



# **Report to the Business Administration Committee**

## **Recommendation to Award Contracts for Rental Car Concessions**

**at**

## **Washington Dulles International Airport**

**April 2013**

## **PURPOSE**

Staff requests that the Business Administration Committee approve and recommend to the Board of Directors the award of seven five-year contracts, commencing July 1, 2013, to Advantage Rent-a-Car; Avis Rent A Car System, LLC; Budget Rent A Car System, Inc.; Dollar Thrifty Automotive Group, Inc.; Enterprise Leasing Company; The Hertz Corporation; and Vanguard Car Rental USA, Inc.

## BACKGROUND

- Dulles International has seven rental car ready/return facilities, of which six are currently occupied by rental car concessionaires.
- The rental car concession contracts were last competed in an Invitation for Bids (IFB) in 2008. The incumbents are Avis, Budget, Dollar-Thrifty, Enterprise, Hertz and Vanguard (operating as Alamo and National).
- In response to the 2008 solicitation, the incumbents bid a total of \$79,969,841 in Minimum Annual Guarantees (MAGs) for the five-year contract period expiring on June 30, 2013.
- In 2012 an IFB was issued for a single six-year concession opportunity in an effort to attract a new concessionaire for the vacant facility; however, the solicitation was canceled due to insufficient interest.

- The current solicitation, issued on January 9, 2013, provides for the award of up to seven contracts with a term of five years each to commence July 1, 2013.
- Successful bidders will pay the Airports Authority the greater of their bid Minimum Annual Guarantee (MAG) or 10 percent of gross receipts for each year of the contract. In addition, facility rent will be paid on five of the sites where the improvements are owned by the Airports Authority.
- Seven bidders responded to the solicitation, offering nine rental car brands:
  - Advantage, Avis, Budget, Dollar Thrifty Automotive Group (Dollar / Thrifty), Enterprise, Hertz and Vanguard (Alamo / National)
- Bid MAGs totaled \$82,356,332 for the five year contract period. The Airports Authority will also collect \$11,324,625 in facility rent over the five-year contract period.

## **RECOMMENDATION**

Staff recommends that the Business Administration Committee approve and recommend to the Board of Directors the award of seven five-year contracts, commencing July 1, 2013, to Advantage Rent-a-Car; Avis Rent A Car System, LLC; Budget Rent A Car System, Inc.; Dollar Thrifty Automotive Group, Inc.; Enterprise Leasing Company; The Hertz Corporation; and Vanguard Car Rental USA, Inc.