

Memorandum



Date: February 3, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez 
Mayor

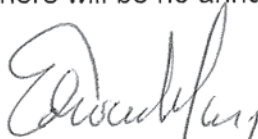
Subject: Supplemental Information Regarding Approval to Award Contract No. 8809-0/19,
Vehicle Rental Services

Supplement to
Agenda Item No. 8(F)16

During the discussion of the contract award to Royal-Rent-A-Car (Royal) at the January 13, 2015 meeting of the Finance Committee, a representative from the second-lowest bidder (Enterprise) advised members of the Finance Committee that Enterprise could lower its prices below that offered by the awarded vendor. As mentioned at the Finance Committee meeting, the procurement process used for this contract was an Invitation to Bid, which provided fair and open competition for this contract. Royal was the lowest-priced, responsive and responsible bidder and was recommended for award. The bid offered by Royal was \$1.595 million lower than that of Enterprise. As a result of the discussion, members of the Finance Committee directed staff to initiate negotiations with Royal to determine if there was any opportunity for price reductions beyond that recommended in the item being considered.

On January 22, 2015, County staff held a negotiation meeting with Royal. Royal agreed to hold its proposed pricing for the full five-year term of the contract rather than adjusting pricing annually by the change in the Producer Price Index for Commodities (PPI), as was a term of the original agreement and the bidders' original bid. By holding the pricing for the full five (5) years of the contract constant, the estimated savings to the County could be as much as \$3.2 million over the term of the contract.

In order to effectuate this change, it is recommended that the resolution be amended to reflect that there will be no annual increases in pricing based on the PPI.



Edward Marquez
Deputy Mayor 