

Memorandum



CITY OF DALLAS

DATE August 22, 2008

TO Transportation and Environment Committee:
Linda Koop (Chair), Sheffie Kadane (Vice Chair), Jerry R. Allen, Carolyn R. Davis, Vonciel Jones Hill, Angela Hunt, Pauline Medrano, Ron Natinsky

SUBJECT Car Rental Concession Request For Bid At Love Field

Attached are the briefing materials for the Car Rental Concession Request for Bid At Love Field briefing to be presented to the Transportation and Environment Committee on Tuesday, August 26, 2008.

Please let me know if you should need additional information.

A handwritten signature in black ink, appearing to read 'Ramon F. Miguez'.

Ramon F. Miguez, P.E.
Assistant City Manager

Attachment

The Honorable Mayor & Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig D. Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
David O. Brown, Interim Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
David K. Cook, Chief Financial Officer

CAR RENTAL CONCESSION REQUEST FOR BID AT LOVE FIELD

**Briefing to the Council
Transportation and Environment Committee**



Department of Aviation

August 26, 2008



Purpose



- ❖ Review existing car rental concession contracts
- ❖ Review proposed car rental concession contracts
- ❖ Recommendations & Next Steps

New Five Year Contract

- ❖ Rental Car Request For Bid (RFB) Process
 - ❖ RFB Advertised June 19th and June 26th
 - ❖ Pre-Bid Conference held July 1st and July 2nd
 - ❖ Bid Opening Date of July 30th
 - ❖ Council Committee Briefing August 26th
 - ❖ Council Agenda Date September 10th
 - ❖ Contract Commencement October 1st

New Five Year Contract



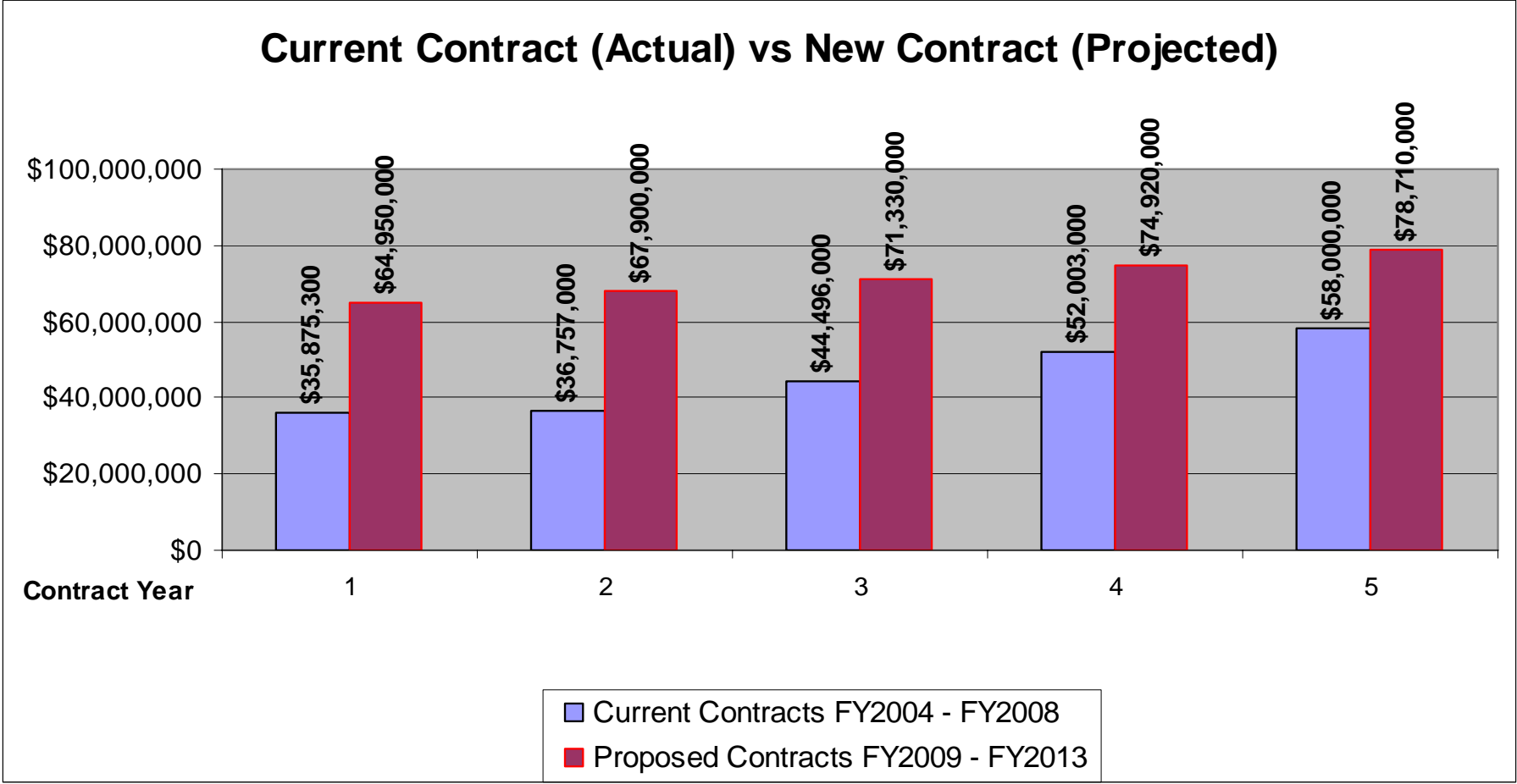
❖ Specifications

- ❖ Five (5) Year Primary Term
- ❖ Three (3) – One Year Options
- ❖ Nine (9) Available Counter Locations
- ❖ MAG or 10% of Gross Sales
- ❖ MAG adjusted annually based on 90% of prior year payments or Bid MAG
- ❖ Highest MAG Chooses Counter Location
- ❖ Modified Counter Area Remodel
- ❖ Required Performance Bond
- ❖ Required Independent Audit

Current Contracts vs Bid Results

Specification	Current Contracts	Bid Results
Bids Received	9	8
Primary Term	5	5
Option Terms	0	3 – 1 Year Options
Bid MAG (All Bidders Combined)	\$15,263,738	\$26,094,047
Percentage	10%	10%

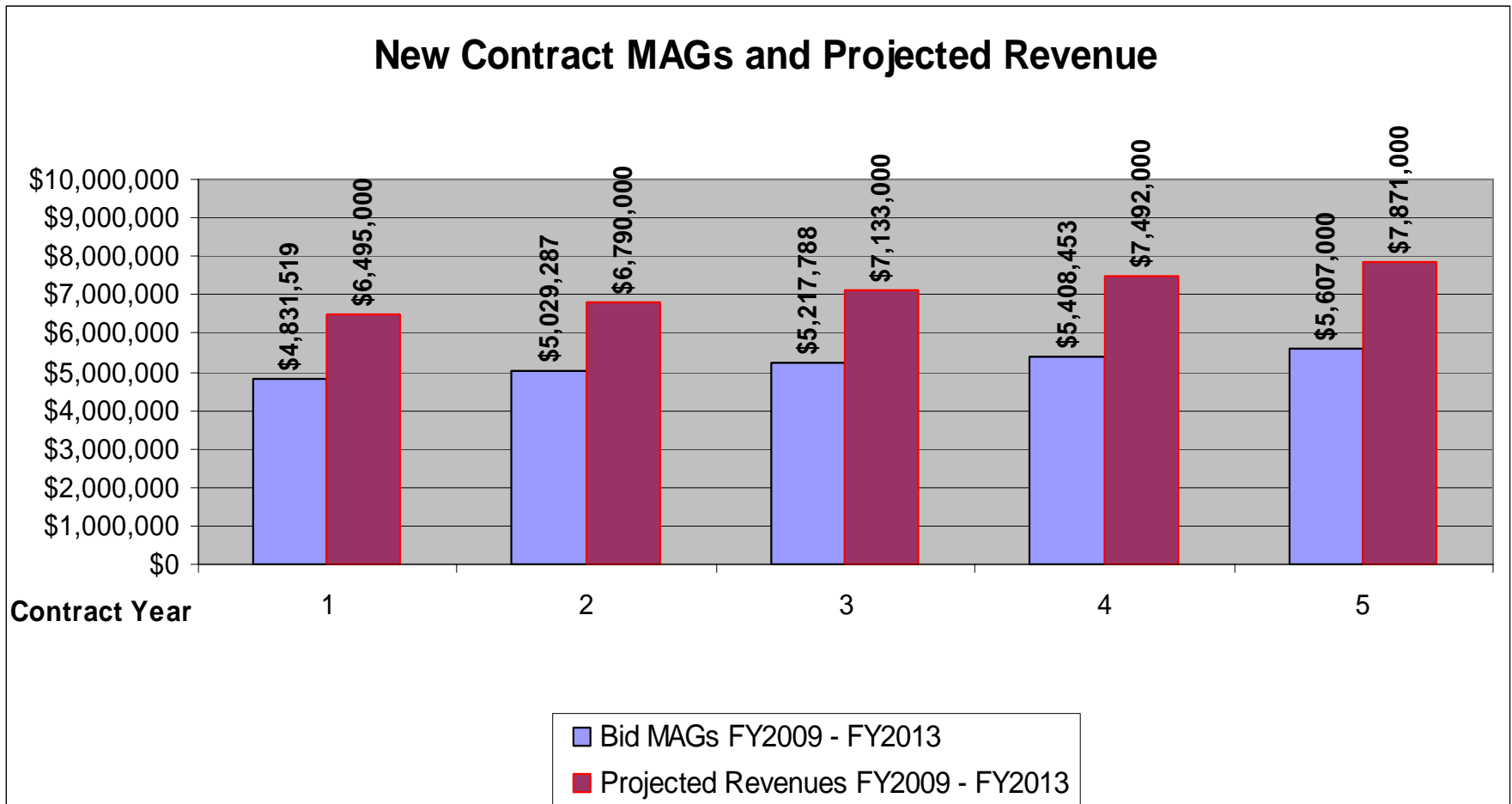
Gross Sales Projection



MAG and Projected Revenue



New Contract MAGs and Projected Revenue



Recommendations & Next Steps



Recommend Award of Five-Year Concession Agreements to Each Car Rental Operator Listed Below at the Five Year MAGs Bid.

❖ Eight Contract Awards	Five Year Bid MAGs
❖ The Hertz Corporation (Hertz)	\$6,699,600
❖ Avis Rent A Car System, LLC (Avis)	\$5,986,000
❖ Budget Rent A Car System, Inc. (Budget)	\$3,959,505
❖ Alamo Rental (US) Inc. (Alamo)	\$2,638,521
❖ Enterprise Leasing Company of DFW d/b/a Enterprise Rent-A-Car (Enterprise)	\$2,414,996
❖ National Rental (US) Inc. (National)	\$2,110,425
❖ DTG Operations, Inc. d/b/a Dollar Rent A Car (Dollar)	\$1,400,000
❖ DTG Operations, Inc. d/b/a Thrifty Rent A Car (Thrifty)	\$ 885,000
Total Five Year Bid MAGs	\$26,094,047

Next Step: City Council Approval – September 10, 2008