

ADDENDUM No. 2

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Date: March 1, 2020

RFP: Pullman-Moscow Regional Airport
2020 Rental Car Bid

This addendum is hereby made a part of the contract documents identified as Request for Proposals for Non-Exclusive Car Rental Concessionaire at the Pullman-Moscow Regional Airport, Pullman, Washington, to the same extent as though it were originally included therein. It is essential that prospective bidders note the contents of this addendum and that the Pullman-Moscow Regional Airport be made aware that the addendum has been received. Therefore, acknowledge receipt by inserting the number of this addendum in the space provided on the Contract Proposal.

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BIDDER QUESTIONS

1. **Question:** Are the rental day figures you have provided (Total Rental Car Days 24,866) annual figures and what timeframe do they represent?

Answer: 24,866 is the total rental car days for 2019. See chart for last 4 year.

Annual Rental Car Days	Avis	Budget	Hertz	Off-Site	TOTAL
2016	4,237	4,905	12,044	2,245	23,431
2017	3,785	3,902	10,952	2,482	21,121
2018	2,968	5,978	11,812	4,882	25,640
2019*	3,124	5,866	12,965	2,911	24,886

*No Flights September 8– October 10, 2019, airport was closed for the paving of our newly realigned runway.

2. **Question:** Per the parking lot drawing on the airport website Hertz and Avis/Budget have individual and separate lots. Is this the intent for whichever two companies are successful in the RFP or would they be sharing one lot?
Answer: The map on the airport website is the current configuration and will change. There will only be one lot. We are discussing an additional 10 spaces that could be added in the gravel overflow adjacent to the single lot.
3. **Question:** Are there 24 stalls total (12 each) or are there 24 stalls for each company (48 total)?
Answer: There will only be one lot with 24 total stalls available for rental cars (number of stalls will be prorated according to bid). The lot that will be used once the RFP is awarded is the lot closest to baggage claim. The 10 additional spaces would be adjacent to in the overflow gravel lot.
4. **Question:** May we please have a copy of the Off-Airport Car Rental Concession Agreement or at minimum may we please have a detail of the terms of the Off-Airport Car Rental Concession Agreement provided to us as soon as possible.

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Answer: Same \$5 per rental day without counter rent, parking, or ability to write contracts on airport property.

5. **Questions:** What method will the Airport Board use to allocate space e.g. ready stall space, and overflow space to the successful bidders?
Answer: Prorated share of MAG ie: if the MAG is a 60/ 40 split the lot spaces authorized will also be 60/ 40..
6. **Question:** Please clarify the exact date successful bidders will be asked to begin charging the CFC.
Answer: May 1, 2020
7. **Question:** Please add the CFC as an exclusion of Gross Revenue. A CFC should not be part of Gross Revenue.
Answer: Agreed
8. **Question:** Please clarify the exact date the new concession agreement will be in place.
Answer: Term Agreement begins May 1, 2020
9. **Question:** K. Proposal Evaluation Criteria/Award iii.: please consider waiving the award of counters to the highest bidder. We are making this request under the assumption that the airport will secure additional airline operations at the Pullman Airport and under the assumption that an incumbent bidder who is successful could in fact be moved more than once in the short span of the two year concession agreement. This type of language is rarely found in airport leases these days, as it is expensive to move telephone lines and data lines. In cases where airports insist on moving successful incumbent bidders the airport pays for the move.
Answer: Agreed
10. **Question:** We respectfully request that the airport waive the requirements found under L. Proposal Submittal Information item iv.: of the RFP items 4 through 9 and state that these items are not be required of incumbent bidders.
Answer: Agreed to all bidders on and off airport with contracts currently.
11. **Question:** Please provide the ACDBE goal that airport has established.
Answer: Obtain 0.12% from race-neutral participation.
12. **Question:** While we feel the Airport's requirement for a MAG of \$50,000.00 is acceptable. We are not opposed to the Airport lowering that MAG to \$40,000.00.
Answer: We will change the MAG to \$45,000.
13. **Question:** It appears that the new wash facility is a shared space. Please clarify that the monthly cost of \$1,500 per month will be split between the two successful bidders and the monthly cost will be \$750.00 per month. We understand that the cost of the facility is subject to adjustment pursuant to the actual costs of the operation of the wash facility.
Answer: The cost will be covered by a prorated share of the CFC Collection as it is based off of actual activity,

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14. **Question:** Below is language from the Helena, Montana Car Rental Concession Agreement regarding the CFC "A \$1.75 per day Customer Facilitation Charge (CFC) will be charged by each rental car agency and those funds will be paid to the Airport Authority to cover the debt service and maintenance/operation of the car wash facility. An annual accounting of the CFC funds will be provided by the Authority within 90 days of the close of each fiscal year. If an adjustment in the CFC rate is needed to cover expenses related to the rental car carwash facility, the Authority will request approval from the rental car agencies in writing."
Answer: Split via the CFC collection
15. **Question:** Our experience regarding the number of days a CFC is charged is fourteen (14) days. In other words, the CFC in most airports where we operate (24 in 7 states) the CFC is capped at fourteen (14) days.
Answer: We have discussed with the Board and find the 7 days as previously proposed acceptable as long as a potential shortfall in the CFC is covered in an adjustment of future year or proration of the current collection year.
16. **Question:** During the telephone RFP call on February 18, 2020, it was mentioned that once the successful bidders for space on airport have been determined, that the car rental using the wash facility would be responsible for any environmental concerns e.g. fuel spills, etc. and subsequent "clean-up." Since the wash facility is a shared facility, we propose that the airport include language in the agreement such as this to prevent liability for such clean up "Use. Lessee shall use the Vehicle Preparation Bays in the wash facility only for operation of its rental car business and only as permitted hereunder: Lessee shall service, and permit its agents and employees to service, only lessee's airport rental fleet vehicles at the car wash facility, and shall not permit the washing, fueling or any other servicing of personally-owned or other non-rental fleet vehicles at the QTA. Lessee shall not use the wash facility for performing vehicle maintenance or repair other than washing, vacuuming, changing light bulbs fuses, wiper blades, changing or repairing leaking or flat tires, topping-off fluids and similarly quick turnaround activities in the wash facility."
Answer: Agreed
17. **Question:** Regarding the number of operators and counter space available: We believe it is the desire of the Airport to have good representation in the airport of car rental brands to enhance the selection process and the experience of the traveling public, with that in mind we would like to purpose the following language regarding the number of counters a nationwide brand may possess. "Affiliated companies which retain separate nationwide brand identities and in all respects are separate legal entities, shall not be precluded from bidding, so long each such bidder files the Required Affidavit of NonCollusion. A single bidder (a single legal entity) which rents vehicles under two separate brand identities may submit a bid and will be permitted to operate at the Airport under both identities, which is sometimes referred to as "dual branding." No single bid will be accepted if it is from more than one legal entity. If an operator utilizes dual branding, it shall not be entitled to any greater rights under an awarded Concession Agreement, including but not limited to any greater counter area, number of parking spaces, signage area or number of signs in the terminal ready/reserve areas.

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The use of more than two brands by a single bidder shall be prohibited. Affiliated companies will be limited to a total of one counter.

Answer: Agreed

18. **Question:** Please revise the Bid Due date and Bid Opening to March 18th, 2020 to allow the parties and the airport time to respond to all comments and issue required Addenda.
Answer: The bid opening has been moved to March 18th, 2020 at 10:00 A.M. PST
19. **Question:** We request that the minimum MAG be reduced to a more reasonable number given the overall volume at this airport. We suggest \$40,000/yr is a more appropriate level given the airport is currently almost entirely dependent on Alaska Air flights, which poses some risk of a decline in passenger traffic during the term. To put the minimum in perspective, I reviewed a few other airport bids in the last few years. Airports of similar size, or even much greater passenger numbers have imposed the following Minimum bids:
Eugene OR – no minimum Helena MT \$50K
Great Falls MT - \$50K Pocatello ID \$21K
Rocksprings WY \$15K Bullhead AZ - \$60K
Answer: We will change the MAG to \$45,000.
20. **Question:** Please confirm that only one original submittal package, and no extra copies, is required. We also understand, our submittal may be delivered via email, followed by original. Please confirm that, if emailed by the due date and time, that the original can be delivered AFTER the bid due date. Please clarify when.
Answer: Originals should be received 2 weeks from the bid opening date.
21. **Question:** With respect to RFP Section L (iv) – Proposal Submittal Information, please exempt Incumbent operators/proposers from submittals #4 through 8. Our existing operations for many years should suffice for the information requested in #4 through 8. In the event the Airport does not exempt Incumbents from #4-8, please clarify the meaning of #6 and #7 as it applies to an operator with nationwide business, not just “interest in business on the airport.”
Answer: Existing operators are exempt.
22. **Question:** Attachment A – Proposal Sheet. Please use the term “Proposer” instead of “Candidate” to be consistent with the rest of the RFB. Also, Brand name should have an (s) for more than one brand name to be filled in. Also, please provide a line to write the MAG bid in numbers as well as words.
Answer: This will be done by the Airport legal counsel.
23. **Question:** Attachment C – Operating Agreement.
Para 2. Should also refer to the “shared Consolidated Maintenance and Wash Facility.” It’s also part of our premises location.
Para 3.1 – Term – Please add, after the expiration of the Initial Term, the Airport may extend the Agreement on a month to month basis. In such case, the Lessee shall pay the Airport 10% of gross revenues, but the Minimum Annual Guarantee shall not apply. (We are committing to 2yrs of the MAG, not an indefinite amount of time.)
Para 4. Rent and Concessions. Please delete the entire section starting with “The Consolidated Maint and Wash Facility...Leasehold tax.” This part belongs in a new section by itself, separated from the Rent and Concession language. Break up this Section 4 first with Rent then a separate

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paragraph for Concession Fees.. Further, the number \$50K should not be here. This number should be the actual number that is bid on the Proposal Sheet. (the minimum bid is irrelevant at the point the Agreements go into effect. Only the MAG bid is relevant.)

CFC Section. I have attached a sheet with some proposed language that covers this entire topic, separate from the rent/concession fee obligation. We do not think the fact that the underlying costs are estimated to be \$1500/mon needs to be stated anywhere, because its simply the underlying estimate that forms the basis to collect a \$1.50/day CFC. The CFC, not the companies, are expected to pay those expenses, so its really not necessary to put herein.

Para 4.1. Accounting. Please strike this last sentence beginning with, "upon request..." This isn't something we would do on a monthly report basis. Rather, your Section 4.4 should cover this audit possibility.

Para 28. We object to this during the term. The passenger levels and the facilities do not support 3 operators at this time. When Avis Budget added a brand in the past, we had no greater space than our original leasehold. We shared the same space for both brands. This section assumes an addition of another operator that would have to have its own independent space. If a company is added, parking and counter areas do not support another unless the Airport were to increase the counter and parking beyond what we have now.

Para 35.2 and Ex C – what is Airport established ACDBE goal? Is that the goal number to be filled in on Ex C? On Ex C, what is "agency name"? is that the Operator named in the Agreement. We do not want to report separate ACDBE purchases for goods and services by brand, only by Operator at this airport. Please modify form to clarify this.

Para 35.2 – Please amend the due date for submittal of ACDBE Plan to within 60days of submittal of Agreement. "Concurrent" with the execution of new Agreement is not enough time to prepare a Plan.

Answer: Airport legal counsel will look at these questions, with the exception of Para 3.1 and 35.2. Para 3.1, agreed, the MAG will be waved after the term agreement. Para 35.2 We are awaiting the answer from the engineering firm that put together our ACDBE goal.

24. **Question:** The RFP references implementation of a \$1.50 per day CFC. Will this be a new charge or is the CFC already in place? If this is intended as a new fee, we suggest that there be a 7-day maximum per rental as is common.

Answer: Agreed, there will be a 7 day maximum per rental.

25. **Question:** Please confirm that we can provide the required \$2,500 bid deposit in the form of a Bid Bond?

Answer: Correct.

26. **Question:** Based on the rental volume data you have provided and our calculations of market revenue, the \$50,000 minimum MAG appears to be excessive. It likely represents a very high share of revenue and allows no buffer for any downturn in passenger volumes for any reason. We therefore request that the minimum MAG be reduced to a lower amount.

Answer: We will change the MAG to \$45,000.

27. **Question:** Sec. L, iv., 5. – Please allow the option of our financials to be certified by our CFO rather than a CPA. As a privately held company, our financials are internally certified by our CFO and should more than sufficiently address any financial concerns you may have. Please confirm that CFO-certified financials will satisfy the requirement.

Answer: CFO certified financials will satisfy the requirement.

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28. **Question:** Since dual branding is permitted, please confirm that in the Proposal Sheet where we are asked to list our “BRAND NAME” that we can list up to two brand names.
Answer: Yes you may list up to two brands.
29. **Question:** Please clarify whether the stated counter rent of \$0.52 psf is a monthly or an annual amount? There is contradictory language on this in the RFP and the concession agreement (RFP sec C, I indicates \$0.52 psf per month whereas RFP sec F, iii and Operating Agreement sec 4 both indicate \$0.52 psf per annum).
Answer: The stated counter rent is monthly.
30. **Question:** Given the inclusion of a Gross Revenue definition in the new agreement, we request that you add in the following standard exclusions/clarifications:
- Customer Facility Charge – CFC funds are not revenue to the rental car companies and need to be clearly listed as an exclusion from gross revenue.
 - Fuel charges. Generally, where we charge for fuel it is because the customer did not return the vehicle having replaced their fuel usage so we are simply recouping our costs.
 - Service call charges such as lost key or flat tire assistance.
 - Third party charges - Any amounts received as payment and administration of traffic tickets, red light tickets, parking tickets, other governmental fines and fees, tolls, towing and impounded vehicle charges incurred by renter.
- Answer:** Agreed.
31. **Question:** Please clarify the language in sec 4.1 of the Operating Agreement that indicates monthly rent of \$1,500 for use of the wash facility that is paid by CFCs? We believe the intent may be that the \$1.50 per day CFC will replace the current \$1,500 per month rent obligation – is this correct? Please confirm we will not be required to pay rent for the wash facility plus remit CFCs.
Answer: Correct, CFCs fund the monthly rent.
32. **Question:** The insurance language in the RFP and the concession agreement appears to somewhat out of date. We suggest replacing items 1 – 3 in Sec I, iii of the RFP (page 5) and also items A – C in Sec 20 of the concession agreement with the following: “commercial general liability insurance covering liabilities from bodily injury and property damage caused, in whole or in part, by premises and operations, products/completed operations and personal and advertising injury and liability assumed under an insured contract with a minimum limit of \$1,000,000 combined single limit per occurrence and \$2,000,000 general aggregate.”.
Answer: Airport legal counsel will review.
33. **Question:** Please confirm that the intent is that we would pay 10% of gross revenue each month and then only if necessary after each agreement year end would we be required to “top up” to the Minimum Annual Guarantee (MAG) amount if our percentage fees are less than the MAG.
Answer: Correct.
34. **Question:** The 50% premium on counter rent for a dual branded operator is not necessary or appropriate. Rent for the premises is based on the amount of space occupied. The rent should be uniform regardless of number of brands operated. Please delete the rent premium for dual branded operators.

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Answer: Airport legal counsel will review.

The effective CFC date shall be May 1, 2020

All request for language changes are being reviewed by Airport legal counsel.

END OF ADDENDUM