

PALOMAR AIRPORT ADVISORY COMMITTEE

Thursday, September 17, 2015

AGENDA ITEM #5

REQUEST FOR PROPOSALS/BIDS TO MANAGE AND OPERATE A  
NON-EXCLUSIVE CAR RENTAL CONCESSION AT COUNTY OF SAN DIEGO'S  
MCCLELLAN-PALOMAR AIRPORT IN CARLSBAD, CA

The current leases with Car Rental Companies in the McClellan-Palomar Airport Terminal will expire on January 31, 2016. The County will be conducting a Request for Proposals/Bids (RFPB) to select Car Rental Companies for the next 5 year period. This is the same procedure used to select the current providers in 2008. The RFPB will be to provide service over the next 5 years, from February 1, 2016 to January 31, 2021

The RFPB lays out the requirements and criteria for selection. Minimum financial terms will be included in the requirements. The proposed RFPB will be reviewed at the PAAC meeting and comments from the Committee and the public will be considered before the RFBP is finalized. The RFPB is expected to be published will be published on County Airport's Website on or before September 21, 2015.

**The deadline for submissions from interested parties is expected to be Monday, October 19, 2015.** Some dates may be adjusted and any updates will be posted on the website.

**Proposed Minimum Draft Financial Terms**

Proposers may bid higher than these minimums, as they did 7 years ago.

**Minimum Base Monthly Rent (MBMR)**

This rent covers space rental and charges for the furnished air conditioned office, electricity or water usage, 20' x 20' covered (awning) prep area, 16' x 8' storage shed or 26 rental car spaces. The MBMR must meet or exceed \$2,500. This MBMR will not apply towards the Minimum Annual Guarantee for Percentage Rent.

**Minimum Annual Guarantee (MAG)**

County is seeking to receive 10% of gross revenues generated by the non-exclusive rental car concessions based on the definition of Gross Revenues set forth in the attached Proposed Airport Non-exclusive Rental Car Lease Agreement. This is the industry standard and the same as the current agreements. The MAG must meet or exceed a minimum amount of \$115,000. MBMR will not apply towards MAG. The agreement will include 70% reduction, applied proportionally, for any months there is not commercial service at the Airport.

**Proposed Lease**

The proposed lease will be included in the RFPB. Proposers are expected to agree to accept this standard form or note any proposed changes in their submission. It is similar to the current leases with some proposed updates based on current standards.

## **Minimum Qualifications**

To ensure the selected operators are qualified to provide an acceptable standard of service the following Minimum Qualifications of service are proposed:

- **Experience** – Proposer will have a minimum of five years experience operating a Rental Car Business, with at least two years experience operating at an airport.
- **Customer Service** – Proposer has a goal to provide excellent Customer Service with staff/procedures in place to address problems. Operator shall have a reservation line and website, which customers can use for pricing and reservations.
- **Hours** – The rental car concession shall be open a minimum of eight (8) hours daily, and must be open a minimum of 360 days each year.
- **Opening** – Proposers can be open for business by February 2016
- **Credit Cards** – Proposers shall accept four major national credit cards.
- **Records** – Selected Proposers must keep auditable records of sales either on site or elsewhere within the County of San Diego. If they are selected, Proposer agrees that all required sales reports will be submitted to County in accordance with the Lease Agreement.
- **Services** – Proposers must offer a variety of vehicles for rent, including economy, mid-size, luxury, minivan, and SUV. Some fuel efficient options will be available.
- **Pricing** – Pricing must be comparable to renting similar cars at other locations in the region.
- **Marketing** – Proposers shall have a marketing campaign which will include print ads, website and other media.
- **Staff** – Proposers will use trained staff and have an established training program.
- **ADA** – Proposers will have vehicles available for reservation to accommodate ADA customers.
- **Planning** – Proposers will have completed financial analysis and set pro forma goals for this location.
- **Financial** – Operator must demonstrate a strong credit history and financial strength.