

RFP COMMITTEE REPORT

REPORT FROM EVALUATION COMMITTEE REQUEST FOR PROPOSALS (RFP) FOR NON-EXCLUSIVE ON-AIRPORT RENTAL CAR CONCESSIONS AT FRESNO YOSEMITE INTERNATIONAL AIRPORT File No. 12501615

COMMITTEE MEMBERS:

JOSHUA CASTELLANO-GONZALEZ – Assistant Director of Aviation, Airports Department
MELISSA GARZA-PERRY – Airports Properties Manager, Airports Department
MICHAEL VASQUEZ – Airports Property Supervisor, Airports Department
MARCOS AYALA – Airports Property Specialist II, Airports Department

FACILITATOR:

TAMRA TORRENCE – Senior Procurement Specialist, General Services Department

BACKGROUND

The City of Fresno Airports Department (Airports) solicited proposals from qualified and experienced rental car companies for up to four (4) non-exclusive on-airport rental car concessions at Fresno Yosemite International Airport (FAT). This request was for a five (5) year agreement with one additional five (5) year extension for a total of ten (10) years.

Airports received three responses by the published deadline in the RFP. The three responses were from the incumbent rental car companies with existing operations at FAT.

SIGNIFICANT EVENTS

RFP Release – March 28, 2025
Pre-Proposal Meeting – April 10, 2025
RFP Questions Due – April 24, 2025
City Responses to RFP Questions – May 1, 2025
Proposals Due – May 20, 2025
Committee Meeting and Evaluation – June 3, 2025

EVALUATION FOR SELECTION PROCESS AND EVALUATION CRITERIA

The following Evaluation Criteria was established to determine the order in which Proposers are able to select available premises for their operations at FAT. Having no responses submitted by non-incumbent rental car companies (RACs), the three incumbent operators that submitted a response will be granted a non-exclusive on-airport rental car concession.

The Selection Committee will evaluate the proposals on the following criteria:

- a. **Total Proposed First Agreement Year Minimum Annual Guarantee (MAG).** The successful Incumbent Proposer with the *highest* acceptable First Agreement Year MAG will be offered the first choice of one Ready/Return Area. The successful Incumbent Proposer with the *second* highest acceptable First Agreement Year MAG proposal will be offered the next choice of one of the two remaining Ready/Return Areas. The successful Incumbent Proposer with the *third* highest acceptable First Agreement Year MAG proposal will be assigned the last remaining Ready/Return Area.
- b. **Responses Provided on Form 7: Proposer Qualification Questionnaire.** Proposers were presented with eight questions requesting information on Proposer's background and experience. Responses to these questions allow Airports to verify Proposer's viability for the upcoming term of the new concession agreement.

EVALUATION DETERMINATION

The evaluation process will provide consideration only for those capabilities and advantages which are clearly stated in the Proposer's submitted documents. In other words, advantages which are not stated will not be considered in the evaluation process.

Proposers whose proposals include a failure to comply with or take exception to these Specifications may not be considered for award and dropped from the evaluation process.

COMMITTEE NOTES

Avis Budget Car Rental, LLC. (ABG) – Proposal rated as follows:

- a. **Total Proposed First Agreement Year Minimum Annual Guarantee (MAG).** ABG proposed a first agreement year MAG in the amount of \$1,419,796. This is the second highest MAG of the three proposals received.

- b. **Responses Provided on Form 7.** ABG responded to all questions listed on Form 7. They have over seven decades of experience in the RAC industry with a leadership team consisting of seasoned personnel at corporate and local levels. ABG presented a cautious revenue projection for the five-year term of the agreement due to current market conditions and the possibility of a new RAC initiating operations at FAT. Regarding customer experience and complaint resolutions, ABG highlights its Wizard information system as the backbone of their operations which include customer inquiries. Customer service agents are available 24/7 via phone or email. Management and customer service agents have a set goal of addressing all complaints or issues within 24 hours after being reported.

Enterprise Rent-A-Car Company of Sacramento, LLC. (ERAC) – Proposal rated as follows:

- a. **Total Proposed First Agreement Year MAG.** ERAC proposed a first agreement year MAG in the amount of \$2,226,342. This is the highest MAG of the three proposals received.
- b. **Responses Provided on Form 7.** ERAC responded to all questions listed on Form 7. They have almost four decades of experience in the RAC industry. All their key personnel have more than ten years at ERAC. Projected revenue was only presented for the first year of the agreement. The projection is influenced by the possibility of a new RAC initiating operations at FAT and potential instability in the U.S. economy. Regarding customer experience, ERAC does a better job than the other two Proposers at presenting its three different brands, the respective brand's loyalty program, and how they cater to different customers. As it pertains to complaint resolutions, ERAC gives front line management the flexibility to resolve complaints without having to involve branch management for a resolution. Depending on the seriousness of the complaint, branch management or group rental management are available to contact the customer and resolve complaints within 24 hours.

The Hertz Corporation (Hertz) – Proposal rated as follows:

- a. **Total Proposed First Agreement Year MAG.** Hertz proposed a first agreement year MAG in the amount of \$1,200,100. The lowest MAG of the three proposals received.
- b. **Responses Provided on Form 7.** Hertz responded to all questions listed on Form 7. Hertz has more than 100 years of experience operating in the RAC industry. The projected revenue presented is based on historical performances when a new RAC

entrant enters a market. The projection assumes a flat market share for the incumbent brands. Hertz's proposal was not as detailed with its leadership team or key personnel as the other two Proposals were. The organizational chart presented includes a mix of staff that have recently joined the company and staff that have twenty-plus years of experience with Hertz. Hertz did not provide information regarding customer experience and responded only to the compliant resolution process. Their process entails location managers dedicated to all customer concerns, and escalating unresolved complaints to on-site General Manager who will personally connect with customers, in addition to Hertz's 24/7 hotline.

SUMMARY RECOMMENDATION

Based on the proposals submitted, the Committee recommends **Enterprise Rent-A-Car of Sacramento, LLC.** be awarded a rental car concession in the amount of \$2,226,342 annually, and have *first* choice of one Ready/Return Area; **Avis Budget Group, LLC.** be awarded a rental car concession in the amount of \$1,419,796 annually, and have *second* choice of one Ready/Return Area; and **The Herz Corporation** be awarded a rental car concession in the amount of \$1,200,100 annually, and the *third* remaining Ready/Return Area. The three proposals submitted demonstrate that this recommendation is the best fit for FAT and provides the best value to the City of Fresno Airports Department.