

FAIRBANKS INTERNATIONAL AIRPORT
IN-TERMINAL RENTAL CAR CONCESSION AGREEMENT ADA-90950
PRE-BID QUESTIONS

TO ALL POTENTIAL BIDDERS:

The Fairbanks International Airport (Airport) amends the Invitation to Bid documents for the In-Terminal Rental Car Concession Agreement ADA-90950, as state in the attached **Addendum No. 1**.

September 14th, 2023 was the deadline for any and all comments regarding the In-Terminal Rental Car Concession ITB ADA-90950. **Completed bids are due October 12th, 2023.**

Following is the State's response to the questions posed at the pre-bid conference and in written comments:

- Question 1: **Page 7**, Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section A. RIGHTS GRANTED: do not see reference to number of brands at a single counter. What are the Airport's expectations/limitations related to the number of brands at a single counter?

Response 1: The limitation in the current agreement is two brands maximum at a single counter. This limitation has been removed from the new agreement to allow a concessionaire the ability to determine the number of brands at a single counter.

- Question 2: The timeline for the bid is very tight. Request to push the bid due date out to October 19th, 2023, or by two weeks.

Response 2: The State is amenable to advancing the bid due date to October 12th, 2023. Please see the attached revised Timeline.

- Question 3: Will the bid opening be a public opening?

Response 3: The State will email all bidders by COB October 12th, 2023, with the name and MAG bid by all bidders.

- Question 4: **Page 11**, Article IV. PREMISES AND READY-RETURN SPACES, Section B. READY-RETURN SPACES, Subsection 2. c. METHODOLOGY: Mid-term reallocation of spaces is broad. Request to provide more specificity in the agreement (e.g., reallocation will occur on specific date and will utilize the 12-month market share from this date to that date).

Response 4: The State is amenable to conducting the mid-term reallocation on May 1, 2027, utilizing the 12-month market share from December 2025 through November 2026. These changes will be reflected in Addendum 1.

- Question 5: **Page 13**, Article V. FEES AND PAYMENTS, Section B. READY-RETURN SPACE FEES, Subsection 2: The CFC's collected by rental car companies pay for parking project. Increasing space rent from \$60 to \$75 would be double-dipping. Additional comment: Would like to stay at \$50 since there will be less maintenance required for a covered lot.

Response 5: The State is amenable to removing the increased fee and changes will be reflected in Addendum 1.

- Question 6: **Page 15**, Article V. FEES AND PAYMENTS, Section D. WAIVER OF MINIMUM GUARANTEE, Subsection 1. c.: At a 15% decline rental car companies are already losing money, by a 25% decline it is too late to implement a waiver/abatement to make a difference. Request the waiver of MAG/MAG abatement be changed from 25% to 15%.

Response 6: The State has consistent language in all concession agreements regarding the waiver of minimum guarantee and cannot provide rental car concessionaires preferential treatment. Therefore, the 25% metric will stand.

- Question 7: How did the State come up with the \$300,000 MAG? Seems high and exclusionary. Based on revenue history \$240,000 would be a more reasonable MAG.

Response 7: The State is amenable to reducing the minimum acceptable guarantee to \$252,000 per counter, per year for each agreement year.

- Question 8: Do you have an example where one company would have more than one brand at a single counter:

Response 8: The State demonstrated two current concessionaires that have this business model.

- Question 9: **Page 8**, Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section B. RESERVATIONS, Subsection 5.: Language in sample agreement appears to limit movement/transition of a brand from one counter to another to consolidate it if it is failing. This favors the multi-brand business model and changes the way we have done business.

Response 9: The concessionaire will be responsible for the MAG for the counter(s) it has bid on and been awarded.

- Question 10: **Page 30**, Article XI. MAINTENANCE, CONSTRUCTION, AND OWNERSHIP, Section A. MAINTENANCE, Subsection 2.: Concessionaire is responsible for structural repairs of any kind. Request removal of the word “Structural”.

Response 10: This request has been advanced to the State’s legal department. A response will be provided in Addendum 2.

- Question 11: **Page 31-32**, Article XI. MAINTENANCE, CONSTRUCTION, AND OWNERSHIP, Section E. ABANDONED PROPERTY: Would be amenable to the State having a “Right to Tow” and charging the tow fee and a recovery fee to the concessionaire. Requests to exclude “Rental Vehicles” from Abandoned Property.

Response 11: This request has been advanced to the State’s legal department. A response will be provided in Addendum 2.

- Question 12: **Page 13-14**, Article V. FEES AND PAYMENTS, Section B. READY-RETURN SPACE FEES, Subsection 3.: Request to strike the Airport’s right to increase rent an any time for any reason. Is this FAA based?

Response 12: Regulations permit the Airport through the Commissioner’s Office to change Rates and Fees through the Public Notice process. FAA oversight applies to land leases and land use compliance. Rates and Fees are based on airline revenues and are set by the AIAS Controllers Office.

- Question 13: **Page 20**, Article VII. BOOKS, RECORDS, AUDITS, AND REPORTS, Section E. CERTIFIED AUDITED STATEMENT OF GROSS SALES, Subsection 1.: Request the Annual Report be adjusted from being due to the State within 60 calendar days to within 90 calendar days.

Response 13: The State is amenable to a due date of within 90 calendar days and change will be reflected in Addendum 1.

- Question 14: **Page 9**, Invitation to Bid, Paragraph 5: Inquiry on existing concessionaires being able to keep existing counter/office space. Additional comment: Request this language remain in the agreement as it is hard moving operations to include communications and electronic equipment and do not see why the 6 loyal

concessionaires should have to move to a different location away from the baggage area and customers.

Response 14: The State removed this language from the Sample Agreement, and it was missed in the Invitation to Bid document in error. This is struck from the Invitation to Bid and all spaces will be allocated based on the bid MAGs.

- Question 15: **Page 9**, Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section C. PROHIBITIONS, Subsection 7.: Agreement language prohibits vehicles longer than 20' in ready-return spaces. Will the Airport be able to accommodate vehicles up to 22' in length?

Response 15: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 16: Will the Airport provide the Addendum early if questions are received early?

Response 16: The State will commit to providing Addendum via email and as an attachment to the Public Notice by COB Friday, September 15th, 2023.

- Question 17: Does the Airport have any formal written agreements with any off-airport operators? If so, what are the terms, arrangement for pick-up and drop-off of customers, and what fees do they pay?

Response 17: FAI does have an Off-Airport Vehicle Rental Business Permit (VRBP). We charge a \$25 application fee, and the permittee shall pay a permit fee of \$250 annually as well as 10% of gross revenue. Monthly submittal of Certified Activity Reports (CAR) verifying gross sales and/or passenger numbers is required on or before the 20th day of every month, even if there is no activity. If the CAR is not submitted timely a late fee of \$30 for the first day and \$15 per day thereafter is charged until the report is received. The permittee is not permitted to use the airport concourse to pick up or drop off vehicles.

- Question 18: Will the State confirm existing concessionaires are not in arrears or in default of any material obligation under any lease, permit, or concession?

Response 18: Bids received from existing Concessionaire's will be vetted to determine they are responsive.

- Question 19: **Page 2**, Invitation to Bid, Paragraph H. BID DEPOSIT: \$25,000 is an unusually high bid deposit. Will the State lower the bid deposit to \$10,000?

Response 19: The Bid Deposit is based on 1/12 of the MAG. The State is amenable to lowering the Bid Deposit to \$21,000 per counter based on the lower minimum acceptable guarantee of \$252,000 (see response 7).

- Question 20: **Page 7**, Invitation to Bid, Paragraph L. BID REJECTION: Bidders should not be allowed to make corrections to bids after bid opening.

Response 20: The State is amenable to this request and will strike this from the Invitation to Bid.

- Question 21: **Page 8**, Invitation to Bid, Paragraph O. EXECUTION OF AGREEMENT: 10 calendar days does not provide reasonable time to assure the agreement can be signed. Request 30 calendar days or 15 business days for return of the executed agreement.

Response 21: The State is amenable to this request and will update the Invitation to Bid to reflect 15-business days for the return of the executed agreement.

- Question 22: Will successful bidders be allowed to attend the space selection meeting remotely?

Response 22: The State is amenable to successful bidders participating in the space selection meeting remotely by calling into the conference line at 800-315-6338, Access Code: 38479.

- Question 23: If a bidder is interested in bidding for two counters, is bidder expected to submit to Bid Submittals (one for each counter) or just one with separate MAG bid amounts for each counter?

Response 23: The State is amenable to either of the proposed submissions. An Agreement with the State will be established for each awarded bid. If the Concessionaire desires a single Agreement for multiple counters, then a single bid will suffice. If the Concessionaire prefers a specific Agreement for each individual counter, then two bid packets will be required.

- Question 24: **Page 2**, Article I. DEFINITIONS, Section 10. CUSTOMER: The definition of a customer, for the purposes of requiring concessionaire to pay concession fees, should be tied directly to whether the customer used the Airport in the last 24 hours. Request modification of the definition of customer to read, "a purchaser or renter of goods or services of any kind from the Concessionaire at the Airport or at a location operated by

Concessionaire, or its affiliates, within 10 miles of the Airport, if the customer has used the Airport within the last 24 hours.

Response 24: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 25: **Page 9**, Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section C. PROHIBITIONS, Subsection 5: Concessionaire should be permitted to allow employees to use any space which is leased and paid for by Concessionaire, including allowing employees to park in any parking area leased by the Concessionaire. Request removal of this prohibition against employees parking in ready-return lot.

Response 25: The State is amenable to removing this prohibition and changes will be reflected in Addendum 1.

- Question 26: **Page 11**, Article IV. PREMISES AND READY-RETURN SPACES, Section B. READY-RETURN SPACES, Subsection 2. c.: Will the Airport delete the last sentence of this paragraph or include reasonable parameters which must be met before any unscheduled reallocation occurs?

Response 26: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 27: **Page 12-13**, Article IV. PREMISES AND READY-RETURN SPACES, Section B. READY-RETURN SPACES, Subsection 4: There is reference in this paragraph to "annual reallocation". We believe this is in error. Request deletion of the word "annual" in this paragraph.

Response 27: The State agrees the word "annual" is in error and change will be reflected in Addendum 1.

- Question 28: **Page 15**, Article V. FEES AND PAYMENTS, Section D. WAIVER OF MINIMUM GUARANTEE, Subsection 1. a. and b.: Requiring a 30-day impact is not unreasonable but requiring the Concessionaires to pay full financial obligations during that 30-day period is not reasonable. Request Airport to modify these paragraphs to indicate the waiver will be retroactive, back to the day the situation began.

Response 28: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 29: **Page 20**, Article VII. BOOKS, RECORDS, AUDITS, AND REPORTS, Section D. CONCESSION UNDERPAYMENTS AND OVERPAYMENTS, Subsection 1. c.: Request the Airport modify this section to provide a reasonable and fair threshold for determining if a Concessionaire is required to pay for an airport audit. We believe a 5% discrepancy is more reasonable.

Response 29: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 30: **Page 21**, Article VII. BOOKS, RECORDS, AUDITS, AND REPORTS, Section E, Subsection 3.: Request the Airport remove the requirement this report be produced by an independent certified public accountant and instead require the report be certified by a financial officer of the Concessionaire.

Response 30: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 31: **Page 26**, Article X. SERVICE AND OPERATION, Section C. HOURS OF OPERATION, Subsection 6. and 7.: Request the Airport include at least one "warning" per year and an opportunity to cure the situation prior to imposing closure damages or liquidated damages.

Response 31: The State has consistent language in all concession agreements regarding closure and liquidated damages and cannot provide rental car concessionaires preferential treatment. Therefore, the language will stand.

- Question 32: **Page 33-34**, Article XIV. STATE-DIRECTED RELOCATION, Section B. CONCESSIONAIRE RESPONSIBILITIES: In the event the State decides to move rental car counters, the Concessionaire will experience significant moving costs. These costs should be born by the Airport, as the decision to relocate was made for the benefit of the Airport. Request the Airport include language that indicates the State will be responsible for reimbursing each Concessionaire for their cost to relocate to a new counter.

Response 32: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 33: Based on the two-week extension of the bid due date, what will the transition date be?

Response 33: Based on the revised Bid Due Date of October 12, 2023, the transition date will be November 30, 2023. Please see the attached revised Timeline.

- Question 34: **Page 8**, Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section B. RESERVATIONS, Subsection 5.: Indicates Concessionaire can only operate the indicated brand from each bid. In the event a bid was not successful there should be no reason why 3 brands could not operate out of one counter. Request this being allowed.

Response 34: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

- Question 35: **Page 29**, Article X. SERVICE AND OPERATION, Section Q. HAZARDOUS SUBSTANCES, Subsection 3.: Will the Airport please make the following modifications to this section? Our obligation should be to adhere to State requirements.

If the Concessionaire, its agents, contractors, employees, guests, sub-concessionaires, or Customers spill fuel, or if the presence of Hazardous Substances on the Airport arising from or connected with the Concessionaire's operations on the Airport results in the contamination of Airport property, the Concessionaire shall ~~immediately~~ notify the State and all applicable local, state, and federal agencies with jurisdiction, ~~in accordance with State spill reporting requirements~~, and promptly take all actions, at the Concessionaire's sole expense, necessary to remediate the contamination and restore the area.

Response 35: This response has been advanced to the State's legal department. A response will be provided in Addendum 2.

FAIRBANKS INTERNATIONAL AIRPORT
IN-TERMINAL RENTAL CAR CONCESSION AGREEMENT ADA-90950
INVITATION TO BID
ADDENDUM NO. 1

September 15th, 2023

The Fairbanks International Airport (Airport) amends the Invitation to Bid (ITB) documents for the In-Terminal Rental Car Concession Agreement ADA-90950, as follows:

The ADA-90950 In-Terminal Rental Car Concession Sample Agreement is amended as follows:

Page 9: Article III. RIGHTS GRANTED, OBLIGATIONS, RESERVATIONS, AND PROHIBITIONS, Section C. PROHIBITIONS, Subsection 5.: Subsection 5 speaking to prohibition of parking in ready-return spaces by employees is **removed in its entirety** from the Agreement.

Page 11: Article IV. PREMISES AND READY-RETURN SPACES, Section B. READY-RETURN SPACES, Subsection 2. c. METHODOLOGY: Now reads; “A mid-term reallocation of Ready-Return Spaces will be conducted during the term of the Agreement **on May 1, 2027, utilizing the 12-month market share from December 2025 through November 2026**”.

Page 12-13: Article IV. PREMISES AND READY-RETURN SPACES, Section B. READY-RETURN SPACES, Subsection 4. UNFORSEEN REDUCTION OF READY RETURN SPACE: Striking the word “annual”, now reads; “In the event of an unforeseen, unavoidable reduction in the total area of the Rental Return parking lot, or in the number of rental return spaces available, whether by reason of national security, an act of a superior governmental authority, an act of the public enemy, an act of God, natural disaster of even, or any other unforeseen and unavoidable circumstance, the State may require a temporary reallocation for the duration of the reduction, **or until the next**

reallocation, to ensure that all concessionaires retain an equitable proportion of ready return spaces.”

Page 13: Article V. FEES AND PAYMENTS, Section B. READY-RETURN SPACE FEES, Subsection 2.: Subsection 2, speaking to an increase from \$60 to \$75 for premium covered parking, is **removed in its entirety** from the Agreement.

Page 20: Article VII. BOOKS, RECORDS, AUDITS, AND REPORTS, Section E. CERTIFIED AUDITED STATEMENT OF GROSS SALES, Subsection 1.: Now reads; “The Concessionaire will provide to the State, at the Concessionaire’s sole cost and expense, a Certified Audited Statement of Gross Sales (Statement) **within 90 calendar days** of each of the following:

- a. The end of each Agreement Year
- b. Assignment of the Agreement.
- c. Expiration, termination, or cancellation of the Agreement.”

Page 21: Article VII. BOOKS, RECORDS, AUDITS, AND REPORTS, Section E. CERTIFIED AUDITED STATEMENT OF GROSS SALES, Subsection 3.: Now reads; “The Statement must be prepared **and certified by a duly authorized financial representative of the Company** in accordance with generally accepted auditing standards and must follow the format of the sample Statement included in this Agreement as Exhibit D.”

***NOTE – PAGE NUMBERS AND EXHIBIT IDENTIFIES CHANGE THROUGHOUT.**

ALL OTHER TERMS, PROVISIONS, AND COVENANTS REMAIN UNCHANGED.

FAIRBANKS INTERNATIONAL AIRPORT
IN-TERMINAL RENTAL-CAR CONCESSIONS
SAMPLE AGREEMENT ADA-90950 (ADA-90951 through ADA-90958)

TIMELINE

September 15, 2023

Date	Day	
8/23/23	Wed	Public Notice Posted Online
9/7/23	Thur	2:00 p.m. – Pre-Bid Conference – Tanana Conference Room
9/14/23	Thur	Written comments from interested parties due
9/21/23	Thur	Protest(s) due on any matter regarding the bid documents or addendum(s)
10/12/23	Thur	2:00 p.m. - Bids due
10/12/23	Thur	2:15 p.m. – Bids Opened. No later than close of business all bidders will be notified by email of bids received, to include bidder name and minimum annual guarantee.
10/26/23	Thur	9:00 a.m. Meeting with successful bidders for space allocation assignments
11/9/23	Thur	Final selection and assignment of spaces by 5:00 p.m.
11/30/23	Thur	Transition
12/1/23	Wed	Contract begins