



ADDENDUM NO. 1

This addendum consists of 6 pages

TO: All Bid Packet Holders
FROM: Kenai Municipal Airport
DATE: August 4, 2023
SUBJECT: Non-Exclusive On-Airport Car Rental – Bid Related Questions
DUE DATE: Bids Due September 1, 2023 at 2:00pm

Bidders must acknowledge receipt of this Addendum in the appropriate place on the Bid Form. Failure to do so may result in the disqualification or rejection of the bid.

Note: Information in this addendum takes precedence over original information. All other provisions of the document remain unchanged.

Plan Holder Question: **Is there a virtual option to attend the Pre-bid Meeting on Thursday, July 13, 2023?**

Response: Bidders may call in or attend the Pre-bid Meeting virtually using the following links and/or phone numbers:

Join Zoom Meeting

<https://us02web.zoom.us/j/86234097879?pwd=QUdiemMwSEVGQ3JvMHZETkpwQlpzUT09>

One tap mobile

[+16694449171](tel:+16694449171),86234097879#

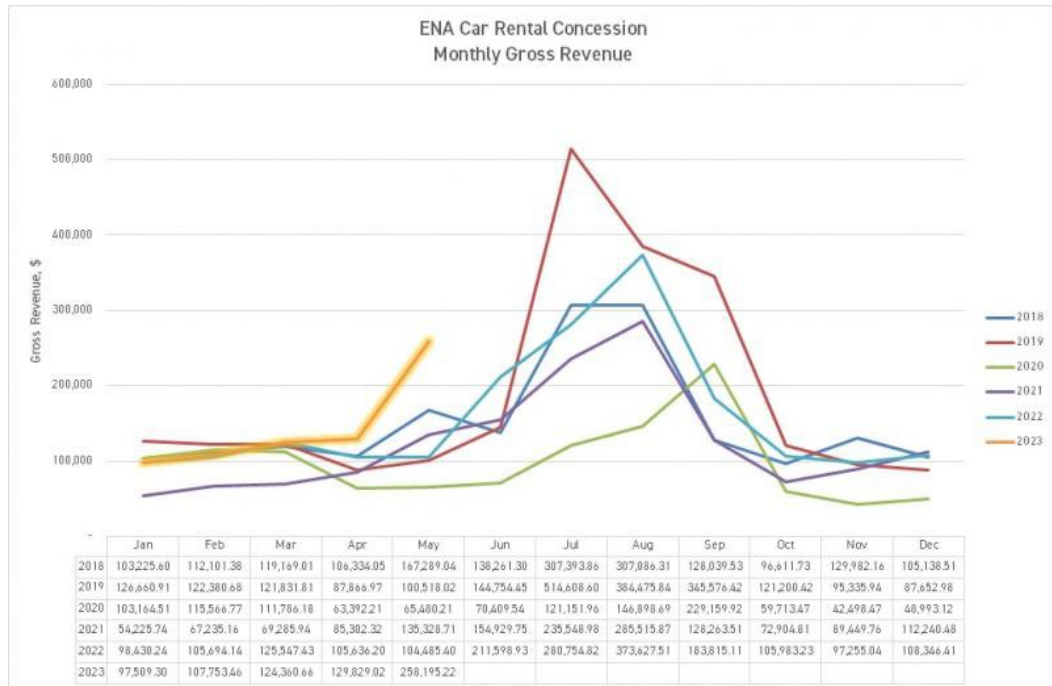
Phone

1.669.444.9171

Meeting ID: 862 3409 7879

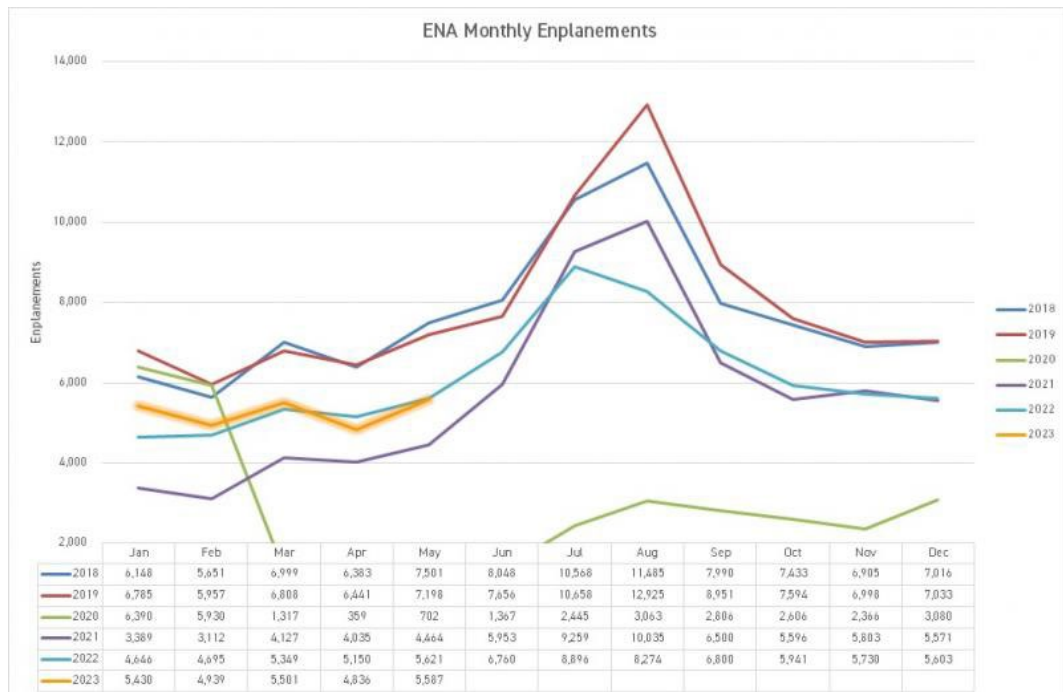
Passcode: 964061

Plan Holder Question: **What are the gross monthly revenues from CY2018 to date?**



Response:

Plan Holder Question: **What are the monthly enplanements from CY2018 to date?**



Response:

Plan Holder Question: **What is the deadline for questions related to this RFP?**

Response: The deadline for questions is **11:59 p.m. on Friday, July 21, 2023.**

Item 7 on page 2 of 7 in the INFORMATION FOR BIDDERS packet incorrectly states the deadline for questions is 11:59 p.m. on July 13, 2023.

Plan Holder Question: **Do existing concessionaires have to submit a bid?**

Response: Yes.

In accordance with EXHIBIT C - BID FORM; Execution of Bid: *Bidder shall execute and submit all pages of this Bid Form.*

Plan Holder Question: **Can the bid due date be extended?**

Response: Yes. The bid deadline has been extended to 2:00 p.m. Friday, September 1, 2023. The new concession's effective date is January 1, 2024, thru December 31, 2028.

Plan Holder Question: **Does the Airport have any formal written agreements with any off-airport operators? If so, what are the terms of that agreement – i.e., what is the arrangement for pick-up and drop-off of customers; what are the fees that operators pay to the airport?**

Response: The Airport does not have any formal agreements with any off-airport operators.

Plan Holder Question **Will the Airport please email any addenda to those companies that attend the pre-bid meeting?**

Response: All correspondence and questions will be posted on the website for this RFP.

Plan Holder Question: **Will the Airport accept RFP responses through email or online submission?**

Response: Bids must be delivered in a sealed envelope marked "CAR RENTAL CONCESSION BID" accompanied by a certified or cashier's check payable to the Kenai Municipal Airport in the amount of Two-Thousand dollars (\$2,000.00) by the bid deadline.

Plan Holder Question: **What is the Term? There are references to September 1, 2023 – August 30, 2028 and separately references to September 6, 2023 thru September 5, 2028.**

Response: The term of this concession has been adjusted to January 1, 2024 thru December 31, 2028.

Plan Holder Question: **Is dual or multi branding permitted? Will the Airport accept a single bid to operate multiple 'brands' under a single concession agreement?**

Response: Multi Branding is permitted. The Airport will accept a single bid to operate multiple 'brands' under a single concession agreement. Monthly certified activity reports submitted must breakout gross revenue for each brand represented.

Plan Holder Question: **Will the Airport allow for annual reconciliation of MAG/Concession fee payments?**

Response: The Airport will accept Concessionaire's annual reconciliation report and/or amended certified activity reports.

Plan Holder Question: **Is the Concessionaire permitted to "pass-through" the concession fee?**

Response: ARTICLE IV - RENT, FEES, TAXES, AND PAYMENTS will be amended as follows:

J. Concession Recovery Fee: Concessionaire acknowledges that Concession Fee payments by Concessionaire to the Airport under this Concession Agreement are for Concessionaire's privilege to use the Airport facilities and access the Airport market and are not fees imposed by the Airport upon Concessionaire's customers. The Airport does not require, but will not prohibit, a separate statement of and charge for the Percentage Fee on customer invoices or rental agreements ("Recovery Fee"), provided that such Recovery Fee meets all of the following conditions:

- (a) such Recovery Fee must be titled "Concession Recovery Fee," "Concession Recoupment Fee" or such other name first approved by the Airport in writing;
- (b) the Recovery Fee must be shown on the customer rental car agreement and invoiced with other Concessionaire charges (i.e., "above the line");
- (c) the Recovery Fee as stated on the invoice and charged to the customer shall be no more than eleven and eleven-hundredths percent (11.11%) of Gross Revenues, specifically excluding from Gross Revenues for purposes of this calculation the Recovery Fee;
- (d) Concessionaire shall neither identify, treat, or refer to the Recovery Fee as a tax, nor imply that the Airport is requiring the pass-through of such fee.

Plan Holder Question: **Will the Airport allow a surety bid bond for bid guarantee?**

Response: No.

Each bid shall be accompanied by a certified check or cashier's check payable to the City in the amount of \$2,000.00. The check must be attached to the bid form and will be held by the City, without interest, as the bid guarantee until the highest and best bids have been selected, after which time the bid guarantee received from all but the successful bidders (i.e., those bidders submitting the three (3) highest and best bids) will be returned. The bid guarantee of each successful bidder will be held by the City, without interest, pending the complete execution of a Concession Agreement (the "Concession Agreement") substantially in the form attached hereto as Exhibit A between the City and such successful bidder covering the bidder's right to conduct on-airport automobile rental operations at the Airport. If a successful bidder should fail to execute the Concession Agreement and deliver the same to the City within fifteen (15) days after receipt of notification by the City of the award, the \$2,000.00 bid guarantee will be forfeited to the City as liquidated damages.

Plan Holder Question: **Will the Airport please confirm that both the companies/brands and the MAGs will be publicly disclosed at the bid opening?**

Response: At the bid opening, each bid received will be opened and examined for completeness. Companies/brands submitting incomplete bids will have the following information read aloud: Company/brand – incomplete bid. Companies/brands submitting complete bids will have the following information read aloud: Company/brand – bid amount. The three successful bidders will be read aloud in descending bid amounts.

Plan Holder Question: **Will the Airport please provide these revenue numbers broken out by brand?**

Response: No. Private company revenues are not available.

Plan Holder Question: **Will the Airport exclude the following from gross receipts: a. Discounts/Coupons; b. Fuel; c. Carbon Offsets; d. 3rd Party Charges?**

Response: The definition of gross receipts will be amended in whole to read: F. Gross Receipts: The aggregate amount of all transactions made on, in, from, or through the Premises for cash, or credit, or otherwise, of every kind, name and nature, regardless of when or whether or not paid, whether made by the Concessionaire or any other occupant or occupants of the Premises, or some part or parts thereof excepting from the determination of said amount (1) any and all taxes or fees collected by Concessionaire on behalf of any governmental body or taxing agency and excepting tips income paid and received by service staff of Concessionaire; (2) any sums received from the sale of capital assets (other than “rent to own program vehicle sales rental amounts); (3) any sums received from insurance or other settlements for damage to automobiles or other property of the Concessionaire, or for the loss, conversion, or abandonment of such automobiles; (4) all non-revenue rentals to employees of Concessionaire; (5) payment and administration of parking tickets, tolls, towing and impound fees, traffic and red-light tickets; (6) net corporate discounts applied at the time the rental contract is close but only to the extent the Concessionaire provides auditable proof to Airport that discount or rebate is specifically attributable to rental agreement with Airport customer; and, (7) any fees collected from a customer for damages to an automobile rented.

Plan Holder Question: **Will the Airport add language addressing parking relocation?**

Response: ARTICLE III – PREMISES will be amended as follows:

D. Permanent parking relocation, the Airport reserves the right during the term of this Agreement to permanently relocate Concessionaire parking. The Airport will make all attempts to ensure permanent parking relocation is within a reasonable distance and on the terminal.

C. Construction or Temporary Disruption, the Airport reserves the right during the term of this Agreement to temporarily relocate Concessionaire parking; the Airport will attempt to minimize, but has no responsibility for disruption of the Concessionaire’s operation or temporary interruption of Concessionaire’s use of any part of its Operating Area due to construction activities or temporary disruption by the Airport, or City Contractors.

Plan Holder Question: **We request that references to "percentage rent" be change to "percentage fee" or "concession fee".**

Response: In the agreement, references to "Percentage Rent" will be changed to "Concession Fee".

Plan Holder Question: **Will the Airport change the due date for Certified Activity Reports from the 15th day of each month to the 20th day of each month?**

Response: Yes.

Plan Holder Question: **In ARTICLE XIV - CANCELLATION BY CITY Item C., will the Airport exclude Concessionaire's personal property from this provision?**

Response: ARTICLE XIV – CANCELLATION BY CITY will be amended as follows:

C. Ownership of Equipment and Improvements: If the City cancels or terminates this Agreement due to a Concessionaire default, excepting personal property, all of the Concessionaire's title and interest in furnishings, fixtures, equipment, and improvements installed in or adjacent to the terminal under this Agreement vest in the City. The City may use and/or dispose of these items as it sees fit. The Concessionaire will reimburse the City within 30 days of the billing date for any cost the City incurs in removing and disposing of these items.

Plan Holder Question: **Will the Airport add provisions for Minimum Annual Guarantee abatement should monthly passenger enplanements decline year over year for any reason by 15% or more, or for the same month of the immediately preceding contract year??**

Response: No.

Plan Holder Question: **Will the Airport include a Most Favored Nations provision in the Agreement?**

Response: ARTICLE VI – GENERAL CONDITIONS OF OPERATION will be amended as follows:

G. Most Favored Nations: In the event that any contract granted by the Airport to any other Rental Car Company shall contain any terms and conditions more favorable to such company than the terms and conditions herein described (other than the minimum annual guarantee, number of allocated parking spaces, and the location of the concession area, etc.), then this Agreement shall be amended to include such more favorable terms and any offsetting burdens that may be imposed on any such other company. The intent of this provision is to ensure that the Airport shall give due diligence to ensure all rental car companies will be able to compete on terms as equal as possible with all other rental car companies, and to ensure that no individual rental car company or companies shall enjoy any rights or privileges more favorable to any such individual company or companies than those enjoyed by all rental car companies.

Plan Holder Question: **Will the Airport allow a new Concessionaire at least six months to get their business ready for operation before they are required to begin paying Rent/Minimum Annual Guarantee/Concession Fees?**

Response: A new Concessionaire will be exempt from paying Rent/Minimum Annual Guarantee/Concession Fees until they begin occupying the concession space or a maximum of 90 days from the effective date of the agreement.

Plan Holder Question: **Please confirm the rental rate for counter space.**

Response: ARTICLE IV – RENT, FEES, TAXES, AND PAYMENTS will be amended as follows:

A. Terminal Building Rent - Exclusive Space: For the rights and privileges granted under this Agreement, Concessionaire shall pay the City a monthly fixed Terminal Building Rent - Exclusive Space ("base rent"). Base rent shall be computed at the current signatory market rate per square foot (as set by the City Council) multiplied by the square footage of the Premises (_____ square feet), plus applicable sales tax.

End of Addendum 1