

**CITY OF EL PASO, TEXAS**  
**DEPARTMENT HEAD'S SUMMARY REQUEST FOR COUNCIL ACTION (RCA)**

DEPARTMENT: DEPARTMENT OF AVIATION  
 AGENDA DATE: May 23, 2006  
 CONTACT PERSON/PHONE: Patrick T. Abeln, A.A.E. – 780-4724  
 DISTRICT(S) AFFECTED: 03



**SUBJECT:**

**APPROVE** the award of Solicitation 2006-115, titled “Vehicle Rental Concessionaire” to the following successful bidders submitting the highest Minimum Annual Guarantee for the first year of the Agreement as follows in the order of the highest MAG offered:

VENDOR NUMBER	Vendor Name (Sq. Ft.)	City, State	Proposed Minimum Annual Guarantee
1	The <b>Hertz</b> Corporation	Park Ridge, NJ	\$1,067,800.00
2	<b>Avis</b> Rent A Car System, LLC	Parsippany, NJ	\$722,504.00
3	Devos Motor Co., dba <b>Dollar</b> Rent A Car and <b>Thrifty</b> Car Rental	El Paso, TX	\$472,086.10
4	<b>Enterprise</b> Leasing Company	Albuquerque, NM	\$456,980.00
5	Midwest Car Corporation Independent Licensee of <b>National</b> Car Rental and <b>Alamo</b> Rent-A-Car	Kaukauna, WI	\$403,000.00
6	Southwest-Tex Leasing Co., Inc. dba <b>Advantage</b> Rent-A-Car	San Antonio, TX	\$342,545.00
7	<b>Budget</b> Rent A Car of El Paso, Inc.	El Paso, TX	\$277,650.00

The total Minimum Annual Guarantee for the first year of the contract is \$3,742,565.10.

**BACKGROUND / DISCUSSION:**

The bid is to provide contracts for the operation of nonexclusive auto rental concessions at the El Paso International Airport. The contracts are for a period of four (4) years effective July 1, 2006. Each contract contains a provision for the City to extend the contracts for an additional year upon expiration of the original term on June 30, 2010.

Rental car operations at commercial service airports are typically bid on the basis of a percentage of gross receipts paid to the Airport (10%) and a Minimum Annual Guarantee. The Minimum Annual Guarantee is used to determine check-in counter location and the number of parking spaces to be allocated to each company.

The Department of Aviation and City Purchasing bid rental car operations at the El Paso International Airport in accordance with Airport industry standards and best practices. We believe that the bid results were successful on two counts. (1) We have all major auto rental concession brands available to the consumer and (2) achieved an associated high level of competition and consumer choice. Additionally, we believe the 10% return and associated Minimum Annual Guarantee are appropriate compensation for the business privilege of renting cars at the Airport.

With this successful bid, we will have nine (9) products available to the consumer: Hertz, Avis, Dollar, Thrifty, Enterprise, National, Alamo, Advantage and Budget.

The Department of Aviation staff recommends approval of this bid and authorization is requested for the City Attorney's office to review and the City Manager to execute the related contract documents.

**PRIOR COUNCIL ACTION:**

Prior contacts awarded under Solicitation No. 2001-105, Auto Rental Concessionaire issued January 23, 2001 effective July 1, 2001 through June 30, 2006.

**AMOUNT AND SOURCE OF FUNDING:**

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Not applicable. The agreements represent revenue-generating contracts for the Department of Aviation.

**BOARD / COMMISSION ACTION:**

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_  
Sylvia Borunda Firth, Asst. City Attorney

**OTHER:** Patrick T. Abeln, A. A. E., Director of Aviation Patrick Abeln  
(Example: if RCA is initiated by Purchasing, client department should sign also)

*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

DATE: May 11, 2006  
TO: Municipal Clerk  
FROM: Terrence Freiburg   
Deputy Director for Financial Services, ext.4308  
THRU: Aurora Wells  
Bid Clerk, ext. 4038

Please place the following item on the **REGULAR** agenda for the Council Meeting of **MAY 23, 2006**.

Item should read as follows:

Solicitation No. 2006-115 Vehicle Rental Concessionaire  
RECOMMENDATION: Vendor 1: The Hertz Corporation  
Park Ridge, NJ  
Amount: \$1,067,800.00  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: Vendor 2: Avis Rent A Car System, LLC  
Parsippany, NJ  
Amount: \$722,504.00  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: Vendor 3: Devos Motor Co., Inc.  
DBA Dollar Rent A Car and  
DBA Thrifty Car Rental  
El Paso, TX  
Amount: \$472,086.10  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: Vendor 4: Enterprise Leasing Company-West  
Albuquerque, NM  
Amount: \$456,980.00  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: Vendor 5: Midwest Car Corporation; an Independent  
Licensee of National Car Rental and  
Alamo Rent-A-Car  
Kaukauna, WI  
Amount: \$403,000.00  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: Vendor 6: Southwest-Tex Leasing Company, Inc.  
DBA Advantage Rent A Car  
San Antonio, TX  
Amount: \$342,545.00  
(Minimum Annual Guarantee for the  
first year of the contract)

RECOMMENDATION: VENDOR 7: Budget Rent A Car of El Paso, Inc.  
El Paso, TX  
Amount: \$277,650.00  
(Minimum Annual Guarantee for the  
first year of the contract)

Department: Department of Aviation  
Funds available: Revenue Contracts  
Funding source: Revenue Contracts  
1<sup>st</sup> Year Total : \$3,742,565.10 (Total Minimum Annual Guarantee For  
The First Year Of The Contract)

4 Year Total \$14,970,260.40 (Minimum with possible increases based  
on each year's revenues)

District (s): 3

The Department of Aviation and the Financial Services Department-Purchasing Division  
recommend award as indicated to the responsive offers, from responsible parties.  
These are concession, revenue-generating contracts.

These are contracts for the operation of nonexclusive Vehicle Rental Concessions at the  
El Paso International Airport. These contracts are for a four (4) year time period with  
the City having the option, exercisable in its sole and absolute discretion, to extend the  
term for an additional one (1) year period. Contracts to start July 1, 2006.

In the second, third and fourth year of the Agreement (and if the City in its sole and  
absolute discretion exercises its Option to Extend the Term of the Agreement for an  
additional fifth year), compensation to the City shall be the greater of: 1.) Ten percent  
(10%) of the total annual Gross Revenues; or 2.) a Minimum Annual Guarantee equal to  
the greater of eighty-five percent (85%) of the guaranteed amount paid for the  
immediate preceding year; or 3.) one hundred percent (100%) of the Minimum Annual  
Guarantee for the first year of the Agreement.

Additionally, it is requested that the City Attorney's Office review and the City Manager  
be authorized to execute any related contract documents and agreements necessary  
during the contract.

Contact Person: Enrique Acosta, Jr., Procurement Analyst at 541-4316.

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AGENDA FOR: **MAY 23, 2006**  
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PROJECT FORM

DATE: May 10, 2006

PROJECT: "Vehicle Rental Concessionaire"  
BID NO: 2006-115 DEPARTMENT: Department of Aviation  
BUDGET NO: Revenue Contracts  
FUNDING SOURCE: Revenue Contracts  
REPRESENTATIVE DISTRICT(S): 3

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- RECOMMENDATION: VENDOR 1: The Hertz Corporation  
Park Ridge, NJ  
AMOUNT: \$1,067,800.00  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 2: Avis Rent A Car System, LLC  
Parsippany, NJ  
AMOUNT: \$722,504.00  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 3: Devos Motor Co., Inc.  
DBA Dollar Rent A Car and  
DBA Thrifty Car Rental  
El Paso, TX  
AMOUNT: \$472,086.10  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 4: Enterprise Leasing Company-West  
Albuquerque, NM  
AMOUNT: \$456,980.00  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 5: Midwest Car Corporation; an Independent Licensee of  
National Car Rental and Alamo Rent-A-Car  
Kaukauna, WI  
AMOUNT: \$403,000.00  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 6: Southwest-Tex Leasing Company, Inc.  
DBA Advantage Rent A Car  
San Antonio, TX  
AMOUNT: \$342,545.00  
(Minimum Annual Guarantee for the first year of the contract)
- VENDOR 7: Budget Rent A Car of El Paso, Inc.  
El Paso, TX  
AMOUNT: \$277,650.00  
(Minimum Annual Guarantee for the first year of the contract)

The Department of Aviation and the Financial Services Department-Purchasing Division recommend award as indicated to the responsive offers, from responsible parties. These are concession, revenue-generating contracts.

These are contracts for the operation of nonexclusive Vehicle Rental Concessions at the El Paso International Airport. These contracts are for a four (4) year time period with the City having the option, exercisable in its sole and absolute discretion, to extend the term for an additional one (1) year period. Contracts to start July 1, 2006.

In the second, third and fourth year of the Agreement (and if the City in its sole and absolute discretion exercises its Option to Extend the Term of the Agreement for an additional fifth year), compensation to the City shall be the greater of: 1.) Ten percent (10%) of the total annual Gross Revenues; or 2.) a Minimum Annual Guarantee equal to the greater of eighty-five percent (85%) of the guaranteed amount paid for the immediately preceding year; or 3.) one hundred percent (100%) of the Minimum Annual Guarantee for the first year of the Agreement.

Additionally, it is requested that the City Attorney's Office review and the City Manager be authorized to execute any related contract documents and agreements necessary during the contract.

BIDS SOLICITED- 15 (8 local)  
BIDS RECEIVED- 07  
"NO BID" RECEIVED- 00

CURRENT TAXED PAID- \_\_\_\_\_  
OUT-OF-TOWN-- \_\_\_\_\_

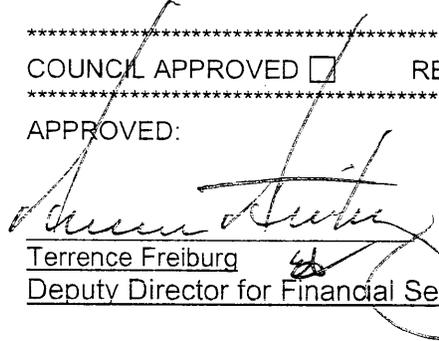
TOTAL MINIMUM ANNUAL GUARANTEE FOR  
THE FIRST YEAR OF THE CONTRACT: \$3,742,565.10

FOUR YEAR TOTAL MINIMUM WITH POSSIBLE INCREASES  
BASED ON EACH YEAR'S REVENUES \$14,970,260.40

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COUNCIL APPROVED  REJECTED  MUNICIPAL CLERK \_\_\_\_\_  
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APPROVED:

COUNCIL:  
MEETING DATE-May 23, 2006

  
Terrence Freiburg  
Deputy Director for Financial Services, ext. 4308



# EL PASO INTERNATIONAL AIRPORT

TO: Enrique Acosta  
Financial Services Department-Purchasing Division

TO: Paige Waggoner  
Assistant Director of Aviation

FROM: Y. Pritchard Moore  
Land and Contract Administrator

DATE: May 9, 2006

SUBJECT: SOLICITATION NO.: 2006-115 VEHICLE RENTAL  
CONCESSIONAIRE

## RECOMMENDATION

Award to the successful bidders submitting the highest Minimum Annual Guarantee for the first year of the Agreement, as follows in order of the highest MAG offered:

Vendor Number	Vendor Name	City, State	Proposed Minimum Annual Guarantee
1	The Hertz Corporation	Park Ridge, NJ	\$1,067,800.00
2	Avis Rent A Car System, LLC	Parsippany, NJ	\$722,504.00
3	Devos Motor Co. dba Dollar Rent A Car dba Thrifty Car Rental	El Paso, TX	\$472,086.10
4	Enterprise Leasing Company	Albuquerque, NM	\$456,980.00
5	Midwest Car Corporation Independent Licensee of National Car Rental and Alamo Rent-A-Car	Kaukauna, WI	\$403,000.00
6	Southwest-Tex Leasing Co., Inc. dba Advantage Rent-A-Car	San Antonio, TX	\$342,545.00
7	Budget Rent A Car of El Paso, Inc.	El Paso, TX	\$277,650.00

The above agreements will be revenue-generating contracts for the Department of Aviation.

## Rental Car Concessions Minimum Annual Guarantee

Company	1st Yr MAG 7/01-6/02	5th YR MAG 7/05-6/06	% Increase 1st yr to 5th	Proposed MAG	% Increase 5th yr to proposed	Market Share (\$)	Parking Spaces
<b>Budget</b>	\$ 267,000.00	\$ 267,000.00	0.00%	\$ 277,650.00	3.99%	7%	19
<b>Advantage</b>	\$ 168,012.00	\$ 307,986.00	83.31%	\$ 342,545.00	11.22%	9%	24
<b>National</b>	\$ 415,612.00	\$ 415,612.00	0.00%	\$ 403,000.00	-3.03%	11%	28
<b>Enterprise</b>	\$ 175,000.00	\$ 288,075.00	64.61%	\$ 456,980.00	58.63%	12%	32
<b>Dollar</b>	\$ 317,421.00	\$ 334,023.00	5.23%	\$ 472,086.10	41.33%	13%	33
<b>Avis</b>	\$ 651,000.00	\$ 808,204.00	24.15%	\$ 722,504.00	-10.60%	19%	50
<b>Hertz</b>	\$ 840,200.00	\$ 899,335.00	7.04%	\$ 1,067,800.00	18.73%	29%	74
	<b>\$ 2,834,245.00</b>	<b>\$ 3,320,235.00</b>	<b>17.15%</b>	<b>\$ 3,742,565.10</b>	<b>12.72%</b>	<b>100.00%</b>	<b>258</b>

# CITY OF EL PASO BID TABULATION

BID ITEM: VEHICLE RENTAL CONCESSIONAIRE BID DATE: MAY 3, 2006			BID # 2006-115 DEPARTMENT: AVIATION	
	AVIS RENT A CAR SYSTEM, LLC PARSIPPANY, NJ	BUDGET RENT A CAR OF EL PASO, INC. EL PASO, TX	DEVOS MOTOR CO. dba DOLLAR RENT A CAR dba THRIFTY CAR RENTAL EL PASO, TX	ENTERPRISE LEASING COMPANY - WEST ALBUQUERQUE, NM
YEAR 1: MINIMUM ANNUAL GUARANTEE	\$722,504.00	\$277,650.00	\$472,086.10	\$456,980.00
WHEN BONDING IS REQUIRED: BIDDER HAS FURNISHED CASHIER'S CHECK	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

APPROVED BY: *E. Ad*  
 DATE: 5 MAY 06

# CITY OF EL PASO BID TABULATION

BID ITEM: VEHICLE RENTAL CONCESSIONAIRE BID DATE: MAY 3, 2006				BID # 2006-115 DEPARTMENT: AVIATION
	MIDWEST CAR CORPORATION AN INDEPENDENT LICENSEE OF NATIONAL CAR RENTAL & ALAMO RENT-A-CAR KAUKAUNA, WI	SOUTHWEST-TEX LEASING CO., INC. d/b/a ADVANTAGE RENT-A-CAR SAN ANTONIO, TX	THE HERTZ CORPORATION PARK RIDGE, NJ	
YEAR 1: MINIMUM ANNUAL GUARANTEE	\$403,000.00	\$342,545.00	\$1,067,800.00	
WHEN BONDING IS REQUIRED: BIDDER HAS FURNISHED CASHIER'S CHECK	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BIDS SOLICITED: 15	BIDS RECEIVED: 7	BIDS LOCAL: 8	NO BIDS: 0	

APPROVED BY:   
 DATE: 5 MAY 2006

AVIS RENT-A-CAR SYSTEMS, INC.  
ATTN: R. ROBERT BOUTA  
6 SYLVAN WAY  
PARSIPPANY, NJ 07054

ENTERPRISE RENT-A-CAR  
ATTN: MARK TOBIASSEN  
4740 PAN AMERICAN FWY, NE  
ALBUQUERQUE, NM 87109

SOUTHWEST-TEX LEASING CO., INC.  
DBA ADVANTAGE RENT-A-CAR  
ATTN: ROBERT WALKER  
1343 HALLMARK  
SAN ANTONIO, TX 78216

BUDGET RENT-A-CAR OF EL PASO, INC.  
ATTN: NEAL REMZ  
6500 CONVAIR ROAD, SUITE 1B  
EL PASO, TX 79925

THE HERTZ CORPORATION  
ATTN: MANNY LUNA  
6510 CONVAIR ROAD  
EL PASO, TX 79925

BUDGET RENT-A-CAR OF EL PASO, INC.  
ATTN: MR. JOHN HARRIS  
430 SANDAU ROAD  
SAN ANTONIO, TX 78216

THE HERTZ CORPORATION  
ATTN: JACKIE AGAN  
DIRECTOR OF PROPERTIES  
24890 EAST 78<sup>TH</sup> AVENUE  
DENVER, CO 80249-3919

MIDWEST CAR CORPORATION  
DBA NATIONAL CAR RENTAL  
ATTN: TAMMY RAUSCH  
P. O. BOX 560  
KAUKAUNA, WI 54130-0560

DEVOS MOTOR CO., INC.  
DBA DOLLAR RENT-A-CAR  
ATTN: CATHTY HOLLINS  
6511 ALLEGHENY  
EL PASO, TX 79925

SOUTHWEST-TEX LEASING CO., INC.  
DBA ADVANTAGE RENT-A-CAR  
ATTN: RAYMOND BARRAZA  
1210 AIR2WAY BLVD.  
EL PASO, TX 79925

DEVOS MOTOR CO., INC.  
DBA DOLLAR RENT-A-CAR  
ATTN: MARTIN DEVOS  
6511 ALLEGHENY  
EL PASO, TX 79925

THE HERTZ CORPORATION  
PROPERTIES & CONCESSIONS  
ATTN: DEBORAH PERRY  
225 BRAE BOULEVARD  
PARK RIDGE, NJ 07656

AVIS RENT-A-CAR  
ATTN: SILVIANO TRUJILLO  
6520 CONVAIR ROAD  
EL PASO, TX 79925

ENTERPRISE RENT-A-CAR  
ATTN: ENRIQUE ENRIQUEZ  
6700 CONVAIR ROAD  
EL PASO, TX 79925

ENTERPRISE RENT-A-CAR  
ATTN: MANDO CHAVARRIA  
6700 CONVAIR ROAD  
EL PASO, TX 79925