



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting December 3, 2024  
Second Reading Ordinance for the City Council Meeting December 10, 2024

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**DATE:** December 3, 2024  
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**Ordinance authorizing a five-year On-Airport Car Concession and Lease Agreement with EAN Holdings, LLC AVIS Budget Car Rental, LLC, and The Hertz Corporation**

**CAPTION:**

Ordinance authorizing three concession and lease agreements with (1) EAN Holdings, LLC dba Alamo Rent a Car, Enterprise Rent-A-Car and National Car Rental; (2) AVIS Budget Car Rental, LLC dba Avis, Budget & Payless; and (3) The Hertz Corporation dba Hertz, Dollar Rent A Car and Thrifty Car Rental for on-airport rental car services, each of which has a five-year term and two one-year options, in consideration of 11% of annual gross revenues or a minimum annual guarantee, whichever is greater.

**SUMMARY:**

This item is to approve three concession and lease agreements for rental car concessions at the Corpus Christi International Airport (CCIA). The three family brands provide rental car services to the passengers and the public by providing a convenient option for travelers needing ground transportation. The public operations counters lease space is located inside the Airport Terminal near the baggage claim area. CCIA also provides lease space for parking ready/return vehicles, maintenance work bays, offices, fueling centers and wash bays located on airport property outside of the terminal.

**BACKGROUND AND FINDINGS:**

The current Rental Car Concession Agreements expired on September 30, 2024, and the parties have continued on a month-to-month basis until a new contract is signed. CCIA has worked with the Contracts and Procurement Department to issue a solicitation for new contracts.

The Contracts and Procurement Department conducted a competitive Request for Proposal (RFP) process and received three proposals. All three proposals were screened for the minimum requirements on a pass/fail basis, and all firms passed. The technical proposals were scored based on the published evaluation criteria for a maximum of 20 points, and after review of the technical scores the pricing was evaluated. The proposer offering the highest Minimum Annual Guarantee (MAG) to CCIA received 80 points, the other responsible proposers received a proportional share of the points based on the proration of their price to the lowest price provided. Based on the outcome of the evaluation, all three proposers are being recommended for concession and lease agreements with the highest scoring proposer receiving their selection of all available lease space first, and then each subsequent firm selecting from the remaining space available in the order of their score.

The total of the proposed Minimum Annual Guarantees (MAGs) increased overall from the current contracts. The newly proposed MAGs total \$1,611,630 compared to the original MAGs in the prior agreement totaling \$1,375,864, reflect an increase of \$235,766 annually for CCIA. The Concession Fee will remain the same at 11%. The percentage concession fee or MAG (whichever is greater) paid by each concessionaire is based on gross revenues generated each month by their perspective operations.

### **PROCUREMENT DETAIL:**

A Request for Proposal (RFP) was issued for on-airport car concession and lease agreements. The City received three proposals which were evaluated by the City's evaluation committee. The evaluation committee was comprised of three members from the Aviation Department. The RFP committee evaluated all aspects of the company's current capabilities, which accounted for 100 possible points, 20 for technical qualifications, and 80 for minimum annual guarantee. Final scores were tabulated for each firm to determine the highest-ranking firms.

The City recommends award to the three firms, EAN Holdings, LLC dba Alamo Rent a Car, Enterprise Rent-A-Car and National Car Rental, AVIS Budget Car Rental, LLC dba Avis, Budget & Payless, and The Hertz Corporation dba Hertz, Dollar Rent A Car and Thrifty Car Rental. These same firms held the previous concession and lease agreements that expired in September 2024. There were no new entrants.

### **ALTERNATIVES:**

An alternative would be to not enter into a defined period agreement for On-Airport Rental Car services with the car rental companies. However, this would mean a loss of service to airport customers. In addition, lost revenue generated through airport space rent, concession fees, fuel and oil sales and most critical, the collection of Customer Facility Charges (CFC) fees which support airport operational expenses and debt service obligations.

### **FISCAL IMPACT:**

This is a concession agreement that will continue to provide revenue of approximately \$1,611,630 annually for the Airport.

**FUNDING DETAIL:**

Fund: 4610  
Organization/Activity: 35000  
Department: 53  
Project # (CIP Only): **N/A**  
Account: 320310

Fund: 4632  
Organization/Activity: 35065  
Department: 53  
Project # (CIP Only): **N/A**  
Account: 342500

**RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing five-year concession and lease agreements with the car rental companies mentioned above for on airport car rental services as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Evaluation Matrix  
Lease Agreements  
Ordinance