

CITY OF TYLER
Tyler Pounds Regional Airport
700 Skyway Blvd., Suite 201
Tyler, TX 75704
(903) 531-9825
www.flytyr.com



November 28, 2016

Re: Responses to EAN Questions for Bid #17-002

Dear Ms. Duval:

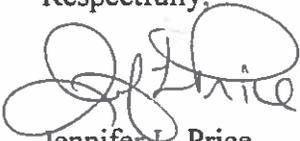
In response to your questions submitted on November 22, 2016 regarding Bid #17-002:

1. RFQ Section 2, pg 1 and Lease Article 1.A(a).2, pg 4 – As follow up to the discussion during the pre-bid meeting, we strenuously object to the equal allocation of blocks of 26 Ready Return spaces to the successful bidders in this market - and especially so without an annual re-allocation. As we discussed, the market is not held by the operators in equal blocks of 26% of the market, so why would the City allocate in that manner? In this market, you have one company that has 59% of the market, while the other two companies have 19% and 22% of the market. By allocating in equal block allocation and not allowing an annual re-allocation during the term,, the City is imposing inferior facility premises upon the company that is servicing almost 60% of our mutual customers. And, giving more space than necessary to the smaller market share operators. Why does the City want to give the company that is serving the majority of their customers inadequate space in which to serve those customers? In a market with such skewed market shares in the industry, it makes sense to allocate the Ready Return by market share. As we requested previously in writing and during the pre-bid meeting, we request the Ready Return is allocated initially by MAG share (each company is awarded their MAG % share of the total Ready Return parking) and then re-allocated annually by the prior contract year market share. **This will be changed by addendum. Lessee shall have use of the rental car parking lot as shown on the attached Exhibit "B". Spaces shall be allocated based on MAG share as bid among the rental car concessionaires, with the highest qualified bidder receiving first option for the preferred group/block of parking spaces. After the first 26 spaces of a group/block number are allocated the remaining spaces as a result of the allocation, will begin at the furthest spaces of the preferred group/block located in the back of the lot. Spaces will NOT be re-allocated annually based on the previous twelve (12) month market share. Lessee further agrees to mark or sign their spaces at Lessee's expense as requested by City. Each space MUST have signage provided by the concessionaire, which has been approved for use and installation under the new lease, by the Airport Manager. The use of or rental of such spaces to the general public for the parking of vehicles is strictly prohibited. The high bidder will then have first choice of unclaimed spaces, if any, based on their bid share again and so on.**
2. If City insists on equal blocks of 26 spaces for the Initial Allocation upon award, then at the very least **PLEASE** allow annual re-allocation by market share during the term. This way, the City is not holding a growing company back operationally or from a customer service stand-point during the term. **The awarded spaces will be assigned for the duration of the Lease, not re-allocated annually.**
3. RFQ Sec. 10.(E), pg 5 and Lease IV.A, pg 14 – As per the pre-bid discussion and per our previous written request, we strenuously object to the increase in rent for space under this bid. The rates for Counter and Ready Return parking as advertised in this bid are 400% higher than the rates as allowed per City Ordinance

12 III.12-31. During the pre-bid discussion, it was agreed City would re-consider the request to reduce these rents as advertised. We appreciate City's consideration and again request the rates are charged as outlined in City Ordinance 12 III.12-31 – which is \$15/ready return space/month; \$15/space/month for Overflow parking space/month; and \$500/month for counter/office space. **An addendum will be issued reflecting a graduating annual increase as follows: Contract YR 1: \$30.00/per space/per month; Contract YR 2: \$45.00/per space/per month; YR 3: \$60.00/per space/per month. This will be amended into the City Ordinance.**

4. RFQ Sec. 10. (F), pg 5 – As discussed in the pre-bid meeting, we request the City reconsider the rate of the fee/wash in the shared wash facility. The suggestion was made to reduce the minutes/wash and the rate/wash from \$3.00 per 12 minute wash to \$1.50 per 6 minute wash. Please kindly consider this change.
No Change.
5. RFQ Sec. 10 (G) – Per the pre-bid discussion, please provide the annual reporting of CFC collections and expenditures. **A revenue/expense summary annual summary report will be made available. TBD format of delivery, i.e. Airport webpage or email.**
6. RFQ Sec. 10.(H), pg 6 and Lease Article 1.C, pg 4 and Article IV.A, pg 14 As previously requested in writing and during the pre-bid meeting, we respectfully request dual branding is allowed as it is under current rental concession leases and as it is allowed under City Ordinance 12 III.12-31. **As previously explained, no dual branding. Only a single brand per counter with a separate bid and lease for each counter.**

Respectfully,



Jennifer L. Price
Airport Projects Coordinator