



City of Killeen

Legislation Text

File #: RS-23-203, **Version:** 1

Consider a memorandum/resolution awarding Bid #24-07, Non-Exclusive Rental Car Concessions for the Rental Car Lease Agreements at the Killeen Regional Airport.

DATE: December 12, 2023

TO: Kent Cagle, City Manager

FROM: Mike Wilson, Executive Director of Aviation

SUBJECT: Approval of Rental Car Lease Agreements at the Killeen Regional Airport - BID NO. 24-07

BACKGROUND AND FINDINGS:

The Killeen Regional Airport leases retail facilities in the terminal building to various businesses to provide appropriate services to the public as well as to provide revenue sources for the airport enterprise fund. The existing rental car leases were approved in 2018 for a five (5) year term expiring December 31, 2023.

The Airport developed, with a consultant, an up-to-date agreement which is industry standard. Staff released Bid 24-07 in September 2023 and received bid packages in October 2023 from Avis Budget Car Rental, LLC; EAN Holdings, LLC d/b/a Enterprise Rent-A-Car Company; EAN Holdings, LLC d/b/a Alamo Rent a Car and National Car Rental; and The Hertz Corporation. All bid packages follow bid requirements, and all bidding companies are eligible to execute agreements to operate at the Airport. The new agreement is for a single term of five (5) years with no extensions and will commence on January 1, 2024.

Bids were due on October 25, 2023, at 3:00 PM at which time they were publicly opened and read aloud. Bid results are as follows:

Company	Minimum Annual Guaranteed Rent
EAN Holdings LLC - Enterprise	\$ 155,065.00
Avis Budget Car Rental LLC	\$ 147,172.00
The Hertz Corporation/Dollar	\$ 144,280.00
EAN Holdings LLC - National/Alamo	\$ 95,765.00

On October 31, 2023, a zoom meeting was conducted with the four successful bidders to provide for the selection of facilities as provided for in the bid specifications. The attached lease agreements reflect the

results of that selection process.

THE ALTERNATIVES CONSIDERED:

Alternatives considered: (1) approve the agreements, or (2) do not approve the agreements.

Which alternative is recommended? Why?

Staff recommends alternative 1. Approval of the agreements will provide (1) continued exceptional rental car service for Airport customers, and (2) a consistent revenue source for the Airport for the next (5) years.

CONFORMITY TO CITY POLICY:

This item conforms to local and state policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Although there is not an expenditure associated with this item, there is a financial impact. The minimum annual guaranteed rent from the four (4) agreements totals \$542,282. However, for the past three fiscal years, this revenue has exceeded \$1 million.

Is this a one-time or recurring expenditure?

Recurring revenue

Is this expenditure budgeted?

Yes, this revenue is budgeted in the Aviation Fund for the Killeen Regional Airport in account 525-0000-344.01-04 for \$1,267,676.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City Council award Bid #24-07, Non-Exclusive Rental Car Concessions for the Rental Car Lease Agreements at the Killeen Regional Airport as follows for a term of five years beginning January 1, 2024, and authorize the City Manager to execute same:

EAN Holdings, LLC d/b/a Enterprise
Avis Budget Car Rental LLC

The Hertz Corporation
EAN Holdings, LLC d/b/a National/Alamo

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreements
Certificates of Interested Parties
Presentation