

# Memorandum



**Date:** May 12, 2005

**To:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Resolution Approving Recommendations Relating to the Interim Period On-Airport  
Car Rental Bid at Miami International Airport

RTC  
Agenda Item No. 3 (D)

## RECOMMENDATION

It is recommended that the Board (i) authorize the County Manager to advertise and award one (1) Tier 1A Local Small Car Rental ("LSCR") position for the Interim Period that requires payment of a 4.5% opportunity fee rather than 9%; (ii) authorize staff to seek an amendment of the current Memorandum of Understanding with the 22 car rental companies which would allow the Tier 1A LSCR company to pay only a 4.5% opportunity fee while operating in the Rental Car Facility ("RCF") after the Interim Period; and, (iii) authorize the County Manager to advertise and award two (2) Tier 1B on-airport car rental company agreements during the Interim Period.

## BACKGROUND

### **(A) Advertisement and Award of One Tier 1A<sup>1</sup> LSCR Car Rental Interim Period position**

In Resolution No. R-684-00, the Board authorized the advertisement of Tier 1A and Tier 1B Interim Period car rental concession agreements. "Interim Period" refers to the period between the time of award of a concession agreement for in-terminal operations and the completion of the proposed Rental Car Facility ("RCF") just east of LeJeune Road. The Resolution also approved the extension of two agreements with DBE car rental companies that would be allowed to operate as Tier 1A Interim Period companies at a 4.5% opportunity fee rather than the 9% fee paid by the other Tier 1A companies.

In Resolution No. R-659-01, the Board cancelled the advertisements authorized by Resolution No. R-684-00, waived competitive bids, and approved the award to or continuation of Seven Tier 1A agreements with Royal (the first DBE company), Alamo, Budget, Hertz, Avis, National, and Dollar, as well as the award of a Tier 1B agreement to Interamerican. The Board directed the County Manager to advertise the second Tier 1A DBE position.

The Board has before it today a companion item dealing with approval of the LSCR Program. As stated in that item, the FAA recommended a different approach for the DBE position, which led to the development of the LSCR Program. The resolution attached to this memorandum permits the advertisement of the remaining Tier 1A position to be filled by an LSCR participant who will be entitled to pay only a 4.5% opportunity fee rather than a 9% fee.

<sup>1</sup> Tier 1A companies are allowed to operate in the inner lane of the lower vehicular drive of the Airport's Terminal Building and make use of a "two-position" ticket counter on the ground level of the Terminal Building.

The advertisement, however, will be limited to only the 22 car rental companies that previously signed the Memorandum of Understanding with the County that permits those companies, and no others, to operate in the RCF<sup>2</sup>. The attached resolution authorizes the LSCR Tier 1A position to be advertised only among the 22 companies, and authorizes the County Manager to award the existing Tier 1A concession agreement only to a car rental company among the 22 that (a) is certified as an LSCR company, (b) is not currently operating as a Tier 1A or Tier 1B company at the Airport, and (c) submits the highest minimum annual guarantee bid. The Tier 1A agreement will be modified to reflect the foregoing provisions.

**(B) Approval of Negotiation with the 22 Companies**

Under the MOU discussed above, a First Amendment was negotiated with the 22 companies to permit All American, Family, Capital, Royal "and Globetrotters...or its successor or any one other DBE company if neither Globetrotters nor a successor to Globetrotters signs an MOU" to pay only 4.5% while operating in the RCF. The remaining companies will be paying 9% of gross revenues in the RCF.

Ideally, the company selected to fill the Interim Period Tier 1A LSCR position should be allowed to continue paying only 4.5% of its gross revenues when the RCF is completed so as to further enable the small business company to prosper while operating within the RCF. If it turns out that one of the 22 rental car companies is awarded the Interim Period Tier 1A LSCR position and the company is not one of 4 companies under the First Amendment permitted to pay only 4.5% while operating in the RCF, then the County needs to negotiate another amendment to the MOU so that the Tier 1A LSCR company may operate within the RCF at 4.5%. The attached resolution will authorize the County Manager to negotiate a Second Amendment to the MOU so that the Tier 1A LSCR company, if it is a company that is scheduled to pay 9% of gross revenues within the RCF under its current MOU, will be assured of only having to pay 4.5% under the conditions set forth in the MOU and its First Amendment.

**(C) Advertisement and Award of Two Tier 1B<sup>3</sup> Car Rental Interim Period positions**

Resolution No. R-684-00 authorized 4 Tier 1B positions, and Interamerican was awarded one of these positions. Resolution No. R-851-01 authorized the advertisement of the 3 remaining positions. Two companies, Thrifty and Enterprise, bid and became Tier 1B companies. Subsequently, Interamerican ceased business operations, leaving 2 Tier 1B positions to be filled. The Board is therefore requested to approve the advertisement of these 2 available Tier 1B positions among the 22 companies who are not already operating in the terminal as an on-airport car rental company.

As in the case of awarding the Tier 1A Position, the Resolution permits the County Manager to award the two Tier 1B Interim Period concession agreements to the companies providing the two highest MAGs for the Interim Period positions, using the same concession agreement that was used for the current Tier 1B companies.



Assistant County Manager

<sup>2</sup> Resolution No. R-683-00 required all companies desiring to operate in the RCF to execute the MOU. The deadline date upon which the MOU documents could be submitted was April 17, 2001.

<sup>3</sup> Tier 1B companies are allowed to operate in the outer lane of the lower vehicular drive of the Airport's Terminal Building and make use of a "one-position" ticket counter on the ground level of the Terminal Building.



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Joe A. Martinez      **DATE:** December 14, 2004  
and Members, Board of County Commissioners

**FROM:**   
Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 7(A)(1)(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 7(A)(1)(A)  
12-14-04

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING ADVERTISEMENT AND AWARD OF A TIER 1A INTERIM PERIOD CAR RENTAL POSITION AT MIAMI INTERNATIONAL AIRPORT TO BE FILLED BY A CERTIFIED LOCAL SMALL CAR RENTAL PROGRAM PARTICIPANT; AUTHORIZING THE COUNTY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING SIGNED BY TWENTY-TWO CAR RENTAL COMPANIES GOVERNING THEIR COMMITMENT TO, AND USE OF, THE PROPOSED CAR RENTAL FACILITY SO AS TO PERMIT A REDUCED OPPORTUNITY FEE TO BE PAID BY THE TIER 1A LSCR PARTICIPANT; AND AUTHORIZING COUNTY MANAGER TO ADVERTISE AND AWARD TWO TIER 1B INTERIM PERIOD ON-AIRPORT CAR RENTAL COMPANY CONCESSION AGREEMENTS AT MIAMI INTERNATIONAL AIRPORT**

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and document, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,** that this Board hereby (1) authorizes the advertisement and award of a Tier 1A interim period car rental position at Miami International Airport to be filled by a certified Local Small Car Rental ("LSCR") Program participant, such award to be made to a certified LSCR company among the twenty-two car rental companies that (a) signed the Memorandum of Understanding ("MOU") for operations in the proposed Rental Car Facility, (b) submits the highest minimum annual guarantee bid, and (c) is not currently operating as a Tier 1A or Tier 1B company, with the concession agreement for such Tier 1A interim period car rental position to be in substantially the same form as the

existing concession agreements for the Tier 1A positions, as may be modified by the County Manager after review by the County Attorney to the extent necessary to accomplish the intent of this resolution and the legal requirements of the MOU; (2) authorizes the County Manager to negotiate and execute a Second Amendment of the MOU signed by twenty-two car rental companies that governs their commitment to, and their use of, the proposed Rental Car Facility ("RCF") now under construction, such Second Amendment to be negotiated and executed in the event that the LSCR participant awarded the Tier 1A position is not one of the companies named in the First Amendment of the MOU that are permitted to pay a reduced opportunity fee for their operations in the RCF, such Second Amendment to be reviewed and approved by the County Attorney prior to its execution by the County; and (3) authorizes the advertisement and award of two Tier 1B interim period car rental concession agreements at Miami International Airport, the award to be based on the two highest minimum annual guarantees submitted by the bidders and the concession agreements to be in substantially the same form as the existing concession agreements for the Tier 1B positions, as may be modified by the County Manager after review by the County Attorney to the extent necessary to accomplish the intent of this resolution.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

- |                               |                          |
|-------------------------------|--------------------------|
| Joe A. Martinez, Chairman     |                          |
| Dennis C. Moss, Vice-Chairman |                          |
| Bruno A. Barreiro             | Dr. Barbara Carey-Shuler |
| Jose "Pepe" Diaz              | Carlos A. Gimenez        |
| Sally A. Heyman               | Barbara J. Jordan        |
| Dorin D. Rolle                | Natacha Seijas           |
| Katy Sorenson                 | Rebeca Sosa              |
| Sen. Javier D. Souto          |                          |

The Chairperson thereupon declared the resolution duly passed and adopted this 14th day of December, 2004. This Resolution and contract, if not vetoed, shall become effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency.

Thomas P. Abbott TPA

By: \_\_\_\_\_  
Deputy Clerk

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