

AUTOMOBILE BASIC ORDERING AGREEMENT**August 2003****Table of Contents**

Section	Page Number
I. Basic Ordering Agreements	4
A. Overview	4
B. Written Inquiries	4
C. BOA Response Submission	4
D. Form of Response	4
II. Background of the State Travel Management Program – Automobile Rentals	4
A. General	4-5
B. U.S. Bank VISA Travel Payment System	5
1. Current Travel Card Contract	5
2. Insurance Issues	5
C. Program Data	6
D. Rented Vehicle Physical Damage and Liability Claims under State Contract	6
E. Average Number of Rental Days	6
F. Travel Card - Cardholders Roster	6
III. General Terms and Conditions	7
A. Rate and City Adjustment Requests	7
1. Rate Adjustment Requests	7
2. City Adjustment Requests	7
B. Vendor Terms and Conditions/Forms	7-8
C. Political Subdivisions	8
D. Cardholder Compliance	9
E. No Guarantee of Volume	9
F. Mandatory Contract	9
G. Enforcement of State Rules	9
H. Direct Billing Waivers	10
I. Information Dissemination and Contract Implementation	10
J. Promotional or Meeting-Related Rates (for official State travel) — Inclusion of Renter's Liability Insurance	10
K. Frequent Flyer or Incentive Fees	10
L. Leisure Usage of Contract	11
M. Marketing to State Users	11
N. Insurance Refunds – Administrative/Recovery Fee	11
IV. Insurance Requirements	11
A. Commercial General Liability, Worker's Compensation, and Automobile Liability	11-12

B. Insurance -- Renter/Driver Liability	12-16
C. Vendor Obligations regarding Third Party Liability Claims	16-17

Table of Contents

Section	Page Number
V. Management Information and Accident Reports	17
A. General	17
B. Monthly Accident Reports to Program and to Risk Management Offices Required	17-19
C. Exception Accident Reporting –Any \$75,000 Liability Exposure Reported Within 24 Hours If Possible	19-20
D. Collision Damage Waiver Purchase/Insurance Purchase Reporting	20-21
VI. Damage Waivers	21
A. 15 Passenger Vans, Cargo Vans, Pickup Trucks	21
B. Exclusion of Collision Damage Waiver	22
VII. Motor Pool Overflow Use	22
VIII. Revenue Share	23
A. General	23
B. No Productivity Levels Accepted	23
IX. State Authorized Renters	24
A. Eligible Users	24
B. Identification of State Authorized Renters	24
C. Premier Membership	25
D. Master Rental Agreement	25
E. Third Party Rentals	25-26
X. Cities of Greatest Automobile Rental Activity	26
A. Schedule of Items	26
B. Locations Not on Schedule of Items	26-27
C. Report Listing of All United States Locations	27
D. Report Listing of All Foreign Locations	27
XI. Reservations, Identification and Payment	27
A. Reservations	27-28
B. State Rules Effectively Mandate Travel Card	28
C. Contract Compliance by Vendor	28
D. Guarantee of Automobile Rental Rates/Acceptance of Travel Card	28-29
E. Damages for Overcharging	29
F. Travel Card Supplier Declines Charge	29
G. Toll Free Numbers	30

XII. Automobile Rental Services, Vendor Qualifications, Classification of Vehicles	30
A. Automobile Rental Services	30
B. Vendor Qualifications	30
C. Classification of Vehicles	31-32
D. Vendor Must Offer Base Rates	32
E. Weekly Rates	32

Table of Contents

Section	Page	Number
F. Monthly Rates		32
G. No Mileage or Extra Charges on One-Way Rentals between Colorado Locations		33
H. Waiving of Drop Charges in the United States and One Way Rentals		33
1. Rentals within the United States		33
2. Rentals within the State of Colorado		34
I. Access to Automobile Rental Locations		34
J. On-site Service		35
K. Pickup and Return		35
L. Vehicle Condition		35-36
M. Fuel		36
N. Overtime and Fuel Charges		36
O. Taxes		36-37
P. U.S. Bank Link		37-38
Q. Franchise/Local Outlet Contract Compliance Guarantee		38
R. Fees for Frequent Flyer Miles		39
XIII. Exhibits		39
Exhibit A - Certificate of Independent Price Determination		40
Exhibit B – Schedule of Items		41
Exhibit C – Locations not on Schedule of Items		42
Exhibit D – Price Agreement Solicitation Terms and Conditions		43-45

I. Basic Ordering Agreements

A. Overview

The State of Colorado Purchasing Office, on behalf of the State Travel Management Program, seeks to establish statewide price agreements for automobile rentals with multiple vendors via “Basic Ordering Agreements” (BOAs). All vendors who extend acceptable terms and conditions to the State in response to this BOA and whose rates are deemed fair and reasonable will be awarded statewide price agreements/BOAs. The State will be the sole judge as to what constitutes acceptable terms and conditions and also which specific rates offered are considered fair and reasonable. The current statewide price agreements for automobile rentals expire October 31, 2003. The new state price agreements/BOAs will, therefore, begin after November 1, 2003. The terms and conditions of the BOA govern and no other terms and conditions apply.

The State may enter into additional price agreements/BOAs at any time and may terminate any price agreements/BOAs as provided herein.

B. Written Inquiries

The State will consider inquiries regarding the requirements of this BOA. All inquiries must be in writing and submitted to Bob Siefken in the State Purchasing Office. *The State will not respond to any verbal inquiries.* Inquiries may be sent by fax or e-mail to the attention of Bob Siefken:

Fax: 303 894-7440

e-mail: bob.siefken@state.co.us

C. BOA Response Submission

Interested vendors should provide three (3) sets (one “original” and two copies) in hard copy of their BOA by September 15, 2003. BOA responses should be mailed or hand-delivered to the address listed below:

State Purchasing Office
225 East 16th Avenue, Suite 802
Denver, CO 80203
ATTN: Bob Siefken

D. Form of Response

Certain sections of this BOA require a written response/offer from the vendor. For these sections, a "Vendor Response Box" has been provided. Vendors need to provide a written response for each Vendor Response Box contained in this BOA. Completed and signed Exhibits B and C are needed as well. Finally, vendors must read and sign Exhibit A and submit it also with their offer.

II. Background of the State Travel Management Program - Automobile Rentals

A. General

The State of Colorado has established by statute the Statewide Travel Management Program in the Division of Central Services. This program serves to reduce spending for official State of Colorado government travel through agreements with travel suppliers. As one feature of its program, the State seeks savings by establishing price agreements/BOAs with automobile rental agencies to obtain fair and reasonable rates and acceptable terms and conditions for State of Colorado agencies and institutions of higher education.

B. U.S. Bank VISA Travel Payment System

1. Current Travel Card Contract

The current Travel Card contract is with U.S. Bank VISA. US Bank began as the Travel Card vendor to the State on May 1, 2003. Prior to this, the previous Travel Card vendor was Diners Club.

Within this contract, the State utilizes three different types of Travel payment accounts:

- Corporate Card (individually assigned/individual liability)
- Event Card (individually assigned/corporate liability)
- Central Travel System or CTS Account ("Ghost Card Account" – a card less account with corporate liability assigned to a state agency).

To date, the State has 6500 Corporate Cards in circulation. Corporate Cards issued to State employees include:

- the printed statement "The State of Colorado" with the State of Colorado Seal in the upper right corner
- the name of the state agency of the cardholder impact printed under his or her name.

In addition, the State has 400 Event Cards currently in circulation by state agencies and political subdivisions. The Event Card is a tax-exempt travel card that carries corporate liability and offers all the features and benefits of a State Travel card. Event Cards issued to State employees include:

- the printed statement "The State of Colorado" with the State of Colorado Seal in the upper right corner
- the words "Tax Exempt" followed by the Tax Exempt number impact printed under the name of the Event Card cardholder

The CTS Account will mostly be used for airline travel and it is not likely that it would be used for automobile rentals.

The card does not allow for rentals for periods of more than sixty (60) days.

2. Insurance Issues

With regard to automobile rentals, the US Bank VISA Travel Card and the Event Card provide renters with **primary** collision damage waiver/loss damage waiver (CDW/LDW) coverage except for 15 passenger vans, cargo vans, recreation vehicles and trucks. The Travel Card and the Event Card include CDW coverage on most other vehicles. More information can be found in the contract between US Bank and the State of Colorado (Exhibit H – VISA Commercial Card Benefits Package). Vendors may request a copy of Exhibit H by contacting Bob Siefken at 303 866-3154.

C. Program Data

A volume purchaser of travel services, the State currently spends \$46,000,000 per year on travel; \$16,000,000 of that is on airfares. Approximately 65 percent of all air travel includes a weekend stay. Extrapolating from current usage on the Travel Card, the State can make an estimate on spending for automobile rentals at approximately \$3,250,000 per year. This estimate corresponds to 7 percent of total travel spending (this is an American Express standard for the public sector). Additionally, the State spent an estimated \$4.5 million for personal vehicle reimbursement, some part of which could be diverted to automobile rentals.

The current State of Colorado automobile rental price agreements, as well as a link to the State Travel Management Program, may be accessed via the following Internet navigation:

- Go to: www.gssa.state.co.us
Click on: [State Purchasing Office](#) (Includes state bidding opportunities)
Click on: [State Price Agreements \(for Commodities/Services\)](#)
Click on: [List of State Price Agreements \(for Commodities/Services\)](#)
Click on: Automobile Rental

D. Rented Vehicle Physical Damage and Liability Claims under State Contract

The State of Colorado has received vendor reports from its awarded automobile rental vendors that show vehicle damage for FY 2001 at **\$29,301**.

Liability claims for the past three calendar years are as follow:

Calendar Year	Total Liability Claims Amount
---------------	-------------------------------

2000	\$39,984
2001	\$3813
2002	\$6212

E. Average Number of Rental Days

The State of Colorado vendor reports show that the average number of rental days is approximately 4 days per rental.

F. Travel Card - Cardholders Roster

The State seeks automobile rental agencies to furnish consistent State contract rates to State travelers. To that end, the State will make available on magnetic media its roster of travel cardholders to automobile rental agencies (vendors) with statewide price agreements/BOAs for use in automated computer reservation systems to obtain more consistent price agreement use and to foster use of the State authorized Travel Card as the form of payment.

III. General Terms and Conditions

A. Rate and City Adjustment Requests

1. Rate Adjustment Requests

Vendors may, at their own option, request a rate adjustment (either a higher rate or a lower rate) for any cities for which they have a price agreement/BOA. The rate adjustment request must identify the specific cities/states affected and for which specific rates (vehicle classification/daily, weekly and/or monthly rates, etc.) adjustments are being requested. Vendors may submit a request for a price decrease at any time. However, the State will consider price increase requests only once per quarter. For purposes of this BOA, quarters are defined by the following schedule:

January 1 – March 31

April 1 – June 30

July 1 – September 30

October 1 – December 31

Price increase requests must be made in writing and received by the State Purchasing Office no later than thirty (30) calendar days prior to the end of the then current quarter.

In reviewing any proposed price increase request, the State, at its own option, reserves the right to utilize independent third party sources such as Consumer or Producer Price Indices to make a determination. The State will review the request and, at its sole option, may accept, negotiate or reject the proposed

adjustment. The State will make requested price adjustments if the proposed pricing is fair and reasonable. However, vendors should be aware that the State may cancel price agreements/BOAs if pricing does not remain competitive or may encourage travelers to use lower priced price agreements/BOAs in certain markets.

2. City Adjustment Requests

Vendors may, at their own option, submit a written request for cities to be added or removed from their price agreement/BOA. A request to remove a city from the price agreement/BOA must be submitted in writing to the State Purchasing Office no more than sixty (60) calendar days prior to the end of the then current quarter. A request to add a city to the price agreement/BOA must be submitted in writing to the State Purchasing Office no more than thirty (30) calendar days prior to the end of the then current quarter. The request must include the rates for all classifications of vehicles for which service will be provided at the requested city location. The rates offered must be fair and reasonable. The State will be the sole judge as to what constitutes fair and reasonable pricing. The State, at its own option, may choose to accept, reject or negotiate a rate for any city that the vendor would like to add to the price agreement/BOA.

B. Vendor Terms and Conditions/Forms

Vendors may submit supplemental terms and conditions and/or use separate with their offer. The State has the sole discretion to accept any supplemental terms and conditions and/or vendor forms.

The State will not accept any vendor terms that conflict or are otherwise inconsistent with these terms and conditions of the price agreement/BOA. Neither the State nor any of the State's authorized travelers will be bound by any agreements that contain such conflicting language regardless of the execution of such agreement by the traveler or cardholder. **For example, the State will not indemnify, defend, or hold harmless any vendor.**

The vendor will accept the State of Colorado "Comprehensive Annual Financial Report" (CAFR) to satisfy any credit application or financial reporting requirements. The CAFR may viewed on the Internet at the following web address: <http://www.colorado.gov/dpa/dfp/sco/cafr/cafr.htm>

Vendor Response Box – Section III., B. Vendor Terms and Conditions/Forms

1. **Affirm your understanding of, and compliance with, these requirements.**
2. **Has your company submitted supplemental terms and conditions and/or separate forms? If so, provide the header or name of each form submitted.**

C. Political Subdivisions

Political subdivisions are defined as every county, city and county, city, town, school district, special district and housing authority within the State of Colorado. Many political subdivisions use the current State authorized Travel Card contract with US Bank VISA. Only political subdivisions of the State of Colorado who have signed a Participating Affiliate Addendum with State Travel Management are eligible to rent automobiles under the terms and conditions of any resultant price agreements from this BOA. Vendors awarded a price agreement under this BOA will extend the same price agreement terms and conditions to any political subdivisions that have signed this Addendum with the State.

All cards utilized by political subdivisions will parallel cards used by state employees in the respect that the words "State of Colorado" and the State seal are printed in the upper right corner of the card. Individual liability cards are further identified with the cardholder name, the political subdivision name and all account numbers, dates and codes impact printed on the card. Event Cards (corporate liability), however, are only identified with the cardholder name, the words "TAX EXEMPT", followed by the political subdivision's tax exempt number and all account numbers, dates and codes impact printed on the card. The Event Card will not on its face indicate or identify the card as being affiliated with a political subdivision.

Credit application requirements for political subdivisions and payment of all amounts due must be fulfilled by the political subdivision and not by the State of Colorado.

Total purchase volume through the Travel Card from political subdivisions for the period of 1/1/2002 through 12/31/2002 was \$36,482.53 with a total of 203 rentals during the same period of time.

Vendor Response Box - Section III., C. Political Subdivisions

- 1. Affirm your understanding of, and compliance with, these requirements.**

D. Cardholder Compliance

The State of Colorado has mandated use of its authorized travel cards for automobile rentals. Compliance with these rules in the past has reached approximately 50 percent of all usage. In Fiscal Year 2002-2003, total automobile rental activity on the Diners Club system charge card was \$1,731,325.

E. No Guarantee of Volume

The State of Colorado makes *no* guarantee of volume. The estimates of volume and the usage of the Travel Card for automobile rentals in no way guarantee that an equal or a greater volume will be charged in the future.

F. Mandatory Contract

The State will make its arrangements with automobile rental vendors through mandatory statewide price agreements resulting from these BOAs. It is incumbent upon State renters to use these mandatory price agreements unless the price agreement vendor(s) cannot provide the required service. From time to time, extraordinary circumstances may exist in which the State, or any of its agencies, may need to rent a vehicle or vehicles from an automobile rental provider that is not under State price agreement/BOA.

G. Enforcement of State Rules

Each executive director of a principal department of state government is required by [Executive Order D 005 03](#) to designate an individual to be responsible for overseeing compliance and enforcement of travel related rules and policies. The assigned individual is referred to as the "Travel Compliance Designee". The State cannot guarantee that every State renter and every agency will adhere to the State's Fiscal and Travel Rules. However, Executive Order D 005 03 will significantly increase card use compliance and improve travel oversight.

The Department of Personnel & Administration or its designee(s) will continue to educate Travel Compliance Designees, Controllers, and Purchasing Agents within all State agencies and institutions of higher education regarding the applicability of the these rules as the rules affect any price agreements resulting from this BOA. In addition, the State will actively engage the cooperation of its risk management offices and state Travel Compliance Designees in reinforcing the use of the state price agreement/BOA vendors. The State anticipates considerably greater enforcement of the use of the new state Travel Card that will in turn increase the compliance with automobile rental agreements.

H. Direct Billing Waivers

Owing to risk considerations with regard to liability coverage, any automobile rental provider must obtain a waiver from the State Travel Program prior to establishing a direct bill with any state agency or institution of higher education.

Vendor Response Box - Section III., H. Direct Billing Waivers

- 1. Affirm your understanding of, and compliance with, these requirements.**

I. Information Dissemination and Contract Implementation

The Department of Personnel and Administration or its designee(s) will inform all State agencies and institutions of higher education of any price agreements that result from this BOA. Further, the State will regularly inform travel agencies servicing the State of such price agreements/BOA.

The State of Colorado also uses its Web site to provide access to automobile rental information and to inform its travelers of its mandatory automobile rental services vendors.

J. Promotional or Meeting-Related Rates (for official State travel) — Inclusion of Renter's Liability Insurance

The State's primary purpose in entering into this BOA is to save travel dollars. Should a vendor offer a

promotional or meeting-related rate for official State travel that is lower than the rates provided through price agreements resulting from this BOA, the promotional or meeting-related rate shall include all insurance coverages as required and described in this agreement.

Vendor Response Box - Section III., J. Promotional or Meeting-Related Rates (for official State travel) — Inclusion of Renter’s Liability Insurance

1. **Affirm your understanding of, and compliance with, these requirements.**

K. Frequent Flyer or Incentive Fees

It is mandatory that any frequent flyer or incentive fees be blocked. The State of Colorado will not pay fees for State travelers to obtain frequent flyer miles or other incentives.

Vendor Response Box - Section III., K. Frequent Flyer Reimbursement Fees

1. **Affirm that your company understands, and complies with, the requirements in this section.**

L. Leisure Usage of Contract

The State now prohibits the use of the Travel Card for personal or leisure travel. Nonetheless, the State does allow vendors to extend specific prices and rates to State employees for personal or leisure use

M. Marketing to State Users

The State provides monthly training events and vendors are invited, with pre-approval from the State Travel Management Program, to market to State agencies as a part of these events.

N. Insurance Refunds – Administrative/Recovery Fee

Vendors shall not sell separate insurance to State travelers. In the event that a vendor does sell insurance to a State traveler, the vendor shall refund the full amount of the insurance premium sold back to the respective cardholder account to which it was charged. In addition, the vendor agrees to pay a \$30.00 “administrative/recovery” fee to the Department of Personnel & Administration on a per rental basis.

Vendor Response Box - Section III., N. Insurance Refunds – Administrative/ Recovery Fee

1. **Affirm your understanding of, and compliance with, these requirements.**

IV. Insurance Requirements

The State requires specific, minimum levels of insurance coverage for its travelers under the automobile rental price agreement/BOA program. These minimum coverages are described below.

The vendor must have or obtain the following types of general business insurance --

A. Commercial General Liability, Worker's Compensation, and Automobile Liability in accordance with the following language, specifically:

1. The vendor shall obtain, and maintain at all times during the term of this contract, insurance in the following kinds and amounts:

a. **Standard Workers' Compensation and Employer Liability** as required by state statute, including occupational disease, covering all employees on or off the work site, acting within the course and scope of their employment.

b. **Commercial General Liability and Automobile Liability** - (including bodily injury, personal injury and property damage) with the following minimum coverage, depending on the policy format:

(1). **Occurrence** basis policy - combined single limit of \$600,000.

(2). **Annual Aggregate** limit policy - not less than \$1,000,000 plus agreement that vendor will purchase additional insurance to replenish the limit to \$1,000,000 if claims reduce the annual aggregate below \$600,000.

c. Vendor shall provide such other insurance as may be required by law, or in this specific BOA.

2. The State of Colorado shall be named as an **additional insured** on all liability policies.

3. The insurance shall include a provision preventing cancellation without 45-calendar days prior written notice to the State by certified mail.

4. Vendor shall provide the following documentation to the State within seven (7) working days of a request therefore, unless otherwise provided:

a. **Certificate(s)** of adequate insurance coverage, each with a reference to the State being named as an additional insured,

OR

b. **Certificate(s)** of adequate insurance coverage and an **endorsement(s)** of additional insured coverage.

5. Vendor agrees to provide to the State all information required by CRS 10-4-716 and following or as amended and as it may apply during the term of any awarded price agreement/BOA.

**Vendor Response Box - Section IV., A. Commercial General Liability,
Worker's Compensation, and Automobile Liability**

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

B. Insurance -- Renter/Driver Liability

The State requires renter/driver automobile liability insurance as described below. The vendor shall have or obtain the following type of insurance that will extend coverage to renters of vehicles provided by the vendor:

- The vendor shall provide automobile liability insurance affording coverage to the State of Colorado and its approved drivers for the use of vendor provided vehicles. The insurance shall be in the *minimum* amount of \$600,000 combined single limit on an occurrence basis. Vendor shall provide a certificate of insurance in the required amounts showing the State of Colorado as Additional Insured.

Combined Official and Leisure/Personal rentals: The State of Colorado Fiscal Rules recognize that the purpose of travel may not be solely for state business. Rental car vendors are to make the renter/driver liability applicable for the entire rental in the case of combined official business and leisure use, or they are to provide a process at the time of rental that will allow a reasonable allocation of personal and official business costs and renter/driver liability insurance coverage.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #1**

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #1.**

- The vendor shall allow additional drivers who are on official state business at no cost.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #2**

1. Provide a description of how your company will permit additional drivers who are on official state business (additional paperwork, signatures, restrictions, etc.). Affirm that such additional drives will be allowed at no cost.

3. If a rental vehicle is obtained by a state traveler for official state business through a frequent traveler bonus points program or other incentives, describe if, and how, the terms and conditions of this agreement, including minimum required insurance coverages, will apply.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #3

1. If a rental vehicle is obtained by a state traveler for official state business through a frequent traveler bonus points program or other incentives, describe if, and how, the terms and conditions of this agreement, including minimum required insurance coverages, will apply.

4. The State of Colorado shall be named as an **additional insured** on all liability policies.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #4

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #4.

5. The vendor must create, maintain, and report monthly to the Statewide Travel Management Program, the State of Colorado Risk Management program and to the University of Colorado Office of Risk Management all case reserves exceeding \$75,000 as detailed in this BOA. Vendor must report within 24 hours if possible, and not longer than 72 hours, any accident involving State of Colorado employees using the State contract that, in the estimation of the vendor claims adjuster, might entail liability exposure of \$75,000 or more or in the case of serious bodily injury or death. Vendor must file monthly updates on claims as responses to State request for defense attorney/adjuster evaluations of exposure.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #5

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #5.

6. Vendor may, at its option, transfer all program claims adjusting that involve University of Colorado employees using State price agreement/BOA to the University of Colorado with indemnification for the first \$150,000 in cost for each claim if the vendor is proposing to furnish within the minimum required \$150,000 in third party liability insurance or any amount less than \$600,000.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #6

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #6.

7. The vendor shall report, as a part of their response to this BOA, any corporate practices or policies of

transferring driver/renter automobile liability to the renter/driver or the renter/driver's employer under any circumstances irrespective of whether the type of vehicle or circumstances of such transferring of liability is contemplated by the vendor under the terms of the offer made to the State. Such reporting is to include a statement of the policy or practice and the enumeration of the conditions under which such transferring of liability is sought or achieved. The State seeks this information as a result of its long history of administering automobile rental agreements. With 20,000 travelers per year representing over 120 State agencies and institutions, some travelers may encounter a vendor document and be unaware of its intention or the personal jeopardy involved in signing such a document if it were offered.

To forestall such occurrence, the State seeks full disclosure of any vendor's corporate practice or policy of transferring automobile/rental vehicle liability to the renter or the renter's employer. If such policy or practice involves vehicles commonly or occasionally rented to the public and by State of Colorado travelers but withheld from being offered by the vendor in its response, such withholding of service in the offer will be grounds for declaring the vendor's offer as unacceptable. Vendor shall not, under any circumstances, require or induce State renters or those eligible to use this price agreement/BOA to sign insurance certificates of endorsement that shift the liability to the renter or to the State of Colorado or any other entity other than the vendor.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #7**

- 1. Report and disclose any corporate practices or policies that fit any of the conditions and circumstances listed in Item #7.**

8. The insurance shall include a provision preventing cancellation without forty-five (45) calendar days prior written notice to the State by certified mail.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #8**

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #8.**

9. Vendor shall provide the following documentation to the State within seven (7) working days of a request therefore, unless otherwise provided:

a. **Certificate(s)** of adequate insurance coverage, each with a reference to the State being named as an additional insured,

OR

b. **Certificate(s)** of adequate insurance coverage and an **endorsement(s)** of additional insured coverage.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #9

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #9.

10. The State will not agree to waive any liability provisions for group rentals.

Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability, Item #10

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #10.

C. Vendor Obligations regarding Third Party Liability Claims

Regarding any liability claim, the State requires:

1. In adjusting any claim, no vendor shall incur obligations or commit monies exceeding the combined single occurrence limit offered by the vendor in response to this BOA;
2. Vendor shall share case investigation and evaluation materials for any claim if requested by the State;
3. Vendor shall adjust all claims with payment and reserves of \$75,000 or more in consultation with the relevant State risk management office.

Vendor Response Box, Section IV., C. Vendor Obligations regarding Third Party Liability Claims

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

V. Management Information and Accident Reports

A. General

The vendor must provide the management information reports normally supplied to a corporate client as well as ad hoc reports upon request. Vendors must provide samples of standard reports that include the following report capabilities:

- number of rentals per location
- class of automobiles rented
- average number of days of rental
- dollar volumes, forms of payment
- types of insurance purchased if any
- fuel options selected by renter
- other related data and percentages at each location showing activity
- charges for upgrades in service

Vendor Response Box, Section V., A. General

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

- 2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.**

B. Monthly Accident Reports to Program and to Risk Management Offices Required

The State requires the vendor to provide monthly accident reports, to be submitted to the State of Colorado promptly but in any event no later than within thirty (30) calendar days after the end of each month. The vendor must furnish these monthly accident reports to the Statewide Travel Management Program, the State of Colorado Risk Management Program within the Department of Personnel and Administration and parallel accident reports to the University Risk Management office within the University of Colorado.

These accident reports shall show:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- name, address, telephone number, fax number and e-mail address, if any, of vendor insurance contact
- the name of driver and age
- rental agreement number
- name(s) of passenger(s)/claimant(s)
- law enforcement agency and report number (if available)
- full charging number of the State Travel Card or account on which rental was charged
- date of the accident/loss
- claim number
- brief fact description
- type of coverage pertaining to loss
- physical damage dollar amount
- liability payment amount on each claim
- liability reserves amount on each claim, if any—information presented proprietary, not a public record
- pending claims—information presented proprietary, not a public record
- form of payment for automobile rental if available

If a vendor is unable to provide a report or reports that include each of the above capabilities, then the vendor must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements. Vendor will provide reports to Statewide Travel Management Program, the State Risk Management office, and University of Colorado Risk Management office. The State will provide addresses to vendors upon award.

Vendor Response Box, Section V., B. Monthly Accident Reports to Program and to Risk Management Offices Required

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.

3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.

C. Exception Accident Reporting –Any \$75,000 Liability Exposure Reported Within 24 Hours If Possible

As described and required in “Section IV. B Insurance - Renter/Driver Liability”, the vendor must create, maintain, and report monthly to the Statewide Travel Management Program, the State of Colorado Risk Management program and to the University of Colorado Office of Risk Management all case reserves exceeding \$75,000.

Such reports must include:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- name, address, telephone number, fax number and e-mail address, if any, of vendor insurance contact
- the name of driver and age
- rental agreement number
- name(s) of passenger(s)/claimant(s)
- date of the accident/loss
- claim number
- full charging number of the State Travel Card or account on which rental was charged
- brief fact description
- description of injuries and attorney involvement and whether the incident is in suit
- type of coverage pertaining to loss
- physical damage dollar amount
- liability payment amount on each claim
- liability reserves amount on each claim, if any—information presented protected, not a public record
- form of payment of the automobile rental

This exception reporting will reduce the amount of reporting required by the State. The State relies upon vendor claims adjusters to make faithful and timely reports but reserves the right to require the reporting of all accidents within three (3) working days or less if, in its own determination, it cannot rely on this process of exception accident liability reporting.

Vendor Response Box, Section V., C. Exception Accident Reporting –Any \$75,000 Liability Exposure Reported Within 24 Hours If Possible

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

- 2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.**

- 3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole**

judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.

D. Collision Damage Waiver Purchase/Insurance Purchase Reporting

The State has elsewhere in this BOA prohibited the sale of collision damage waiver coverage to State employees when they use their Travel Cards to rent automobiles. The State also has elsewhere-required vendors to establish a link to U.S. Bank. To confirm that these measures are reducing or eliminating unnecessary travel costs, the Statewide Travel Management Program requires monthly reporting of State travelers who purchase collision damage waiver coverage and all other types of insurance offered to the public.

The reports are to include the following:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- the name of driver and age if available
- identification of CDW or other insurance purchase and total cost of purchase
- number of days of rental
- rental agreement number
- form of payment

**Vendor Response Box, Section V., D. Collision Damage Waiver Purchase/
Insurance Purchase Reporting**

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.

3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.

VI. Damage Waivers

A. 15 Passenger Vans, Cargo Vans, Pickup Trucks

The vendor shall provide collision damage waiver coverage as a part of the state rate on 15 passenger vans, cargo vans, and pickup trucks. The vendor will not require any additional signatures or agreements to provide this coverage.

Vendor Response Box, Section VI., A. 15 Passenger Vans, Cargo Vans, Pickup Trucks

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

B. Exclusion of Collision Damage Waiver

State renters are not to pay any fee for loss or collision damage waiver (CDW) because the Travel Card, when used as the form of payment, extends primary CDW on the condition that all other CDW coverage is declined.

Vendor Response Box, Section VI., B. Exclusion of Collision Damage Waiver

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

VII. Motor Pool Overflow Use

The State of Colorado Division of Central Services operates the State Motor Pool at 1555 Sherman -- Alley, Denver, Colorado, exclusively for State employees. The Motor Pool, at times, has more demand than it can meet. Approximately 2 - 10 times per month, the Motor Pool needs access to additional passenger vehicles, mini-vans, or maxi-vans. The State estimates, but cannot guarantee, an annual volume of approximately \$6000.00 as a result of Motor Pool Overflow Use.

The State seeks vendors that can meet this need from a proximate location or in a timely fashion. The State seeks to use its standard Motor Pool Request Form endorsed to the vendor as suitable requisition, and pay for the rental by means of a State authorized Travel Card, a central billing system provided by the State authorized Travel Card provider, or a central billing system provided by the automobile rental agency. The vendor may require the State renter to fill out all standard rental agreements. The Motor Pool will warrant that only State renters will access rental vehicles in this manner. All other conditions of this BOA apply to these transactions.

Vendor Response Box, Section VII. Motor Pool Overflow Use

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

2. Indicate the most proximate location(s) to the State Motor Pool to meet its overflow use needs, in what timeframe its needs can be met and the administrative process by which it will obtain automobiles for rental for this purpose.

VIII. Revenue Share

A. General

The Statewide Travel Management Program operates as a cash funded entity within State government and, as a result, must pay for its entire costs from revenues generated by its activity. To that end, the State requires a revenue share from its automobile rental suppliers. Vendors must provide a revenue share on a quarterly basis of four (4) percent of total base charges for each quarter. "Base charges" are defined as total charges less: refunds, any transaction related taxes, any other governmental fees and/or passenger facility charges.

Vendors must agree to rely on the State's vendor reports from its Travel Card supplier or their own reports of State contract rates (whichever is greater) to determine total revenue -- total sales less refunds. In the event of a substantial difference between the State's vendor reports from the Travel Card supplier as opposed to the vendor's own reports, the State and the vendor shall negotiate a mutually agreeable amount of total base charges for the quarter in dispute.

The State Travel Card is intended for official state travel only and not for personal use. The State of Colorado Governor's Executive Order D 005 03 "Concerning State Employee Travel" signed March 17, 2003 dictates that the State of Colorado travel card shall be used only for official state travel.

Revenue share payments are to be made quarterly with payment due sixty (60) calendar days after the end of the quarter.

Vendor Response Box, Section VIII., A. General

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

B. No Productivity Levels Accepted

Because the Statewide Travel Management Program is cash funded, it will deem vendor offers with revenue shares keyed to or requiring productivity levels or targets or specific dollar amounts of State spending as ineligible for award.

Vendor Response Box, Section VIII. B. No Productivity Levels Accepted

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

IX. State Authorized Renters

A. Eligible Users

The State strongly prefers offers that extend State rates to all individuals on official government travel who are at least eighteen (18) years of age—specifically to all State of Colorado employees, to those individuals on official State business, and to employees of political subdivisions of the State that participate in the Statewide Travel Management Program. The State will find ineligible for award any offer that prohibits extending service, and the State's rates, to renters who are at least 21 years of age.

Vendor Response Box, Section IX., A. Eligible Users

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

2. Will your company extend rates to state authorized travelers on official business who are under 21 years of age? If so, what is the youngest age traveler to whom you will extend these rates under these terms and conditions?

B. Identification of State Authorized Renters

State of Colorado renters may not always carry State identification nor even indicate that they work for the State of Colorado as opposed to one of its agencies or institutions of higher education. As a result, the State requires that the vendor identify State renters by way of the vendor's reservation system through the renter's name and the charging number on the renter's Travel Card alone. These cards do, however, carry the printed statement "The State of Colorado" and will include the State Seal in the upper right corner of the card.

Vendor Response Box, Section IX., B. Identification of State Authorized Renters

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

C. Premier Membership

Upon request, the automobile rental agency must grant, at no cost, any State of Colorado renter premier status in any corporate membership services or renter programs.

Vendor Response Box, Section IX., C. Premier Membership

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

D. Master Rental Agreement

The vendor must make available the Master Rental Agreement to every State of Colorado employee engaged in official government travel. Each Master Rental Agreement is subject to the provisions contained in “Section III. B. Vendor Terms and Conditions/Forms”.

Vendor Response Box, Section IX., D. Master Rental Agreement

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

E. Third Party Rentals

The State makes use of the US Bank VISA Event cards that are centrally billed to the State through a travel arranger or coordinator, but not in the possession of the traveler himself or herself. The State seeks assurance that its suppliers can reliably use such charge vehicles.

The vendor will accept the State of Colorado “Event Card” to be used on behalf of authorized third parties. The State of Colorado highly desires that this transaction be conducted telephonically or electronically without a State representative having to appear physically at the automobile rental agency.

Vendors are advised that the State is currently restricting the distribution of individual liability cards and encouraging increased usage of the Event Card (corporate liability). As a result, vendors who are able to conduct transactions telephonically or electronically can expect to increase their market share of State business.

If vendor-supplied forms or agreements will be required, include a sample of all such vendor-supplied forms or agreements. Any such vendor-supplied forms and/or agreements are subject to the provisions contained in “Section III. B. Vendor Terms and Conditions”.

Insurance coverage for third party rentals shall comply with all minimum requirements described in “Section IV. Insurance Requirements”.

Vendor Response Box, Section IX., E. Third Party Rentals

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

2. Through your program, will State representatives be able to conduct these types of transactions telephonically or electronically without having to appear physically at the automobile rental agency? If so, please describe the administrative process involved.

3. Please provide two to three client references for which you are currently providing similar services. Include the client company name, phone number and name of an individual who is knowledgeable about this service.

X. Cities of Greatest Automobile Rental Activity

A. Schedule of Items

As a part of this BOA, vendors will find an “Exhibit B. Schedule of Items” showing the adjusted number of actual rentals associated with each destination. The State seeks to award price agreements/BOAs with automobile rental vendors who are well established and provide a reasonable level of coverage. ***For this reason, in order to be considered eligible for award, vendors must quote a rate for at least twenty-five (25) of the cities listed in Exhibit B.*** Rentals for cities quoted must comply with all acceptable terms and conditions of this price agreement/BOA.

The usage is determined by a variety of sources and includes both air travel and automobile rental opportunities for each destination. The city destinations are followed by the adjusted number of trips taken in Calendar Year 2002. The number of rentals at each location is derived from both Diners Club reports and other vendor reports.

Vendor Response Box, Section X., A. Schedule of Items

1. Affirm that your company has completed the Schedule of Items and submitted it with your offer.

B. Locations Not on Schedule of Items

Vendors may provide coverage at locations not listed on the Schedule of Items provided that such locations extend the same terms and conditions as those required in this BOA. Such locations and their respective rates shall be provided on “Exhibit C. – Locations not on Schedule Of Items”. At all locations not listed on the Schedule of Items, State renters will use the price agreement/BOA when more cost effective and expeditious than alternate sources. For such locations, the State will accept corporate rates if fully disclosed with the original response to this BOA and upon reservation. Vendors may make alternate responses for more favorable rates at some or all of such locations. The same underlying terms and conditions of this response will apply to rentals at such locations.

Vendor Response Box, Section X., B. Locations Not On Schedule Of Items

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations on “Exhibit C. – Locations not on Schedule Of Items”.

C. Report Listing of All United States Locations

The vendor must supply the State with a current roster of all its automobile rental agency locations in the United States, including Colorado, along with a total of all such locations.

Vendor Response Box, Section X., C. Report Listing of All United States Locations

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations. Indicate the title of the list or how it is identified/labeled in your offer.

D. Report Listing of All Foreign Locations

The vendor must supply the State with a current roster of its entire automobile rental agency locations world wide other than the United States including a total of all such locations.

Vendor Response Box, Section X., D. Report Listing of All Foreign Locations

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations. Indicate the title of the list or how it is identified/labeled in your offer.

XI. Reservations, Identification and Payment

A. Reservations

Automobile rental agencies will receive reservations either directly from the renter, by the renter's agency, through the vendor's Internet access, or through a travel agency. In any case, the reservation is to be held and payment made via the renter's State authorized, corporate Travel Card charge card.

Vendor Response Box, Section XI., A. Reservations

1. Affirm your understanding of, and compliance with, the requirements in this section.

B. State Rules Effectively Mandate Travel Card

State Fiscal Rules and Statewide Travel Management Rules effectively mandate use of the State Travel Card as the method of payment for automobile rentals. Rules also restrict the type of vehicle rented to be the most economical available transportation for all official travel that will satisfactorily accomplish the State's business. The State is undertaking more robust compliance measures in calendar year 2003. In March 2003, the Governor of Colorado issued Executive Order D 005 03 that requires the use of the State's Travel card payment system for all official travel including automobile rentals. The State Travel Management Program data shows high compliance with automobile rental contracts when the State's Travel card payment system is used.

C. Contract Compliance by Vendor

The State seeks a comprehensive solution to contract compliance by means of the vendor's reservation system. The State will not distribute nor encourage distribution of separate labels, stickers, or cards to renters as a means of identifying themselves. Rather, the State seeks vendor compliance through use of a data link to U.S. Bank (please refer to Section XII. P. of this BOA).

Vendor Response Box, Section XI., C. Contract Compliance by Vendor

1. Affirm your understanding of, and compliance with, the requirements in this section.

D. Guarantee of Automobile Rental Rates/Acceptance of Travel Card

The vendor must accept the State authorized Travel Card as form of payment. The vendor must honor automobile rental rates established by the vendor through this BOA to the State's employees or its assignees when being paid by a State of Colorado authorized Travel Card.

State travelers are to utilize only the State Travel card for automobile rentals for official State travel. Use of any State agency payment mechanism other than the State Travel card is prohibited unless accompanied by an approved hard copy waiver by either the State Travel Management Program or the agency's Travel Compliance Designee. In the event that an approved waiver to use a different State agency payment mechanism is provided, the automobile rental agency must honor the rates of the price agreement/BOA.

Under no circumstances are State travelers allowed to use vendor provided payment mechanisms under this agreement such as, but not limited to, trip travel vouchers or vendor-administered centralized billing programs. In addition, under no circumstances are State travelers allowed to use their personal charge card for automobile rentals under this agreement – this is because the State has contracted with its State Travel card provider to charge its travel spending through the State Travel card. As well, the use of personal charge cards increases risk to the State, corrupts transaction data reports and decreases incentives available to the State.

The State may require price agreement/BOA rates for a renter denied a card or for a visitor or contractor acting on official government business. If the vendor so desires, the State agency will provide the renter with a letter that details the renter's eligibility for price agreement/BOA rates.

Vendor Response Box, Section XI., D. Guarantee of Automobile Rental Rates/Acceptance of Travel Card

1. Affirm your understanding of, and compliance with, the requirements in this section.

E. Damages for Overcharging

If an automobile rental vendor charges more than the price agreement/BOA rate when the terms and conditions of this price agreement/BOA and any subsequent agreement apply, the vendor must, upon notice from the Statewide Travel Management Program or any State agency, refund the difference to the State agency or the individual renter as directed by the State.

In addition, the vendor agrees to pay a \$30.00 “administrative/recovery” fee to the Department of Personnel & Administration on a per rental basis for any overcharges.

Vendor Response Box, Section XI., E. Damages for Overcharging

1. Affirm your understanding of, and compliance with, the requirements in this section.

F. Travel Card Supplier Declines Charge

In the event the State authorized Travel Card provider declines a charge for a State traveler, the automobile rental agency must charge the price agreement/BOA rates, any other requirements of this BOA notwithstanding, provided the renter can verify his status as an employee or authorized traveler for the State of Colorado. Such persons must follow whatever payment requirements demanded by the vendor.

Vendor Response Box, Section XI., F. Travel Card Supplier Declines Charge

1. Affirm your understanding of, and compliance with, the requirements in this section.

G. Toll Free Numbers

The automobile rental agency must provide toll free telephone access 7 days per week and 24 hours each day to its central reservation system for State renters to obtain vendor information and to make advance reservations. Operators at toll free numbers shall have current rates available to State of Colorado government renters, and when requested, shall verify that specific locations are participating according to the State of Colorado price agreement/BOA. The agent shall provide a confirmation number and local automobile rental location telephone number at the time of reservation.

Vendor Response Box, Section XI., G. Toll Free Numbers

1. Affirm your understanding of, and compliance with, the requirements in this section.

XII. Automobile Rental Services, Vendor Qualifications, Classification of Vehicles

A. Automobile Rental Services

The State seeks price agreements in response to this BOA for discounted rates for automobile rental services within the United States and abroad. These rates are for daily, weekly, monthly and sixty (60) day rentals of passenger vehicles by State of Colorado travelers on official State of Colorado government business or the employees of the political subdivisions of the State of Colorado.

B. Vendor Qualifications

The State of Colorado seeks offer from automobile rental agencies that provide onsite or near-airport

services at major airports in the United States and abroad. Automobile rental agencies need to be established national and/or international automobile rental firms with all required licenses, bonding, facilities, equipment vehicles and trained personnel necessary to perform the required services specified in this BOA.

The vendor shall have and include under the terms of any resulting price agreement/BOA, a network of corporate-owned or corporate-franchised automobile rental locations operating under either one corporate name or one national name along with one international name, and each location familiar with and abiding by the terms of the resulting price agreement from this BOA.

Vendor Response Box, Section XII., B. Vendor Qualifications

1. Affirm your understanding of, and compliance with, the requirements in this section.

C. Classification of Vehicles

The State of Colorado allows for agencies to decide which size of vehicle is necessary to perform the State's business as appropriate to the business conducted. The State makes use of five (5) classes of passenger vehicles and three (3) specialty vehicles in conducting its business:

Examples of classes:

Economy* -- Ford Escort, Geo Metro, Toyota Tercel

Compact* -- Chevrolet Prizm, Mercury Tracer, Dodge Neon, Pontiac Lemans, Pontiac Sunbird, Plymouth Sundance, Toyota Corolla

Mid-Size* -- Chevrolet Corsica, Dodge Spirit, Ford Tempo, Pontiac Grand Am, Plymouth Acclaim

Full Size, Four Door* -- Chevrolet Lumina, Chrysler Concorde, Dodge Intrepid, Ford Taurus, Toyota Camry

Mini-Van* -- Plymouth Voyager, Dodge Caravan, Chevrolet Astro, Ford Windstar

Four Wheel Drive -- Ford Explorer, Jeep Cherokee, Chevrolet Trailblazer

Fifteen Passenger Van -- Dodge Maxi-Van, Ford Club Wagon, GM Sport Van

Pick Up Truck -- three quarter ton or lighter

The State seeks the availability of vehicles that are typically available to the general public. The State will find ineligible any offer that does not furnish and make available to State renters without restrictions the above vehicles marked with an asterisk and that are typically a part of the vendor's fleet. The vendor must provide a list of the makes and models currently available in its fleet inventory that will be provided under this contract in order to satisfy the vehicle classification requirements listed above.

These vehicles include the following classes: economy, compact, mid-size, full-size, mini-van. If the State, in its sole estimation, fails to obtain adequate service for any vehicle type from vendors with contracts, it may separately source out this type of rental vehicle service generally or by location. This provision extends particularly, but not exclusively, to four-wheel drive, pick-up trucks, and fifteen-passenger vans.

Vendor Response Box, Section XII., C. Classification of Vehicles

1. Affirm that your company does furnish and make available to State renters without restrictions the above vehicles marked with an asterisk and that are typically a part of the your fleet.

2. Affirm that your company has included with its offer a list of the makes and models currently available in its fleet inventory that will be provided under this contract in order to satisfy the vehicle classification requirements listed above. Indicate the title of this list or how it is identified/labeled in your offer.

3. Affirm your understanding of, and compliance with, all other terms, conditions and requirements of this section.

D. Vendor Must Offer Base Rates

Vendor must provide base rates on “Exhibit B. - Schedule of Items” and “Exhibit C. – Locations not on Schedule of Items”. The “base rate” shall be defined as the total charge billed to any State authorized renter less any mandatory charges or airport-imposed concession fees. Mandatory charges shall be defined as any charges mandated by law and completely outside the vendor’s control but required to be added to the transaction. Airport-imposed concession fees are those fees imposed by the airport on the automobile rental agency, which are beyond the automobile rental agency’s control but required to be added to the transaction. Therefore, mandatory charges and airport-imposed concession fees at any given location would be the same for all vendors. The State reserves the right to seek information from the awarded vendor(s) concerning such mandated taxes, passenger facility charges or any other fees after award is made.

Vendor Response Box, Section XII., D. Vendor Must Offer Base Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

E. Weekly Rates

The vendor must calculate weekly rates as 5 times the daily rate at each domestic location or any other formula that does not exceed 5 times the daily rate.

Vendor Response Box, Section XII., E. Weekly Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

F. Monthly Rates

The vendor must calculate the monthly domestic rate not to exceed 4 times the weekly rate.

Vendor Response Box, Section XII., F. Monthly Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

G. No Mileage or Extra Charges on One-Way Rentals between Colorado Locations

Provided the vendor has locations in, and has quoted rates for, Boulder, Colorado Springs, Denver, Fort Collins and Pueblo, the State requires that the vendor make one-way rentals available in either direction at no additional charge among these cities. The State encourages, but does not require, that the vendor make one-way rentals available in either direction at no additional charge at all of its other Colorado locations.

Vendor Response Box, Section XII., G. No Mileage or Extra Charges on One-Way Rentals between Colorado Locations

1. Affirm your understanding of, and compliance with, the requirements in this section.

2. Will your company make one-way rentals available in either direction at no additional charge at all of your other Colorado locations?

H. Waiving of Drop Charges in the United States and One Way Rentals

1. Rentals within the United States

Vendors must agree to waive drop charges for one-way rentals within the 48 contiguous states of the United States. The State will include one-way mileage charges in its determination of fair and reasonable pricing – if one-way mileage charges are assessed, vendor must affirm this fact and provide the specific mileage charges. Upon the establishment of a price agreement/BOA, however, the State may choose to use retail arrangements of drop charges and no mileage charges if it should prove more advantageous in any particular transaction.

Vendor Response Box, Section XII., H., 1. Rentals within the United States

1. Affirm your understanding of, and compliance with, the requirements in this section.

2. Does your company assess one-way mileage charges? If so, provide the specific mileage charges.

2. Rentals within the State of Colorado

Vendors must agree to waive drop charges for one-way rentals within the State of Colorado. Because no mileage or extra charges are permitted on one-way rentals between Boulder, Colorado Springs, Denver, Fort Collins and Pueblo, the State will include one-way mileage charges in its determination of fair and reasonable pricing for one-way rentals between all other cities in Colorado – if one-way mileage

charges assessed for all other cities in Colorado, vendor must affirm this fact and list the specific mileage charges. Upon the establishment of a price agreement/BOA, however, the State may choose to use retail arrangements of drop charges and no mileage charges if it should prove more advantageous in any particular transaction. In the event the States opts to use such a retail arrangement, the vendor must include in the rate all insurance coverage requirements listed in this BOA.

Vendor Response Box, Section XII., H., 2. Rentals within the State of Colorado

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**
- 2. Does your company assess one-way mileage charges for all other cities in Colorado? If so, list the specific mileage charges.**

I. Access to Automobile Rental Locations

At airport locations with counters, vendor must have personnel on hand to meet all incoming flights during hours of airport operation. Off airport locations must provide periodic shuttle bus service or timely pick up such that the renter does not wait longer than twenty (20) minutes. Where permitted by airport authority, the automobile rental firm must provide courtesy telephones at baggage claim areas or airport exits for passengers to call upon arrival.

Vendor Response Box, Section XII., I. Access to Automobile Rental Locations

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**

J. On-site Service

The State sees the geographical locations and the number of locations a vendor operates as a significant service to its renters. As a result, the State seeks information regarding on-site airport locations. Vendor

must supply a list of the geographical locations, as well as the total number, of on-site airport locations.

Vendor Response Box, Section XII., J. On-site Service

1. Affirm that you have included with your offer a list of the geographical locations, as well as the total number, of on-site airport locations. Indicate the title of this list or how it is identified/labeled in your offer.

K. Pickup and Return

Pickup time shall not exceed fifteen (15) minutes from the time of call from an airport location. Any vehicle to be rented will be ready for dispatch and rental agreement essentially complete and ready to sign when renter arrives at location, such agreement reflecting applicable State of Colorado government rates. The vendor shall make every attempt to minimize the renter's time and confusion in the pickup and return of vehicles. For each rental, a rental agreement shall be signed by the renter solely to give evidence of the delivery of the vehicle, to provide the time and place of the return of the vehicle, to show the applicable rates, and to register the Travel Card charge. Area maps will be provided free of charge upon request. Upon return, a completed copy of the agreement form or a hand-held computer output referencing all charges billed is to be provided to the renter.

Vendor Response Box, Section XII., K. Pickup and Return

1. Affirm your understanding of, and compliance with, the requirements in this section.

L. Vehicle Condition

Vendors must furnish freshly cleaned vehicles maintained in safe, satisfactory operating condition, no more than two (2) years old (from the time of purchase), and not having more than 40,000 miles on the odometer. The State encourages the availability of non-smoking vehicles at all locations. The automobile rental company or its licensees/franchisees must have title to or lease vehicles rented to the State.

Vendor Response Box, Section XII., L. Vehicle Condition

1. Affirm your understanding of, and compliance with, the requirements in this section.

2. Will your firm provide non-smoking vehicles at all locations?

M. Fuel

Vehicles will contain a full tank of gasoline at the time of pick up.

Vendor Response Box, Section XII., M. Fuel

1. Affirm your understanding of, and compliance with, the requirements in this section.

N. Overtime and Fuel Charges

The State prefers to pay hourly overtime at the minimum rate of 16% of the daily rental rate but will accept a maximum of one-third the daily rental rate. Fuel charges and documented renter paid fuel costs may be charged if based on actual or estimated fuel consumed rather than on a fixed fuel service charge. Vendor should indicate if it provides any alternative rates to these charges and, if so, what the rates are. The State will use this information to assist in its determination of fair and reasonable pricing.

Vendor Response Box, Section XII., N. Overtime and Fuel Charges

1. Indicate the hourly overtime rate your company will charge to the State.

2. Does your company provide any alternative rates to these charges and, if so, what are the rates?

O. Taxes

Where sales taxes apply, the renter will also pay any state and local tax levied on the rental. The State government will reimburse the renter for the cost of the rental vehicle and any taxes. If the State uses a payment vehicle that is centrally billed, the State will also seek exemption, as available, from any State or

local taxes. Vendor should describe its ability to provide this exemption.

Vendors are advised that the Travel Compliance Designee at each state agency is charged with educating its travelers about the State's tax exemption policy. It is anticipated that such educational efforts will result in an increased level of knowledge on the State traveler's part regarding State tax exemption.

Vendor Response Box, Section XII., O. Taxes

1. Affirm your understanding of, and compliance with, the requirements in this section. Specifically, describe the ability of your company to provide the exemption indicated in the first paragraph above.

P. U.S. Bank Link

The vendor must provide to the State, on a quarterly basis, a U.S. Bank link or its equivalent. The vendor must include with their offer a report that describes in detail the current or future capacity to take advantage of a U.S. Bank link -- that is, the State of Colorado Travel Card member list made available on magnetic media for incorporation into the automobile rental agency's computer reservation system. The description must include the extent to which the vendor's reservation system can create a profile for each State renter such that with the presentation of the Travel Card, the reservation system automatically creates a profile detailing all rates and terms applicable at all of the vendor's automobile rental locations.

If the vendor cannot provide a U.S. Bank link at the time of "BOA Response Solicitation Deadline", the vendor must provide a detailed description of how and when it will furnish this service. The State recognizes that the automobile rental agency may assign to the renter an identification number, but it does not encourage separate cards, stickers or other account regalia as a means of implementing, fostering, or enforcing this contract. The State sees the U.S. Bank link as an effective means of obtaining vendor contract compliance.

The State will further enhance vendor and contract compliance by encouraging its travelers to enroll in Master Rental Agreements.

Vendor Response Box, Section XII., P. U.S. Bank Link

1. Does your company have current capacity to take advantage of a U.S. Bank link as described above (Yes, No)?

2. If so, describe how this capacity fulfills all of the State's requirements as described in the first paragraph above.

3. If not, provide a detailed description of how and when your company will furnish this service so that it meets all of the State's requirements.

Q. Franchise/Local Outlet Contract Compliance Guarantee

The vendor must guarantee that franchisees/local outlets will comply with the terms of the State of Colorado automobile rental price agreement/BOA terms and conditions in those Schedule of Items locations for which rates are offered.

Vendors are instructed ***not to quote a rate*** for any location(s) listed in "Exhibit B. - Schedule of Items" that do not comply with all terms and conditions of this BOA. **Please note:** The State, at its sole option, will terminate business with any franchise/local outlet that fails to comply with all the terms of a resulting price agreement/BOA in more than one rental transaction.

Vendors must include in all Schedule of Item locations the vendors' liability insurance in at least the minimum amount of \$600,000 combined single limit on an occurrence basis with coverage to the 48 contiguous states, Alaska, Hawaii, and the District of Columbia.

Vendors are required to include a list of all locations that do not comply with this requirement – the State will use this list to direct its agencies not to use such franchises and local outlets. The State anticipates that this information will serve to reduce customer service problems for the automobile rental provider as well as to the State Travel Manager, or designee.

Failure to disclose any locations, which do not comply with this requirement, will result in the automobile rental provider being solely liable for any damages resulting from rentals at such undisclosed locations.

Vendor Response Box, Section XII., Q. Franchise/Local Outlet Contract Compliance Guarantee

1. Affirm your understanding of, and compliance with, the requirements in this section.

2. Affirm that you have included a list with your offer of all locations that do not comply with these requirements. Indicate the name or title of the list.

R. Fees for Frequent Flyer Miles

The State of Colorado will not allow the charging of fees for State travelers to obtain frequent flyer miles.

Vendor Response Box, Section XII., R. Fees for Frequent Flyer Miles

1. Affirm your understanding of, and compliance with, the requirements in this section.

XIII. Exhibits

Exhibit A - Certification of Independent Price Determination

Your company needs to read and sign this document and submit it along with your offer. The signature needs to be from an individual within your firm with legal authority to bind your company to its offer.

Exhibit B – Schedule of Items

Your company needs to provide rates for all locations that you are offering under this BOA. The signature box at the bottom of this Exhibit needs to be complete by an individual within your firm with legal authority to bind your company to its offer.

Exhibit C – Locations not on Schedule of Items

Your company needs to provide rates for all locations that you are offering under this BOA, but that are not identified in Exhibit B. The signature box at the bottom of this Exhibit needs to be complete by an individual within your firm with legal authority to bind your company to its offer.

Exhibit D – Price Agreement Solicitation Terms and Conditions

This is the standard set of terms and conditions that apply for all statewide price agreements.

Vendor Response Box, Exhibit D – Price Agreement Solicitation Terms and Conditions

1. Affirm your understanding of, and compliance with, the requirements in this section.

**EXHIBIT A
CERTIFICATION OF INDEPENDENT PRICE DETERMINATION**

1. By submission of this offer, your company certifies, and in the case of a joint proposal each party, thereto, certifies as to its own organization, that in connection with this offer:

a) The prices in this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other vendor or with any competitor;

b) Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the vendor and will not knowingly be disclosed by the vendor prior to submission, directly or indirectly to any other vendor or to any competitor; and

c) No attempt has been made or will be made by the vendor to induce any other person or firm to submit or not to submit an offer for the purpose of restricting competition.

2. Each person signing Exhibit A certifies that:

a) *S/he* is the person in the vendor's organization responsible within that organization for the decision as to the prices being offered herein and that s/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above; or

b) *S/he* is not the person in the vendor's organization responsible within that organization for the decision as to the prices being offered herein but that s/he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above, and as their agent does hereby so certify; and he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.

3. An offer will not be considered for award where (1)(a),(1)(c),or (2) above has been deleted or modified where (1)(b) above has been deleted or modified, the offer will not be considered for award unless the vendor furnishes with the offer a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

The undersigned affirms that all statements listed above are true and that s/he has legal authority to make these claims on behalf of their organization.

Name (print): _____

Title (print): _____

Signature/Date: _____ / _____

EXHIBIT B
SCHEDULE OF ITEMS

This Exhibit is located in a separate Microsoft Exel file.

EXHIBIT C
LOCATIONS NOT ON SCHEDULE OF ITEMS

This Exhibit is located in a separate Microsoft Excel file.

EXHIBIT D

PRICE AGREEMENT SOLICITATION TERMS AND CONDITIONS

1. General

1.1 Effect of Price Agreements. The State of Colorado is issuing this solicitation through the procuring agency to select vendors with which to execute State price agreements. The State Purchasing Office will administer the Price Agreement(s) after award. These instructions are intended to summarize the State's procurement process and provide instructions to offerors, but they are not intended to modify procurement statutes and implementing rules. These instructions supplement the BIDS Solicitation Instructions and Terms and Conditions and solicitation instructions in the procuring agency's solicitation.

1.1.1. If a State price agreement is designated as "mandatory," the State agencies and institutions by regulation must satisfy requirements through the price agreement. Exceptions may be granted by the State Purchasing Director on application by the agency or institution involved.

1.1.2. If a State price agreement is designated as "permissive," State agencies and institutions may satisfy their requirements through the price agreement without using Procurement Code procedures (e.g. invitations for bids) to solicit competitive bids or proposals. State agencies or institutions may, however, satisfy requirements without using the State price agreement so long as applicable procurement statutes and rules are followed.

1.1.3. While political subdivisions may order from State price agreements, their use is discretionary with the political subdivision.

1.2. Effect of Estimates/Minimum Orders. Estimates of historical usage are provided for information purposes only. The State does not warrant the accuracy of the estimates or that future usage will be the same. Unless stated otherwise in the award in order to take advantage of price reductions proposed by the vendor, there is no minimum order required in any resulting award.

1.3 Definitions.

“Contract” includes a State contract executed pursuant to State Fiscal Rules, any purchase order, and any other informal agreement permitted by State Fiscal Rules, unless the context clearly requires another meaning.

“Ordering entity” means a State agency or institution or political subdivision which may issue orders against this price agreement.

“Vendor” refers to any person or entity executing a price agreement as a result of an award, and has the same meaning as “contractor” or “offeror.”

2. State Price Agreements.

2.1 Change in Vendor Information.

The vendor given an award from this bid must notify the State Purchasing Office immediately of any change of vendor name or address, back order problems, price changes, etc.

2.2. Electronic File pricing format.

The State Purchasing Office, Division of Finance and Procurement will post on the web the vendor’s pricing with service descriptions on the Internet. (Website is: www.gssa.state.co.us).

Vendor must provide a complete price list in machine-readable format to any State agency or institution upon their request.

Vendor must notify the State Purchasing Office immediately of any change of vendor name or address, price changes, etc.

2.3. Volume Reports

2.3.1. Quarterly Volume Reports. Quarterly reports are due 15 calendar days after the end of each calendar quarter. This is a mandatory requirement. Failure to provide these reports may result in the cancellation of the agreement. These reports must be submitted to the State Purchasing Office and must contain the following information:

The total dollars spent by State of Colorado agencies and institutions in conjunction with the price agreement,

The total estimated dollars saved by State agencies and institutions on the price agreement for that period,

The total dollars spent by State institutions of higher education (State universities and State colleges) in conjunction with the price agreement,

The total estimated dollars saved by State institutions of higher education on the price agreement for that period,

The total dollars spent by political subdivisions in conjunction with the price agreement,
The total estimated dollars saved by political subdivisions on the price agreement, and

The estimated volume of purchases paid for with procurement card or credit card as opposed to traditional methods of payment.

2.3.2. The contractor must also provide detailed reports to any state agency requesting usage for their agency against this state price agreement

2.3.3. Comprehensive Sales History Reports. In addition, Vendor(s) receiving resulting award(s) must furnish comprehensive sales history reports to the State Purchasing Office approximately once per year or at any time within 15 days notice from the State Purchasing Office. Comprehensive reports must contain the following information for the particular time period (normally 10 to 12 months) requested:

The name of each State agency or institution, State institution of higher education and political subdivision that has made purchases and the dollar amount purchased by each agency/ subdivision in conjunction with the price agreement,

The dollar amount purchased for each category listed in this bid and on resulting award, and

The quantity sold of each individual product purchased on the price agreement. Failure to provide these reports may result in the cancellation of the agreement.

2.4. Price Agreement Termination.

2.4.1. Either party may terminate the price agreement upon sixty (60) days prior written notice. The vendor remains responsible for providing the reports specified in this subsection. This termination shall not affect orders placed before date of the written notice. Unless approved by the State Purchasing Office, after the date of written notice, the vendor shall not accept any new orders having performance periods extending beyond the effective date of the termination.

Either party may terminate the Price Agreement for default upon ten (10) days written notice. Such written shall provide the other party with a written description of the grounds for the default.

2.5. Software Piracy Prohibition

No State or other public funds payable under the Price Agreement shall be used for the acquisition, operation or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. The Vendor shall, for the term of the Price Agreement and any extensions, have in

place appropriate systems and controls to prevent such improper use of public funds. If the State determines that the Vendor is in violation of this paragraph, the State may exercise any remedy available at law or equity or under the Price Agreement, including, without limitation, immediate termination of the Price Agreement and any remedy consistent with United States copyright laws or applicable licensing restrictions.

3. Audit and Recordkeeping. The Vendor shall permit the State or any other duly authorized agent of the State to audit, inspect, examine, excerpt, copy and/or transcribe contractor's records during the term of this contract and for a period of one (1) years following termination of this contract or final payment hereunder, whichever is later, to assure compliance with the terms hereof. The Vendor shall retain records concerning orders and pricing for a sufficient period of time to permit the State to exercise its audit right under this paragraph.