

COUNTY OF MILWAUKEE
DEPARTMENT OF TRANSPORTATION
AIRPORT DIVISION
INVITATION TO SUBMIT BID
FOR CAR RENTAL CONCESSION
AT GENERAL MITCHELL INTERNATIONAL AIRPORT
MILWAUKEE, WISCONSIN

ADDENDUM NO. 3
October 12, 2012

OFFICIAL NOTICE NO. 6756

TO ALL BIDDERS:

Each bidder shall read this addendum in its entirety to determine to what extent the bid and the agreement conditions will be affected. This Addendum contains responses to all unanswered questions received prior to this date.

INFORMATION TO BIDDERS CHANGES

The analysis of the ramp modifications in the garage has been completed. It was determined that the ramps on the first floor of the garage can be removed, and the ramp areas on the second floor can be paved and made into usable operational space. The consultant is preparing modifications to the floor plans. Airport staff will be scheduling a meeting with interested parties to review the modified garage plans and discuss any concerns. Airport staff will advise interest parties of the date and time for this meeting. **THE BID DUE DATE OF OCTOBER 25, 2012 IS, THEREFORE, CANCELED. A NEW BID DUE DATE WILL BE PUBLISHED BY ADDENDUM SUBSEQUENT TO THE GARAGE MEETING. The October 11, 2012 bid due date is, therefore, changed to a date to be determined throughout the bid documents.**

Paragraph 8. N. - REVISED PARAGRAPH 8.N. The Radius Provision/Other Business Activities paragraph contained in Addendum No. 2 is deleted, and the paragraph 8. N. contained in the Informational Draft Agreement is restored. (See the explanation in #12 and #17 below.

The following contains responses to the final unanswered questions concerning Official Notice No. 6756.

GENERAL QUESTIONS

1. The bid materials do not appear to address dual-branding or multi-branding. Is dual-branding (operating two brands under a single concession) permitted? Is multi-branding permitted?

Answer: Dual branding (operating two brands under a single concession) is permitted. "Multi-branding" (operating more than two brands under a single concession) is not permitted.

2. How do you anticipate having successful bidders choose their space? We suggest having a meeting with all successful bidders present so they can go through the bid ranking order and choose their locations. We recommend this be done as soon after award of the bids as possible to allow for planning the moves.

Answer: Agreed. A meeting will be held at a time to be announced following the bid opening date, and apparently successful bidders will select their counter and ready/return areas in order of their first year MAG submitted in their bids. This selection will be subject to final approval of the concession agreement awards by the Milwaukee County board of Supervisors.

3. The proposed ramp modifications could significantly increase the rental car portion of the garage and it would be inequitable for only one or two companies to benefit from the modifications. Please consider revising the garage "blocks" in an equitable manner (to everyone's benefit) upon determining the impact of the ramp modifications on the garage.

Answer: Milwaukee County received a report regarding the feasibility and cost of the garage ramp removal and in-fill. The report, as well as the cost of the project that will be added to the new CFC recovery program, will be shared with prospective bidders at a future meeting. Airport staff has developed drawings taking into consideration the modifications resulting from the ramp removal and in-fill project and will distribute those drawings to prospective bidders.

4. Simply Wheelz, LLC, which operates the Advantage brand, is a wholly owned subsidiary of The Hertz Corporation, which operates the Hertz brand. Please confirm that a single company may submit two separate bids for two separate brands and not violate the RFP's anti-collusion provisions.

Answer: Agreed

5. General Questions addresses a new Bid submittal date will be set at a later date. Please consider setting the Bid due date in January, as it was pointed out at the pre-bid conference, coordinating contractors will be difficult the closer we get to the holidays.

Answer: A new Bid submittal date will be announced in a later Addendum to Official Notice No. 6756. Airport staff will consider the proposal of a January date that includes the extension of the existing agreements and the continued payment of the MAGs set in those agreements.

6. (Page 6, General Questions, #20), stated there have been several complaints regarding difficulty in finding the rental car areas in the garage. Please consider using CFC monies to cover any expense in wayfinding.

Answer: Yes, Airport staff will consider this proposal.

7. Q&A #9 requests clarification. Page 6 of the RFP, first paragraph, line 9, states that revenue includes total rentals, "excluding credits, refunds and rebates given to customers". However, Informational Draft Agreement, at page 27, Para F (1) states that Gross Revenues excludes "discounts and coupons" and does not mention rebates. Q&A # 74 indicated we should see Revised Paragraph 9. However, the new Paragraph 9 does not mention credits, refunds and rebates. Please amend Para F (1) of the Revised Paragraph 9 to Informational Draft to clarify that we can exclude credits, refunds and rebates given to customers.

Answer: RFB, Section II. F. Page 6 - the third sentence is amended to read as follows:

"Such revenues shall include: total rentals
~~excluding credits, refunds and rebates given~~
after discounts and coupons deducted at the time

of rental to customers for cars rented out at the Airport without regard to the manner in which, or place at which Concessionaire has received the order for the cars and regardless of the station to which they are returned; all sums collected by Concessionaire for personal accident insurance charges; personal effects, cargo and life insurance, and rental of cellular telephones."

INVITATION TO SUBMIT BID

8. (Page 10, Section II. General Scope - L "Causes For Disqualifications") - The second full paragraph states among other things, that one or all bids will be rejected if there is reason for believing that collusion exists among the bidders. Please define collusion as we have more than one brand.

Answer: On page 10, Section II. L., the second paragraph is changed to read as follows:

"More than one bid for the same concession under the same or different names will not be considered. Reasonable grounds for believing that the bidder is interested in more than one bid for the same concession will cause the rejection of all bids for that concession in which the bidder is interested. One or all bids will be rejected if there is reason for believing that collusion exists among the bidders, and no participant in such collusion will be considered in future bids for operation of a concession. Collusion shall be defined as illegal cooperation or conspiracy to cheat or deceive and does not include the coordination that takes place between brands owned by the same company."

9. Page 20, Para 12. We again request the deletion of the requirement of a parent entity to guarantee the obligations of a Bidder as each Bidder should be able to stand on its own financially. Enterprise Rent-A-Car Company of Wisconsin, LLC ("the Bidder") is a subsidiary of Enterprise Holdings, Inc. ("Parent Company"), which is a privately held company. The Bidder has stand alone financial statements and will not rely on the financial strength of the Parent Company in its bid submission or operation of

the concession. The Parent Company does not guarantee the obligations of its subsidiaries except in rare special situations. In lieu of a Parent Company guarantee, if the Authority is not satisfied with the Bidder's financials once reviewed, we could offer additional performance security. However, the Bidder has been in continuous operation at the Airport for over 10 years and the Authority has knowledge of our performance over that time and our ability to pay all fees and rents. For the 2007 bid (per Addendum 2), the County agreed to accept financial statements certified by an authorized company officer that included a balance sheet and income statement in accordance with generally accepted accounting principles. Enterprise Rent-A-Car Company of Wisconsin, LLC is the same bidding entity as the one which bid in 2007. **We request you confirm that the Bidder's unaudited statements in addition to a certification letter from the Parent Company's CFO will satisfy the requirements, without a guarantee from the Parent Company.**

Answer: Airport staff has reviewed this matter and has determined that no exceptions will be made to this requirement.

10. Page 20, Paragraph 12. Ernst & Young LLP prepares Consolidated Financial Statements and Other Supplemental Consolidating Financial Information for our parent company, Dollar Thrifty Automotive Group, Inc., and its subsidiaries, including DTG Operations, Inc. dba Dollar Rent A Car and dba Thrifty Car Rental, an incumbent. The Other Supplemental Consolidating Financial Information includes Supplemental Consolidating Statement of Income Information, Supplemental Consolidating Balance Sheet Information and Supplemental Consolidating Statement of Cash Flows Information Separately for the incumbent, DTG Operations, Inc, along with our parent and other subsidiaries. Will the submission of such Other Supplemental Consolidating Financial Information showing DTG Operations, Inc. be acceptable in full satisfaction of the requirement on page 20, Paragraph 12?

Answer: Yes

11. (Page 17, RFP, #76) With regard to the issues addressed and the time it will take to move and begin operations, will the Airport consider "grandfathering" the counter space?

Answer: No. However, the Airport will develop a transition plan in concert with successful bidders to facilitate any transitions.

12. (Page 6, Invitation To Submit Bid, #21), does not address an individual that resides in Milwaukee County but has an out of state driver's license due to being a student or other reasons. Please confirm whether the Airport is allowing affirmation by the customer that he/she does reside in Milwaukee County but has an out of state driver's license due to being a student or other reasons.

Answer: Airport staff has again reviewed this issue, and has made inquiries concerning the requirements of other airports. After careful consideration, Airport staff has decided to reinstate the Paragraph 8. N. that is in the Informational Draft Agreement is reinstated. The Paragraph permits no affirmation, and excludes customers with driving licenses that contain Milwaukee County zip codes from the definition of Airport Customer. The Revised Paragraph 8. N. contained in Addendum No. 2 is therefore deleted in its entirety.

13. (Page 7, Invitation To Submit Bid, #26) In previous Addendum, we were notified that pages G-7, G-8, G-9 and G-10 were required to be submitted with the bid responses. Please confirm what DBE/ACDBE documents will be needed for a complete Bid package.

Answer: The referenced addendum indicates, "each bidder must complete the forms G-4 through G-10, except G-6, contained in Attachment G regarding the Bidder's plan to realize the participation plan submitted with bid." While Pages G-4 and G-5 do not require completion, these pages provide detailed guidance regarding the completion of pages G-7, G-8, G-9 and G-10. Their inclusion is sought to ensure all respondents are looking to the same guidance in regard to small business participation.

14. (Page 8, Invitation to Submit Bid, #27) The Airport is permitting dual branding at one counter. Please confirm that Dual Branding shall be permitted for companies who wholly own 100% ownership interest in two rental car brand and those

wishing to dual brand will be required to bid for and work from a single counter and will utilize a single ready/return area in the garage.

Answer: Dual Branding shall be permitted for companies who wholly own 100% ownership interest in two rental car brand and those wishing to dual brand will be required to bid for and work from a single counter and will utilize a single ready/return area in the garage.

INFORMATIONAL DRAFT

15. Revised paragraph 9 page 9 C. In the Definition of Gross, under the exclusions, item C. is titled "Theft." Please clarify as to when this item would not be excluded under the current definition? Please clarify the Airports rationale to define Theft as bad debt?

Answer: Theft is broadly defined as the concessionaire's risk of extending credit to its customers. This risk remains with the concessionaire.

16. Page 28, (2) (a) and Addendum 1 Q&A 102. Federal, State, County and City sales "and similar" taxes are excluded from Gross Revenues. We had asked that we may exclude from Gross Receipts our pass through and recoupment from customers of traffic tickets and fees, parking tickets, tolls, towing, impound fees and other governmental fines which they incur and which we receive and pay. Answer Q&A 102 refers us to the new Paragraph 9, but I don't see that these items are mentioned here.

If we have to pay, and are able to recover from customers, their Parking tickets, Tolls, Towing & Impound Fees, Traffic & Red Light Tickets, this recovered money should be excluded from Gross Receipts, as it is not revenue. We are just being reimbursed for the money we had to pay on behalf of the customers, as the vehicles are registered in our name. We propose language such as the following under the exclusions: **"The amounts recovered from customers for the payment of traffic tickets, parking tickets, tolls, towing fees, impound fees, red light tickets and other governmental fines, which are incurred as a result of customers' actions."**

Answer: Airport staff has reviewed this matter and has determined that the existing definition shall remain in effect. The definition has already been revised to address the concern about collections and adjustments after the return of the vehicle. The language will stand.

17. We object to the new language of Paragraph 8.N., as it will require us to include in our "Gross Revenue" rental sums from some customers who have absolutely no nexus to the Airport - those who never flew into the airport at all. For instance, under this definition we would have to pay the County 10% of the revenue from someone who drove from Texas to visit relatives and has had an accident or mechanical problem and needs to rent a vehicle. Likewise, we would have to pay the County 10% of the revenue from someone who has just moved to Wisconsin from another state (drove here) and does not yet have a Wisconsin driver's license and requires a rental vehicle. We request you change this language to indicate we can exclude revenue from a "customer with a Wisconsin zip code or one who has arrived at the Airport within the previous 24 hours."

Answer: As was stated in #12 above, Airport staff has again reviewed this issue and has made inquiries concerning the requirements of other airports. After careful consideration, Airport staff has decided to reinstate the Paragraph 8. N. that is in the Informational Draft Agreement is reinstated. The Paragraph permits no affirmation, and excludes customers with driving licenses that contain Milwaukee County zip codes from the definition of Airport Customer. The Revised Paragraph 8. N. contained in Addendum No. 2 is therefore deleted in its entirety.