] days from the receipt of each payment the prime contractor receives from [Name of recipient]. The prime contractor agrees further to return retainage payments to each subcontractor within [specify number of days, not to exceed 30] days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the [Name of Recipient]. This clause applies to both DBE and non-DBE subcontractors.

4. Termination of DBE Subcontracts (49 CFR § 26.53(f)

The prime contractor must not terminate a DBE subcontractor listed in response to [include Solicitation paragraph number where paragraph 12.3.1, Solicitation Language appears] (or an approved substitute DBE firm) without prior written consent of [Name of Recipient]. This includes, but is not limited to, instances in which the prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent [Name of Recipient]. Unless [Name of Recipient] consent is provided, the prime contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

[Name of Recipient] may provide such written consent only if [Name of Recipient] agrees, for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the circumstances listed in 49 CFR §26.53.

Before transmitting to [Name of Recipient] its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to [Name of Recipient], of its intent to request to terminate and/or substitute, and the reason for the request.

The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise [Name of Recipient] and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why [Name of Recipient] should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), [Name of Recipient] may provide a response period shorter than five days.

In addition to post-award terminations, the provisions of this section apply to preaward deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.