



**Request for Bids  
Airport Car Rental Concessions  
Proposal No. P16-005**

**Purchasing Department  
73 Harlow Street  
Bangor, Maine 04401  
207-992-4282**

**Issue Date: August 5, 2015**

**Addendum No. 4**

The following questions were submitted by prospective Respondents for the City's RFP: Airport Car Rental Concessions. The City's responses to the questions follow in *Italics*.

1. We continue to believe it would be helpful to have a pre-bid meeting or at least a call to discuss the bid package and the Concession Agreement. We request that you schedule one or the other.

*The City of Bangor appreciates the suggestion of having a pre-bid meeting, but we believe this is not necessary. Of the airports responding to a recent survey, more than a third did not require a pre-bid meeting. The City of Bangor will continue to proceed with the schedule as defined in the RFP.*

2. Do you anticipate any additional airlines providing service to the Airport? Or losing any airlines?

*BGR has no information or indication from airlines currently serving our market to cease operations. Also, there are no airline announcements for expanded service or additional routes planned. BGR anticipates similar passenger enplanements/deplanements as experienced over the last several years. Please refer to the Passenger Statistics figures in the RFP.*

3. Please confirm that if you accept fewer than 5 Proposals, that no additional Concessionaire will be added during the term of the agreement. Any RAC interested in operating at the Airport should not be able to NOT respond now, wait until it sees which companies bid and what MAGs are bid, and then enter into a contract at the minimum. This undermines the bidding process.

*The City of Bangor does not intend to allow any additional Car Rental Concessions after the RFP deadline.*

4. Please confirm that all of the terms and conditions specified in the RFP and any/all issued addenda will be incorporated and made a part of the Concession Agreement.

***It is the intent of the City of Bangor to include terms and conditions specified in the RFP and all addenda in the Concession and Lease agreements.***

5. RFP: Page 1. Will you provide that the 5 one-year options to be by mutual agreement of all concessionaires and the City? It is not fair that the City can be the sole determinant of whether the agreement will extend, especially if there is no relief from the MAG. A Concessionaire should not be obligated to continue for years 6 – 10 based on a bid they submitted 5 – 9 years prior. There are too many possible changes and events that cannot be foreseen.

***Agreed. The City of Bangor will provide language in the agreements that any contract renewal options will be by mutual consent.***

6. RFP: Page 2, Sec. II, Submission: In the interest of good green policy and conserving paper, we request only one (1) original of each proposal be required for submission. If copies are required, we request only one (1) paper copy. Please note that most companies have up to 3 brands, and if only allowing single-branding, you could receive 12 proposals/copies from just one company.

***Agreed. The City of Bangor will allow each Proposer to submit one (1) original, written copy of the Proposal, to be accompanied by three (3) electronic versions placed on a flash drive or disk.***

7. RFP: Page 5, Sec. VI, Automotive Service Facility: Please “grandfather” the facilities. It is too expensive and difficult to move from one service facility to another. There are always issues of what condition certain items should have been in when the vacating party left them, and issues regarding what a vacating party may take

***The City of Bangor does not agree with the request. The City of Bangor will allow thirty (30) days to complete any moves necessary.***

8. If you do not “grandfather”, then we request you review the current Leases and define the condition in which the vacating tenant must leave the premises, what the vacating tenant may remove, and the requirement to repair and/or replace any damage to the premises.

***The City of Bangor requires that the buildings and land shall be returned to as near as possible their conditions as at the commencement of the lease agreement.***

9. In the event you do not “grandfather” the facilities, we request a “walk through” of all facilities to be able to view the condition of the properties, buildings, and equipment.

***See # 7 above. If requested in advance, the City of Bangor will coordinate a walk-through as suggested.***

10. Utah Ave. lot 2 has 5000 fewer square feet, but is the same rent as lots 1 & 3. Why the disparity in rent?

***The lease rate is based on building square footage. All service facilities are equal in size.***

11. Building 253. Are there 20 spaces for each facility, or a total of 20 spaces for both facilities?

***At this location (Building 253), there are twenty (20) spaces available. There are an additional twenty (20) spaces located near the airport main terminal.***

12. Construction of New Facility– is the amortization period for purposes of buy-out the useful life of the facility – normally 25 years?

***No, 20 years.***

13. Please confirm there would be no rent on the land on which the new facility is located until completion and move-in, at which point rent on the “old” facility would terminate. It is not fare that a company would be required to pay rent on two locations while one is under construction.

***The City of Bangor will allow the successful Proposer to not pay land rent for a new facility until the facility is built and ready to move in. Rent will continue on the ‘old’ facility until the company moves out.***

14. RFP: Page 7, Sec. VI, Ready Return Car Parking. Will the City agree to plow the ready/return spaces? It is easier for you to do it than for each company to hire someone. You could send each company an invoice for their portion.

***Snow removal will remain the responsibility of the Lessee.***

15. RFP: Page 7, Sec. VI, Ready Return Car Parking (see also Draft Concession Agreement – Art. I, C): Please revise to conform with the Concession Agreement which states you will base the number of additional spaces allocated to each concessionaire for the first year by bid share.

***The City of Bangor will ensure that the additional spaces allocated will be as directed in the Concession agreement.***

16. How will the spaces be physically allocated? Is there any specific method for how location of spaces will be selected/divided?

***The draft Concession agreement, Article I: Premises, identifies how the spaces shall be allocated.***

17. Please confirm that the number of 86 spaces refers to the number available during the "off-season" and the number of 138 spaces refers to the number available during the "season".

***These numbers reflect peak season, summer season or MAY-OCT (138) and non-peak season or winter season from NOV-APR (86).***

18. RFP: Page 7, Sec. VII, Minimum Annual Guarantee Fee: Is there a minimum MAG set for bidding on this RFP?

***No.***

19. RFP: Page 7, Sec. VIII, Proposal Content, 2nd sentence: The City should not be allowed to negotiate on the financial terms of the proposal after it has been submitted, as this undermines the competitive bidding process. Please add "except for the financial terms of the Proposal" to end of the second sentence.

***The City will not be adding such provision.***

20. RFP: 20. Page 8. We request that you eliminate all required information for incumbents from "History of the Company" through "Services". You are very familiar with all current operators and this information will be superfluous and unnecessary for your determination that the incumbents are experienced and have the capability to operate in an acceptable manner. In the last RFP the following were waived for incumbents:

- Information on rental car locations(s) operated by the Proposer in the past five years.
  - Name under which operation was provided
  - Airport(s) at which provided service and if service was on or off- airport.
  - Airport Address
  - Contact person and phone number
  - Size of location(s)
  - Number of years at location(s)
- Information concerning the gross revenues, rents and fees paid at other airports at which proposer operates a Car Rental Concession or related service.

- Management/Staffing including:
- Start-up schedule.
- Resumes of key personnel.
- Staffing levels, type and extent of training.
- Role of Manager and extent of their authority.
- Organizational and functional charts reflecting line of management responsibility.
- Plans and procedures for administrative support.
- Description of the revenue control system to be utilized, including a description of the audit trail.

*Please see and refer to Addendum #1, Question 3 response.*

21. If you eliminate the information for incumbents, please define “incumbent” as a legal entity currently holding an agreement for on-airport or off-airport operations, or a related legal entity (i.e., sister subsidiary with the same parent company as the entity holding the agreement).

*The City of Bangor defines ‘incumbent’ as a legal entity that currently provides on-airport operations.*

22. RFP: Page 8, Sec. VIII, History of Company: If you do not eliminate this requirement, regarding the “list of locations currently served by your company” (addendum 1), please limit this to airport locations. We have thousands of off-airport locations that we don’t believe would be pertinent to this RFP and would be voluminous to list.

*It is the intent of this RFP to allow the Proposers to provide information on three (3) similar locations in size to BGR. This was reduced from 5 to 3 locations per Addendum # 1. The intent was to limit to airport locations.*

23. RFP: Page 8, Sec. VIII, Financial Reports: If you do not eliminate this requirement, our financials do not have footnotes. Please accept a letter from Proposer’s Chief Financial Officer, certifying the financials and that they are prepared per GAAP.

*The City of Bangor does not agree with this request.*

24. RFP: Page 8, Sec. VIII, Other Locations: If you do not eliminate this requirement, please clarify what is meant by “name under which operation was provided” – is this referring to the brand(s) operating at the airport?

*Correct*

25. RFP: 25. Please also clarify what “size of” is referring to – Physical size of facilities? This requirement was eliminated for incumbents in the last RFP other than listing all U.S. airports at which we operated. Please waive.

***The term ‘size’ is referring to comparing operations of similar size as Bangor Int’l Airport. Airports of similar size have similar enplanement/deplanement numbers.***

26. RFP: Page 8, Sec. VIII, Other Locations: Our agreements with other locations may dictate confidentiality and, therefore, the requirement to give rents/fees for those other locations should be deleted from the requirements. Further, those facts have no bearing on the submittal we would make in response to this RFP. Again, this was waived in the last RFP and we request you waive it for incumbents

***As a public entity, the City of Bangor adheres to the current Freedom of Information Act (FOIA). The City of Bangor does not agree with this request.***

27. RFP: Page 9, Sec. VIII, Legal and Performance: If you do not eliminate this requirement, please remove requirement to “identify any objectionable provisions...”

***The City of Bangor does not agree with this request.***

28. RFP: Page 13, Sec. VIII, Selection Process: We respectfully object to “members of the public” screening proposals. Please remove them from the Review Committee.

- Do members of the general public understand the necessity to keep proposals confidential and not disclose certain information?
- If members of the public are selected randomly, then certain members of the public may be employees of the rental car companies themselves, which obviously presents a conflict.
- If members of the public are selected randomly, then certain members of the public may be loyal customers of one particular rental car company, which obviously presents a conflict.

***The City of Bangor does not agree with this request. We reserve the right to select a member of the local business community, with no affiliations to Car Rental companies, to serve on the Selection Committee. The City will confirm that if a member of the business community is selected, there shall be no conflict of interest.***

29. RFP: Pages 13-14, Sec. VIII, Selection Criteria/Evaluation Factors: The factors listed are highly subjective. We request that you use the other factors only to determine if a Proposer is qualified, and use a Proposer's MAG proposed be the sole ranking factor.

*The City of Bangor does not agree with this request. The selection criteria, as defined in the RFP will remain. However, we remind all Proposers that, per the RFP, "The minimum annual guarantee payment and proposed registration of vehicles with the City of Bangor will carry the greatest weight in the selection of the best proposals. The selection will be based upon the judgment of the City in seeking the best and highest quality services utilizing the stated criteria as a guide only. In selecting the most qualified and responsible Proposers for whom nonexclusive Car Rental concessions will be granted, consideration will be given to the experience and capability each Proposer is able to demonstrate."*

30. If you do not use MAG solely to determine the ranking of Proposers, we request you give us the evaluation percentage for each evaluation item listed.

*Please above response to question # 29.*

31. RFP: Page 14, Sec. VIII, Capital Investment: Please remove requirement to provide plans for capital investment in maintenance/service facility. We will not know what facilities we will receive until after the bid is awarded, and thus will not know what investment might be required.

*As referred to in Addendum #3, question 2, a similar concern was addressed. The City has identified eight different criteria which will be considered when awarding contracts. Capital investment is a typical evaluation criterion, as it allows companies to define and commit to a long term business relationship. This criterion provides the Car Rental Agencies with an opportunity to invest in a facility to help provide a better product or service. While the designated location is not known prior to the selection, there are similarities among the sites. As an example, Bidders may wish to upgrade existing equipment such as wash bays. For those sites without buildings, Bidders may wish to invest in a new facility with state-of-the-art equipment.*

32. RFP: Page 15, Sec. VIII, Timeline, & Sec. IX, Proposer to Inform Self: We request that there be a pre-bid meeting and opportunity to walk-through and examine the Service Facility sites prior to submission of the proposals, unless you grandfather the sites.

*The City of Bangor does not agree with this request, however we will coordinate a walk-through if given advanced notice.*

33. Concession Agreement: Page 22, Art. IV: Please include language in the Agreement that states Operators must operate only as the brand that they proposed in their bids.

*Please refer to the draft Concession agreement, Article XIII: Subletting, Subcontracting & Assignment.*

34. Concession Agreement: Please change the section heading to **"Fees and Rents"** or something similar. Otherwise remove the MAG and percentage fee references from this paragraph, as they are not "rents". Labeling them as such could have adverse tax consequences.

*Per Addendum #3, question 8, the City agrees to change this heading to Concessionaire fees.*

35. Concession Agreement: Page 23, Art. V, A, 3. We request that you add that the MAG during any option period be set at 85% of the previous year's percentage fee paid with no reference to the first year MAG. It is unfair to hold a concessionaire to a MAG bid 6 – 10 years prior when they could not possibly know what the passenger traffic would be at the Airport in the future and have no control over that.

*The City of Bangor does not agree with this request. Both Parties reserve the right to negotiate terms by mutual consent for option periods.*

36. Concession Agreement: Page 23, Art. V. A. 4. Is this suggesting that we 1/12 the MAG on the first of each month for 9 months with no additional percentage fee due at close of the month, and for the last 3 months only pay 10% with no MAG payment?

**Yes**

37. Concession Agreement: Instead, would you consider a "rolling true-up" with language such as: *"The Concessionaire shall pay to the Owner on the first day of each month, in advance, one-twelfth (1/12) of the MAG. In addition, the Concessionaire shall pay to the Owner by the twentieth (20) day following the end*

*of each month ten percent (10%) of the year-to-day actual gross revenues to the extent that amount exceeds the MAG paid contract year-to-date."*

***The City of Bangor appreciates this suggestion however, we cannot agree with this request.***

38. Concession Agreement: Page 23, Art. V, A. Please delete any reference to "rent" and replace with the term "ten percent (10%) fee". The MAG and % fee are "concessionaire fees" and not rent.

***The City of Bangor agrees with this request, and will replace rent with concession fee(s).***

39. Concession Agreement: Page 23, Art. V: We request that you add back in the abatement language in our current agreement at XII. E. Please add language such as: In the event that one or more of the following conditions arises during the term hereof, the minimum annual guaranteed rental provided for shall be abated for the period of time the condition or conditions continue to exist. Following is sample language: *"If, for any reason, the number of passengers deplaning on scheduled airline flights at the Airport during any monthly period shall be lower than 85% of the number of such deplaning passengers for the same month of the immediately preceding contract year or of the year immediately preceding the first contract year, the MAG shall be abated and only the Concession Fee of 10% will be due during the period of abatement."*

***No.***

40. Concession Agreement: Page 23. It is confusing to have some items listed that are included in Gross Revenues and some items that are excluded. This creates uncertainty for items that are not mentioned as to whether they are included or excluded. Reasonable minds can come to opposite conclusions with the current definition. We request you modify this paragraph to read as follows: *The term "gross revenues" as herein used shall be construed to mean all amounts charged rental car customers, after discounts, coupons or credits listed at the time the rental contract is closed, for cash or credit regardless of when or whether paid for, in connection with and from the premises herein assigned. It shall not include..... (etc). "*

***The City of Bangor does not agree with this request.***

41. Concession Agreement: Pages 23-24, Art. V, A, 6: We request you clarify that money received from customers (not just insurance companies) for damage or loss to vehicles and property is excluded. Some customers do not want to file a claim with their insurance companies, have a deductible, or don't have insurance. If a customer pays for the damage it should be treated no differently than a payment

received from an insurance company – it should not be considered revenue. We believe you do not mean to include such payments from customers in revenue, but an auditor could interpret the language differently.

Also, payments for loss of property should not be considered revenue. If a customer loses a navigational device or the keys and pays us for that item, it is not revenue but merely a reimbursement for the lost item. Again, we don't believe you mean to include these items, but it should be clarified.

Please change this to read:

*Sums received as ~~insurance~~ compensation for damage to Concessionaire's automobiles or property, or sums received from loss, conversion or abandonment of Concessionaire's automobiles or other property.,*

***The City of Bangor agrees with this request.***

42. Concession Agreement: Pages 23-24, Art. V, A.6: We respectfully request that you continue to exclude from Gross Revenue reimbursements made by customers for traffic fines, fees, tolls, etc. that we pay on their behalf. These are excluded in our current agreement, as they should be, as they are NOT revenue but merely repayment for a fee we had to pay on behalf of the customer.

When a customer incurs a traffic ticket, toll charge, other governmental fines and fees, a towing charge, or impound fee, the charge is actually against the vehicle. If the customer does not pay right away, we must pay. We then attempt to collect these fees to reimburse us for payments made to the proper governmental authority. We hire a third party to handle the collections of these fines/fees.

If we are able to receive reimbursement from the renter, the funds received are not revenue – they merely reimburse us for the payments we have made on behalf of the renter. In addition, the reimbursement is long after the rental agreement is closed and payment made to you for the percentage fee owed on the rental charge. Please add back in the following language:

**Any amounts received as reimbursement for payment and administration of red light tickets, parking tickets, other governmental fines and fees, tolls, towing and impounded vehicles.**

***The City of Bangor agrees with this request.***

43. Concession Agreement: In addition, since you are making the concession fee a straight 10% without the step down to 8%, you will be receiving substantially more revenue from the rental car industry. We propose you keep the modification revenue neutral by excluding LDW/CDW and fuel from Gross Revenue.

*The City of Bangor does not agree with this request.*

44. Concession Agreement: Page 24, Art. V., E.1. Please change reference to "rental" to "**fees**"

*The City of Bangor agrees with this request.*

45. Concession Agreement: Page 25, Art. V, F. Please add that Concessionaire must keep its records for a total of 3 years after close of each contract year. We should not be required to keep our records for a total of 10 or more years for the possibility of an audit. We should be able to rely on the fact that if 3 years has passed, we no longer need to keep any records.

*The City of Bangor will limit the requirement to retain records for five (5) years, or the term of the contract.*

46. Concession Agreement: Page 25, Art. V, G: Are there any plans to implement a CFC during the term? If so please provide details and expected amounts/terms/uses.

*The City of Bangor has no immediate intent to implement a CFC.*

47. Concession Agreement: Also, please add language as follows : *"Use of CFC funds collected from car rental customers will be limited exclusively to costs and expenses associated with the design, planning, construction, renovation, repair, and operating and maintenance costs of existing and future rental car facilities and for no other, non-rental car facility related purpose."*

*Please refer to Addendum # 3, question # 11, which previously addressed this concern.*

48. Concession Agreement: Page 27, Art. IX: We respectfully request mutual indemnification language be included, *"Except for damage or injury caused by the willful or negligent act or omission of Concessionaire, its agents or employees, Owner will indemnify, defend and hold Concessionaire, its agents and employees harmless from any and all liability for injury to or death of any person, or loss of or damage to the property of any person, and all actions, claims, demands, costs (including, without limitation, reasonable attorneys' fees), damages or expenses of any kind arising therefrom which may be brought or made against Concessionaire or which Concessionaire may pay or incur by reason of the ownership, maintenance or use of the Premises by Owner, its agents or employees."*

*The City of Bangor agrees with the request to provide for mutual indemnification language.*

49. Concession Agreement: Page 30, Art. XIII, final paragraph: We request you remove the 2<sup>nd</sup> paragraph of this Article as it does not apply to car rental. It appears it applies to a contract whereby the City must pay the contractor and the contractor must pay its subcontractors.

*Please refer to Addendum # 3, question 18, which previously addressed this concern.*

50. Draft RAC Facility Lease: Page 37, Art. III, B: Note per the RFP, Sec. VI (page 6) Service Facility parking rate is stated as "50% the ready return car parking rate," and here the rental rate per space per month is the same as the ready return rate. Please reduce this rate to 50% of the R/R parking rate.

*The City of Bangor agrees with this request.*

51. Draft RAC Facility Lease: Page 45, Art. XVIII, A.8: If the lease is terminated, Lessee should only be liable up to the date of termination. Starting in 9th line and through the end of section, delete " . . . the days originally fixed . . . from any successor tenant" and replace with ". . . shall be liable for *all amounts owing up to and including the date of termination, and the Lessor will make reasonable efforts to mitigate damages.*"

*The City of Bangor does not agree with this request.*

52. ACDBE Attachments: Pages 86-87, Attachment #8: Are proposers required to submit these forms with our proposals or are they deleted per Addendum 1?

*Per Addendum #1: ACDBE Participation – Please provide a letter which confirms that your company has read and understands BGR's ACDBE Plan. Also include in this letter that your company will comply with the following:*

- 1. Put forth a good faith effort to meet the current established goal.*
- 2. Submit reporting annually.*
- 3. Submit documentation of good faith efforts to meet the goal if the goal is not attained.*
- 4. Participation shall be counted, per 49 CFR Part 23, and reporting is to be in accordance with 49 CFR Part 23 and submitted on the proper forms.*

53. ACDBE Attachments: Page 87, Attachment #8 Form 2: If deleted per Addendum 1, please disregard. If not (Pfaith efforts), then a bidder does not have ACDBE vendors identified for the proposed concession term. If that is the case, then Form 2 is

obsolete and should not be submitted with proposals since there would be no ACDBE firm information or signatures from firms.

***N/A***

54. ACDBE Attachments: Please confirm that Form 2 is not required to be submitted with proposals. If Form 2 is required to be submitted with proposals, please confirm that it is acceptable for only the "bidder/offeror" information to be completed, but no information regarding ACDBE firms or signatures.

***Please refer to question # 52 above.***

All other terms, conditions and specifications of this request remain the same.

Please acknowledge this addendum by signing the acknowledgement below and returning this form with your bid.

If you have already submitted a bid and would like to make a change reflecting this addendum, you may request in writing your bid be returned to you.

The following Addendum(s) is/are hereby acknowledged:

**Addendum No. 4 – Issued August 5, 2015**

\_\_\_\_\_  
Business Name

\_\_\_\_\_  
Name (print or type)