

SPECIAL MEETING  
WALKER FIELD AIRPORT AUTHORITY  
April 12, 1982

Members Present: Chairman Rick Enstrom, Members Maxine Albers, Barney Barnett, Frank Dunn, and George White. Also present Airport Manager Paul Bowers and Clerk Mary Ann Harms and Att. Randy Pearce.  
Guests: Daren Cyphers, Hertz; Ken Cox, National.

Special meeting for the acceptance of bids was called to order at 7:45 a.m. by Chairman Enstrom.

The first bids discussed were for the rent a car concessions. Mr. Bowers read the bids in order of high to low minimum guarantee (Budget, Hertz, Avis, National and American International). Budget, Hertz and National all agreed to build on service center sites within one year; Avis asked for a site but would not build within the year and American International did not want a service center.

The rent a car agreement as included in the bid documents was essentially the same as discussed with the Airpark Committee. Comm. White said this was true with the exception of the \$250/month rate change and the addition of the drop charges Mr. Bowers said the drop charges were in the previous rent a car contracts and Mr. Cyphers said they were not. (See attached information.) Comm. Barnett asked Mr. Cox about the average annual drop charges for National. Mr. Cox said the drop charges were recovery dollars rather than profit dollars to the rent a cars (there was a loss of revenue per day the cars are out of service and there is a cost connected with sending someone to retrieve them). The actual revenue to the airport based on 10% would be about \$500.00 from National.

Mr. Bowers said the drop charges are not a substantial amount of the rent a car revenue to the airport, Mr. Barnett said the current contract language is ambiguous on the subject and Comm. Albers suggested the charges be dropped as it does not provide much revenue and it would be an incentive to the rent a cars to continue doing business with the airport. ✓

Commissioner White said Hertz, Avis and National have been the historic backbone of the rent a car business at the airport and he said the bids should be awarded on the first year minimum guarantees as bid. He said it was never

contemplated during the bid document preparation that any of the rent a cars would manipulate the figures. Mr. Bowers said the bid was on a five year basis and using only the first year bid would not be proper. Comm. Dunn said he did not like the manner in which the Budget bid was prepared with the large escalation in the last year. Mr. Bowers said that Budget was gambling on their continued growth in share of market. Comm. White asked about the difference in service center locations also to be determined by the bids. Mr. Bowers said the areas were all accessible and the main difference was the number four location was not as accessible to the existing sewerline (a lift station or additional line would be necessary).

Comm. White asked if Budget was for sale and Mr. Bowers said he had heard it was but that this had not been substantiated. There was some discussion regarding the use of historic performance (share of market) versus the bid process. Chairman Enstrom reminded the Board of their previous decision not to use this method of selection based on past problems. Comm. Barnett said alot of time, effort and money had gone into this bid process and that rebidding may not produce a more satisfactory result. Comm. White said his reservations were not with the bid process but with Budget's ability to pay the amount they had guaranteed over the total five year period.

Mr. Bowers said if Budget has to pay more than 10% of their gross to cover their minimum it would be their problem. Comm. Barnett said even with a rebid the same problem may occur and the suggested shifting the bid standings based on the first year may not be possible. The Commissioners asked about the national standings of the rent a cars involved and Mr. Bowers said it would be Hertz, Avis, National and Budget. Comm. Albers said Budget's \$120,000 bid in the fifth year just wasn't logical. Att. Pearce said if Budget defaults within the five year period, the Board can remove them and all improvements done by Budget would revert to the Authority (no buyout involved at this point).

Mr. Cyphers said the bid was for a minimum base, not for 10% of the gross. If Budget has the number 1 service area and defaults it would not be possible for

Hertz to move its improvements from the Number 2 site so basically what is decided here will set the areas for the next 25 years. Mr. Cox said that all four rent a cars combined only paid \$255,000 to the Authority in 1981 and Budget is bidding \$432,432 over five years or an average of over \$80,000 per year. Hertz as Number 1 in share of market only paid the Authority \$90,000 in 1981. Comm. Barnett said that all the rent a cars were bidding on was the right to contract with the Authority and we could set priority based on past performance but not with this contract. Mr. Cox said the proposed contract calls for ready car spaces to be based on the share of market figures. This means that one part of the contract is based on share of market and another part on the bid. It was his understanding that the bid process was to protect the airport from outside rent a cars and that as long as minimum bid base was met the space priorities should be based on share of market figures.

Comm. Barnett suggested personal indemnity be sought from all the rent a cars to protect the Authority from shell corporations: That the persons behind the corporations sign the contracts. Further, he said the Authority has the right to look at each rent a car financial situation and exercise some discretion in awarding the bids.

Comm. Albers made a motion that all the rent a cars bidding submit a financial statement in support of their bid and that acceptance of the bids be tabled until such information is received. Comm. White seconded the motion which passed unanimously.

Att. Pearce cautioned that should the Board not give the Number one position to Budget what do we do with them? Comm. White said he does not feel it is fair for National and American International to have to share a space in the terminal. Comm. Barnett asked if there was any way another booth could be designed into the building. Comm. Enstrom reminded the Board that there had originally been five spaces but economics forced a reduction to the sharing of the fourth space. Att. Pearce said the Board still has the ability to accept or reject any and all bids.

The next bid discussed was for the old terminal building. Comm. Barnett said the Board should take a look at the two bids received (Wildflower Aviation from Pueblo and Jack Treece), as well as the previous Redstone proposal. Att. Pearce said he needed direction to proceed with Monarch and that he had already given Monarch the requisite 30 day notice of intent to negotiate. During discussion it was also noted that Attorney Pearce should address Monarch's historic delinquency in making payments to the Authority. Comm. Barnett made a motion that Attorney Pearce proceed with the Monarch negotiations; Comm. Dunn seconded the motion which passed unanimously.

The Cowden/Niehues bid on the advertising space was accepted on a motion by Comm. Barnett and seconded by Comm. Albers and unanimously passed.

Mr. Barnett commented on the telephone packages as presented. He said three things must be considered: demonstration of savings to the users, generation of income to the Authority; and reputable company making the proposal. Comm. Barnett noted his business is currently contracted with Western Slope Telephone, as is School District 51.

The Fruit Stand stationary concession cart bid proposal was approved on a motion by Comm. White, seconded by Comm. Albers, subject to Airport Manager's approval of the actual concession layout.

There will be another special meeting on Monday April 19 at 7:00 a.m. in the County Commissioners Hearing Room.