

STANDARD AGREEMENT

STD. 213 (Rev 06/03)

AGREEMENT NUMBER DGSOFA06VAN(Secondary)
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:
STATE AGENCY'S NAME
Department of General Services, Office of Fleet Administration
CONTRACTOR'S NAME
Vanguard Car Rental USA Inc.
- The term of this Agreement is: **January 1, 2006 through December 31, 2008**
- The maximum amount \$ of this Agreement is:
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A – Scope of Work	Page(s) 2-8
Exhibit B - Special Definitions & Conditions	Page(s) 9-10
* Exhibit C – General Terms and Conditions	<u>GTC-1005</u>
Attachment 2 - Bid/Bidder Certification Sheet	Page(s) 11
Attachment 3B – Daily, Weekly and Monthly Rates and One Way Drop Charges	Page(s) 12-17
Attachment 4 – International Rates	Page(s) on file with DGS
Attachment 5 – Participating Locations	Page(s) 18
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All terms and conditions of RFPDGSOFA06 and Addenda 1 & 2 are incorporated by reference into this agreement.

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

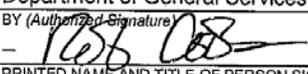
CONTRACTOR		<i>California Department of General Services Use Only</i>	
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) Vanguard Car Rental USA, Inc.		<i>S.M.</i>	
BY (Authorized Signature) 	DATE SIGNED (Do not type) 12/30/01	APPROVED JAN 17 2006 DEPT OF GENERAL SERVICES	
PRINTED NAME AND TITLE OF PERSON SIGNING David Grace Regional VP of Sales			
ADDRESS 9020 Aviation Blvd; Inglewood; CA 90301			
STATE OF CALIFORNIA			
AGENCY NAME Department of General Services, Office of Fleet Administration			
BY (Authorized Signature) 	DATE SIGNED (Do not type) 1-12-2006		
PRINTED NAME AND TITLE OF PERSON SIGNING Ron Joseph, Director			
ADDRESS 802 Q Street, Sacramento, CA 95814		<input type="checkbox"/> Exempt per	

EXHIBIT A

SCOPE OF WORK

1. STATE OF CALIFORNIA CAR RENTAL AGREEMENT

The State of California, (hereinafter referred to as the "State") and Vanguard Car Rental USA, Inc. (hereinafter referred to as the "Company"), hereby agree that Company will provide the State with rental car services in accordance with the terms and conditions of this agreement.

Company agrees that the terms and conditions set forth herein take precedence over any contrary policies and provisions of any Company rental document that the State of California employee signs when renting a vehicle. Representations by, and obligations of, Company hereunder are also representations by, and obligations of, Company's participation franchisees and subcontractors.

Note: During the term of this agreement, Primary and Secondary vendors will be the only vendors approved to do business with State agencies. The Primary and Secondary vendors will be available to State agencies to use, as those agencies deem appropriate, in meeting their rental car needs. If a State agency chooses to rent vehicles from Company, Company shall provide those vehicles in accordance with all the terms and conditions of this agreement. State agencies must attempt to use the Primary vendor first, however should the Primary vendor be unable to provide service, State agencies will be required to use the Secondary vendor.

Per this agreement, the Company will be the Secondary vendor for the State of California. Secondary rates provided in Attachment 3B will be the required rates of this agreement.

2. TERM OF CONTRACT/OPTIONAL EXTENSION

The State intends to issue a three (3) year contract from January 1, 2006 through December 31, 2008. At the expiration of the original contract resulting from this RFP, the State will have an option to extend the contract term, at its sole discretion, for two (2) additional one (1) year terms, however, vendors may request price increases in accordance with the following procedure.

The State may authorize price increases should the State decide to extend the contracts. The Department of General Services, Office of Fleet Administration will negotiate Price increases, and in no case shall exceed the Consumer Price Index (CPI) for the previous calendar year. A written request for the cost increases must be submitted to the Office of Fleet Administration at least ninety (90) days prior to the effective date. The Company shall include in the written request full justification for the price increase. The CPI will be calculated according to the Consumer Annual Average for California which will be supplied by the State of California, Department of Finance, Economic Research Section, Sacramento, California, telephone number (916) 322-2263.

The State shall endeavor to give notice of its intention to extend the contract term at least one hundred and twenty (120) days before expiration of the current term.

3. RATES

The daily and weekly base rates, as well as one way rental drop charges, offered to State of California employees nationwide are set forth in **Attachment 3**. International rates (if applicable) are set forth in **Attachment 4**. Rates will include unlimited mileage provided the car is returned to the renting location or other drop point authorized by the Company at the time of pick up. Maximum Cap Rates offered must also include all charges, in addition to airport access fees, vehicle license fees and, State, City and County or local surcharges that apply to the rental car industry as a whole and identified by airport. Sales tax and refueling charges will not be included in the rate.

Rates quoted in **Attachments 3** and **4** will not be subject to blackout dates, and do not require advance reservations or a minimum rental period. *If the Company provides a vehicle not included in **Attachments 3** and **4**, or authorizes a different rate, the terms and conditions of this Agreement will nevertheless apply.* Submitted rates will be entered into the Airline Computer Reservation Systems (CRS) by the Company and be designated as the **CALIFORNIA STATE CONTRACT RATE**. The State of California will publish rates described in **Attachments 3** and **4** (to the extent possible) changes thereto in Management Memorandum or comparable document. **THE CURRENT BASE RATE SHALL BE QUOTED TO THE STATE TRAVELER AT THE TIME OF RESERVATION.**

Note: Rates quoted in **Attachments 3 and 4** must be available at all corporate and participating licensee locations. All California corporate locations at which Company does business must be listed as participating locations in **Attachment 5**. Company will not charge the State more than the contract rates set forth in **Attachment 3 and 4**.

4. **PARTICIPATING LOCATIONS**

The Company will identify all participating locations in **Attachment 5**, and list these locations, with hours of operation, in the CRS.

A. **ON-AIRPORT LOCATION** - For the purpose of this RFP, a location or office which is within the airport terminal, or an area within the airport property so designated specifically for car rental services. Vehicles may be located in a satellite location. Hours of operation for an On-Airport location or office shall be consistent with airport operating hours. **Hours of operation may not always be 24 hours a day but rather the hours open to the general public.**

B. **OFF-AIRPORT LOCATION** - For the purpose of this RFP, a location or office which is located outside the airport terminal property or an area so designated specifically for car rental services. Hours of operation for an Off-Airport location or office shall be consistent with normal business hours (M-F, 8 a.m.- 5 p.m.).

C. **CITY AND SUBURBAN LOCATIONS** – Any location that does not meet the definition of On-Terminal or Off-Terminal shall be referred to as a City or Suburban location. These locations participating in the State of California program will comply with the provisions of this Agreement with the exception of providing pick up and delivery services to and from airports.

5. **RENTAL OFFICES**

The rental offices and/or in-terminal counters will be in a permanent structure, well-lighted, clean, properly maintained and clearly defined as the rental Company with whom the reservation was made, as specified by the airport locations.

6. **HOURS OF OPERATION**

The minimum hours of operation within the scope of this contract shall be consistent with airport hours at those locations, and consistent with business hours at all other locations.

7. **RENTAL VEHICLE AND AGREEMENT PROCEDURES**

The vehicle to be rented will be ready for dispatch, to the extent possible, when the renter arrives at the rental location. The renter will be furnished a copy of the Company rental agreement and will not be bound by any stipulation therein which is inconsistent with this Agreement.

8. **RESERVATION CENTER**

Personnel receiving telephone requests will quote current rates, verify participating locations and their hours of operation, and advise renters of the location of offices where employees are to pick up and return vehicles. Reservations may be made by telephone or through the airline CRS. When the airline computer reservation systems are used to arrange travel, the State of California is under no obligation to book rental cars by phone if the Company is not a party to at least one of the systems employed by the installation or agency concerned. Repeated Company failure to honor reservations will be grounds for placing individual locations in nonuse until satisfactory remedial measures are affected. If the size/class car reserved is not available, the Company will substitute an upgraded vehicle at the same price or, with renter's consent, a smaller car at the reduced rate. Credit card numbers will not be required to make reservations. A confirmation number and, if requested, the local rental location telephone number will be provided at the time a reservation is made. The toll free number for reservations is shown in **Attachment 6**.

9. **COUNTER BYPASS**

For the purpose of this RFP, counter bypass will provide government employees an expedited process that allows them to bypass the general public line, and proceed directly to the vendor's express service for a vehicle.

10. **EMPLOYEE IDENTIFICATION AND PAYMENT**

The **American Express Government Charge Card** and the **State of California, Department of General Services Charge Card** will be evidence of a State employee's official status. However, the DGS will start the process of eliminating the Department of General Services Charge Card during the

2006 calendar year. Payment by the State employee may be made with the **American Express Government Charge Card**, the **State of California, Department of General Services Charge Card** or the **American Express Car Rental Business Travel Account (CRBTA)**. Acceptance of an **American Express Government Charge Card** or **State of California, Department of General Services Charge Card** is mandatory. Pre-charging credit cards with the estimated amount of the rental and/or making changes to the method of payment (i.e., changing from Department of General Services Charge Card to another form of payment) when the car is returned is prohibited. Cash, personal checks and personal credit cards are not authorized forms of payment for the State of California contract commercial car rental rates.

The State of California will be submitting a new RFP for the Travel Payment System in November 2005. Should the travel payment vendor change before the end of this Commercial Car Rental contract cycle, the OFA will contact each company should there be a new vendor.

A. AUTHORIZATION FOR OPTIONAL USERS – The methods of payment for authorization of State employees shall apply to optional users as set forth in Exhibit B, DEFINITIONS. It is permissible for the contractor to work out other methods of authorization for optional users, providing it ensures that only authorized persons traveling on official State business use the contracted rates, and payment is by a State agency and not by a private party.

11. BILLING TO INDIVIDUAL DEPARTMENTS

For customers using the State of California, Department of General Services Charge Card for payment, the Company will bill each individual vehicle rental to the State employee's department under the General Services Charge Card Customer Account Number. **THE COMPANY WILL NOT BILL THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF FLEET ADMINISTRATION, FOR VEHICLES RENTED BY EMPLOYEES OF OTHER OFFICES AND DEPARTMENTS.** THE COMPANY MUST SEND INVOICES TO THE EMPLOYEE'S DEPARTMENT OR OFFICE ADDRESS. DO NOT SEND TO THE OFFICE OF FLEET ADMINISTRATION ADDRESS, 1416 10TH STREET. The company may download the weekly updated Customer Account Number (CAN) file at: www.applications.dgs.ca.gov/ofs/onlineservices/eft/password.asp. The Company shall provide the State a single address for the remittance of all payments. All revenue from this Contract shall be processed and reported through a single company billing location.

A. CUSTOMER ACCOUNT NUMBER (CAN) FILE

Company must maintain and update the Customer Account Number file for the State of California, Department of General Services Charge Card. The Customer Account Number File is updated biweekly, the State suggests that the Company update their Customer Account Number file bimonthly. Prior to downloading the file, the Company must register at: www.applications.dgs.ca.gov/ofs/onlineservices/eft/password.asp.

12. AMERICAN EXPRESS GOVERNMENT CHARGE CARD CHARGES AND BILLING

Company will invoice each individual vehicle rental to the travel card provider when the American Express Government Charge Card is used as payment.

13. AMERICAN EXPRESS CAR RENTAL BUSINESS TRAVEL ACCOUNT (CRBTA) CHARGES AND BILLING

The CRBTA is controlled by the travel agency, the reservation is made with billing numbers that identify the traveler, the department, the cost center, the State rate, and the proper insurance coverage. There are no actual cards. Upon completion of the transaction the Car Rental Company will submit the transaction to AMEX for payment. The State department will receive a consolidated billing statement from AMEX reflecting charges through the 25th of the month. The detailed billing will come directly from the car rental company providing the detail, including cost center information, directly to the department. The department will pay AMEX directly.

14. BILLING DOCUMENTS

The billing documents from the Company will be legible and include the following information: confirmation/reservation numbers, check-in and check-out date and time [by week(s), day(s), and hour(s)], additional hourly rate charge, check-in and check-out locations, beginning and ending mileage and fuel, break-down of charges, daily rate charged, car class, car class code, vehicle description, employee's name, employee's office telephone number, department, unit name, billing address, method of payment, and the Department of General Services Charge Card Customer Account Number. Copies of the rental agreement with renter's signature shall be made available upon request, if applicable.

15. AUTHORIZED DRIVERS

Persons authorized to operate vehicles rented under this agreement, if properly licensed, include the renter, and without additional charge, the renter's fellow employees, while acting within the scope of their employment duties. Employees or agents of the State of California who are 21 or older, if otherwise eligible, may rent and operate vehicles under this Agreement when on official State business.

16. INSURANCE REQUIREMENT

THIRD PARTY LIABILITY INSURANCE COVERAGE AND INDEMNIFICATION

Notwithstanding the provisions of any Company rental vehicle agreement executed by the State employee, the Company will maintain in force, at its sole cost, insurance coverage which will indemnify, defend and otherwise protect the State of California and State employees against liability for personal injury, death, and property damage arising from the use of the vehicle, EXCEPT when the loss or damage is caused by one or more of the following:

- A. Operation of the vehicle by a driver who contributed to the accident while (and has been adjudged by the courts to have been) under the influence of alcohol (in excess of the legal limits) or any illegal non-prescription drug.
- B. Operation or use of the vehicle for any intentionally illegal purposes.

The limit of such liability shall be \$250,000 per occurrence for bodily injury and property damage combined, Attachment 3B. The conditions, restrictions and exclusions of the applicable insurance for any rental shall not be less favorable to the State of California and State employees than the coverage afforded under standard automobile liability policies. When more favorable insurance terms are required under applicable state or foreign country law, such terms will apply to the rental. Standard coverage will include mandatory no-fault benefits where required by law. The Company warrants that, to the extent permitted by law, the liability and property damage coverage provided are primary in all respects to other sources of compensation, including claims statutes or insurance available to the State of California, renter, or additional authorized driver. Proof of such insurance shall be provided to the State of California. Failure to maintain this required insurance will be grounds for termination of this agreement by the State.

The Company shall furnish to the State of California, evidence of insurance in the amount of not less than \$250,000 per occurrence for bodily injury and property damage combined, Attachment 3B. Providing a certificate of insurance issued by an insurer admitted to issue policies in California may satisfy evidence of insurance. The insurer shall have a rating of B+ or better as determined by Best's Key Rating Guide.

The evidence of insurance must include the following provisions in their entirety:

- A. This insurance will not be cancelled, non-renewed, or reduced in limits without thirty (30) days prior written notice to the State; and
- B. The State of California, its officers, agents, employees and servants are included as additional insureds, but only insofar as the operations under this contract are concerned.

The Company shall be responsible for the timely submission of its insurance certificate, in addition, such documentation as is needed to establish to the State's satisfaction that Company's insurance fully covers the operation of all participating franchisees and subcontractors.

In the event said insurance coverage expires at any time or times during the term of this contract, the Company agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year.

In the event the Company fails to keep insurance coverage in effect at all times as herein provided, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event.

ONLY COMMERCIAL INSURANCE WILL SATISFY THESE PROVISIONS REGARDING AUTOMOBILE LIABILITY. NO SELF INSURANCE WILL BE ACCEPTED.

17. DAMAGE LIABILITY

State employees will not be subject to any fee for loss or collision damage waiver, and in the event of an accident, will not be responsible for loss or damage to the vehicle except as stated in section **15 and 18**.

18. LOSS OF OR DAMAGE TO VEHICLE

Notwithstanding the provisions of any Company vehicle rental agreement executed by the State employee, the Company hereby assumes and shall bear the entire risk of loss of, or damage to, the rented vehicles (including costs of towing, administrative costs, loss of use, and replacement), from any and every cause whatsoever, including without limitation, casualty, collision, fire, upset, malicious mischief, vandalism, falling objects, overhead damage, glass disappearance, except where the loss or damage is caused by one or more of the following:

- A.** Willful or wanton misconduct on the part of a driver. **Willful or wanton misconduct is conduct which is committed with an intentional or reckless disregard for the safety of others or with an intentional disregard of a duty necessary to the safety of another's property.**
- B.** Obtaining the vehicle through fraud or misrepresentation.
- C.** Operation of the vehicle by a driver who contributed to the vehicle damage while such person was (and has been adjudged by the courts to have been) under the influence of alcohol (in excess of the legal limits) or any illegal non-prescription drug.
- D.** Use of the vehicle for any intentionally illegal purpose.
- E.** Use or permitting the vehicle to carry unauthorized passengers or property for hire.
- F.** Operation of the vehicle in a test race or contest.
- G.** Operation of the vehicle by a person other than an authorized driver.
- H.** Operation of the vehicle outside the continental United States except where such use is specifically authorized by the rental agreement. Operation across international boundaries unless specifically authorized at the time of rental. (State of California policy requires that the appropriate State agency approve the out-of-the-United States travel, that the Company is notified regarding the trip and that the Department of General Services, Office of Risk and Insurance Management approved insurance is obtained for the trip.)
- I.** Operation of the vehicle off paved, graded or maintained roads, driveways, or State employee's residences except when the Company has agreed to this in writing beforehand and the vehicle was properly designed for such use.

Note: The above exceptions are not valid where prohibited by state law.

19. BILLING FOR DAMAGES

When loss or damage is due to an exception stated above, the Company will submit its bills directly to the State employee's agency, and not to the State employee. If the agency denies liability on the basis that the State employee was not operating the vehicle within the scope of employment at the time of the loss, the Company may handle the matter directly with the State employee. Claims for damage to a vehicle will not include amounts for loss of use.

20. ACCIDENTS OR REPAIRS

The Company will notify renters that in the event of an accident or if repairs become necessary, the State employee should immediately notify the Company by calling the toll free telephone number, or other telephone number provided by the Company, and request a replacement vehicle if necessary and instructions for the disposition of the disabled vehicle. The time spent while waiting for the replacement or for repairs due to any mechanical failure of the vehicle shall be deducted from the total amount of rental time.

21. **VEHICLES**

Rental vehicles will be properly licensed, clean and maintained in a safe operating condition, be no more than two years old, and have no more than 40,000 miles on the odometer. Vehicles should have 4-doors (unless otherwise specified, i.e., reasonable accommodation in compliance with the ADA) to accommodate four passengers and baggage comfortably, be equipped with an automatic transmission, air conditioning, power steering, power brakes, trunk and all safety equipment required by law. Vehicles will contain a full tank of gas at the time of pick up.

22. **NONUSE**

Full compliance with the terms of this Agreement is required of the Company and its participating locations. Any material deviation from standard rental car practices, or from the terms of this Agreement, may constitute good cause for an individual rental location to be placed in an immediate nonuse status until such time as the State of California determines that proper remedial measures have been affected. Serious violations on a system-wide basis may justify disqualification of the Company from further State of California business. If the Company is disqualified, this Agreement will be immediately terminated.

23. **REPORTS**

A report providing the number of accidents and official rental information must be submitted quarterly to:

Statewide Travel Program Administrator
Office of Fleet Administration
802 Q Street
Sacramento, California 95814

The vendor will report, by all rental locations, the total number of vehicle rentals, number of each size/class car rented, total revenue from State employee rentals (broken out by base rate, other charges, and refueling charge), total number of days per rental, total number of miles/kilometers driven per day per rental, and the total number of rentals per month by State department.

The Vendor will submit data in a MS Excel spreadsheet, the State will work with the vendor to establish the format. Data may be submitted by either a CD-disk or email. Upon review of data, the State may request additional detailed transaction reports for further investigation.

24. **COST CENTER AND DIRECT BILL TRANSACTIONS**

It is a priority to eliminate the DGS Charge Card in the 2006 calendar year. With the DGS using on-line airline companies and travel agencies, the cost center information must be able to pass through global distribution systems such as Galileo and Sabre.

25. **QUALITY CONTROL**

The Company will appoint a representative to be contacted with regard to billing problems and/or complaints. This representative is identified in **Attachment 6**.

The Statewide Travel Program Administrator and Chief of the OFA will direct matters of serious concern to appropriate Company headquarter personnel.

26. **ALTERNATIVE DISPUTE RESOLUTION**

In the event a dispute arises with respect to the interpretation of, performance of, or the relationship created by, all or any part of this Agreement, the parties shall attempt in good faith to resolve the dispute. If such efforts prove unsuccessful, each party agrees to consider the use of mediation, mini-trial, arbitration or other alternative dispute resolution techniques prior to resorting to litigation. If the parties utilize mediation, mini-trial, arbitration or other alternative dispute resolution techniques, each party agrees that no award or decision resulting therefrom shall include punitive damages.

27. **ANTITRUST**

The following provisions of Government Code Section 4552, 4553 and 4554 shall be applicable to the Company.

- A. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.c. Sec. 15) or under the Cartwright

Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. See Government Code Section 4552.

- B. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. See Government Code Section 4553.
- C. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured, thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

28. MARKETING AND PROMOTIONAL ADS

All marketing and promotional ads concerning any contract or rates awarded under this RFP must be approved by the Statewide Travel Program Administrator, prior to distribution.

29. ULTRA LOW EMISSION VEHICLES

The Company must offer a California certified Ultra Low Emission Vehicle (ULEV) or better Super Ultra Low Emission Vehicle (SULEV) in one of the following sizes: compact, mid-size or intermediate, at the contract rate.

The California Air Resources Board (CARB) 2005 list of certified vehicles may be viewed at:

www.arb.ca.gov/msprog/ccvl/2005ccvl.htm. Additionally, most vehicle designated certifications can be found in the user's manual or on the Vehicle Emission Control Information Label, located in the engine compartment.

Should the Company be unable to locate a certain vehicle from the CARB 2005 list, the vehicle manufacture may be contacted to determine if the vehicle is certified ULEV or SULEV.

30. VENDOR PERFORMANCE

In the event that the Primary or Secondary vendors are determined to be non-compliant by the State, the State will have the option to add or change vendors without a bid process and award based on the bids submitted through this current RFP process.

31. CONTRACT COMPLIANCE REQUIREMENT

It is a requirement of this contract, that the vendor provide service for 100% of the vehicle requests. In no case should a government employee utilizing this contract be turned away. Should the Primary vendor run-out of vehicles (no vehicles exist on the lot), the Primary vendor must refer the government employee to the Secondary vendor. The State will periodically review reports to determine if the Primary and Secondary vendors are in compliance.

EXHIBIT B

SPECIAL DEFINITIONS & CONDITIONS

1. **UPGRADE VEHICLE**
For the purpose of this RFP, any vehicle rented at a rate higher than the contract vehicle (i.e., an intermediate, full size, luxury, specialty, 4WD vehicle, jeep/sport utility, mini-van, cargo van, 15 passenger van or box truck.) These upgrades must receive approval of their departmental travel coordinator.
2. **DAILY RATE**
For the purpose of this RFP, the charge per day (24 hours) for the lease of a vehicle.
3. **WEEKLY RATE**
For the purpose of this RFP, the charge for the lease of a vehicle for seven (7) continuous days, must not exceed six (6) times the daily rate.
4. **ON-AIRPORT LOCATION**
For the purpose of this RFP, a location or office which is within the airport terminal, or an area within the airport property so designated specifically for car rental services. Vehicles may be located in a satellite location. Hours of operation for an On-Airport location or office shall be consistent with airport operating hours. **Hours of operation may not always be 24 hours a day but rather the hours open to the general public.**
5. **OFF-AIRPORT LOCATION**
For the purpose of this RFP, a location or office which is located outside the airport terminal property or an area so designated specifically for car rental services. Hours of operation for an Off-Airport location or office shall be consistent with normal business hours (M-F, 8 a.m.- 5 p.m.).
6. **STATE EMPLOYEE DEFINED**
For the purpose of this RFP, a State employee is an officer or employee of the Executive Branch of California State Government. This includes employees of the California State University System (CSU), University of California System (UC), and California Community Colleges.
7. **OPTIONAL USERS**
Rates will be made available to optional users traveling on authorized State business when reserved directly with the car rental company or through an authorized travel agent. In addition to the officers and employees of the Executive Branch, the following may, but are not required to, obtain services under these contracts providing they are on authorized State business and/or authorized pursuant to local laws.
 - A. Non-Salaried:
Persons who are on official State business and whose travel expenses are paid by the State (this includes volunteers, members of official task forces, consultants and members of some commissions and boards, and wards of the State).
 - B. Elected Constitutional Officers:
Governor, Lieutenant Governor, State Controller, Attorney General, Secretary of State, Superintendent of Public Instruction, State Treasurer, Insurance Commissioner, members of the Board of Equalization, and members of the staff of the above constitutional officers.

- C. State Legislative Branch:
Members of the State Senate, Members of the State Assembly, and Legislative staff members.
- D. State Judicial Branch:
Justices, officers, and employees of the Supreme Court of California, the Courts of Appeal, the Judicial Council of California and the State BAR of California.
- E. Executive Protection:
Persons providing executive protection to anyone authorized to use these contracted rates.
- F. Local Agencies:
Elected officials and other personnel of local agencies within California, to the extent that the travel is undertaken in accordance with the laws governing those agencies; persons employed by or affiliated with the California League of Cities (CLC) or the California State Association of Counties (CSAC) or affiliated organizations. Whenever the term "State business" is used in this agreement, that term shall be read to include with respect to travel undertaken under the authority of local agencies, CLC, CSAC or the affiliated organizations referred to herein--the official business of those entities.

8. **EXCISE TAX**

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

9. **SETTLEMENT OF DISPUTE**

In the event of a dispute, Contractor shall file a "Notice of Dispute" with OFA, Attn: Office Chief within ten (10) days of discovery of the problem. Within ten (10) days, the Office Chief shall meet with the Contractor and Project Manager for purposes of resolving the dispute. The decision of the Office Chief shall be final.

In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

10. **POTENTIAL SUBCONTRACTORS**

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

ATTACHMENT 2
STATE OF CALIFORNIA CAR RENTAL AGREEMENT
COMMERCIAL CAR RFP DGS OFA CC06

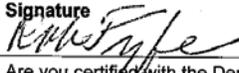
BID/BIDDER CERTIFICATION SHEET

This Bid/Bidder Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The bid must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return Section C, Bid Requirements and Information nor the "Sample Agreement".

- A. The Bid/Bidder Certification Sheet must be received to validate: Attachment 3, Daily, Weekly and One Way Drop Charges Form; and Attachment 4, International Rates Form (if applicable).
- B. All required attachments are included with this certification sheet.
- C. I have read and understand the DVBE participation requirements and have included documentation demonstrating that I have met the participation goals or have made a good faith effort. **(Does Not Apply)**
- D. The signature affixed hereon and dated certifies compliance with all the requirements of this bid document. The signature below authorizes the verification of this certification.

An Unsigned Bid/Bidder Certification Sheet May Be Cause For Rejection

1. Company Name Vanguard Car Rental USA Inc.	2. Telephone Number (800) 608-7514	2a. Fax Number (650) 548-0156
3. Address 778 Burlway Road, Burlingame, CA 94010		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input checked="" type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN) 75-312-3548	8. California Corporation No.	
Indicate applicable license and/or certification information:		
9. Contractor's State Licensing Board Number	10. PUC License Number CAL-T-	11. Required
12. Bidder's Name (Print) Rob Fyfe	13. Title Director of National Accounts	
14. Signature 	15. Date 11/23/05	
16. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. Small Business Enterprise Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
If yes, enter certification number: _____		
<p>NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes". Date application was submitted to OSBCR, if an application is pending: _____</p>		

ATTACHMENT 3B
STATE OF CALIFORNIA CAR RENTAL AGREEMENT
COMMERCIAL CAR RFP DGS OFA CC06
Base Rate With \$250,000 Insurance

Rates Provided are Valid Nationwide

CONTRACT VEHICLE* Cobalt/Ion
 (Compact) **DAILY** **WEEKLY** **Maximum Cap Rate*****

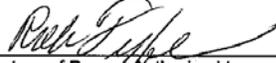
Primary Secondary Primary Secondary Primary Secondary

Class/Vehicle**: <u>Cobalt/Ion; 5 seatbelts</u>	\$30.90	\$33.90	\$185.40	\$203.40	\$76.90	\$80.75
Meets ULEV Requirement: <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	X		X		X	

Mid-Size/Intermediate**: <u>G6/Stratus; 5 seatbelts</u>	\$30.90	\$33.90	\$185.40	\$203.40	\$76.90	\$80.75
Meets ULEV Requirement: <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	X		X		X	
Full-Size**: <u>Impala/Grand Prix; 5 seatbelts</u>	\$42.90	\$35.90	\$197.40	\$215.40	\$78.90	\$82.75
Meets ULEV Requirement: <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	X		X		X	
Mini Van**: <u>Sienna; 8 seatbelts</u>	\$45.90	\$48.90	\$275.40	\$293.40	\$91.90	\$95.75
Meets ULEV Requirement: <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	X		X		X	
FWD/Sport Utility Vehicle: <u>Trailblazer; 5-7 seatbelts</u>	\$47.90	\$50.90	\$287.40	\$305.40	\$93.90	\$97.75
Meets ULEV Requirement: <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	X		X		X	

- Personal/Leisure Travel.** The above quoted rates **ARE** available to State of California employees on personal/leisure travel and **DO NOT** include insurance benefits.
- Overtime Charges.** Daily Rate - The Company will charge one-third (1/3) of the daily rate per hour until the maximum daily rate is reached for vehicles leased on a daily basis.
- One-Way Drop Charges.** yes no If yes, provide charge: _____
(Above applies to California locations only, for one-way drop charges outside of California, please attach separate fee structure) Please see attached for One Way Rental Program description.
- Counter Bypass.** yes no **Must have counter bypass at 50% of the Airport Locations within California.**
(If yes, attach a description of the service) Please see attached for Emerald Club/Quicksilver.
- Number of Locations^A** California 60 / Nationwide 644 / International 4,300
^A Subject to change without notice (not including California)
- Volume Incentives.** yes no (If yes, attach proposed incentive description) Please see attached for incentive description.

Name of Vendor Bidding: Vanguard Car Rental USA Inc.



 Signature of Person Authorized to Commit the Vendor to Binding Contract

11-23-05
 Date

* Specify Vehicle
 **Specify Passenger Size
 ***Maximum Cap Rates do not apply in New York



Vanguard Car Rental USA Inc.

Descriptions of counter bypass service

- Emerald Club – National
- Quicksilver – Alamo



***Emerald Club**, National's frequent renter program, optimizes business travel convenience and efficiency. With Emerald Club, travelers receive exclusive benefits and priority services which make traveling on a Corporate Service Agreement faster, easier and more enjoyable. It's easy to join, and membership is complimentary. With Emerald Club, travelers will receive speed, choice and convenience that only National can deliver.*

Emerald Club members enjoy the following services:

▼ **Emerald Aisle[®] Service**

Travelers reserve a midsize car and proceed to the Emerald Aisle where they will personally choose from any vehicle. Based on availability, vehicles larger than a midsize (i.e., full-size, specialty) may be available on the Emerald Aisle. In these cases, regardless of the vehicle chosen from the Emerald Aisle, the travelers will still only pay the midsize rate, resulting in an automatic, complimentary coupon-less upgrade. After a brief stop at the exit booth, travelers are on their way. Emerald Club Aisle Service is available at most major airport locations in the United States.

▼ **Executive SelectionSM**

As of April 19, 2004, available to Emerald Club Executive members and above, the Executive Selection area of the National lot features full-size and larger class vehicles. The vehicles in the Emerald Club Executive Selection area are the newest cars available at the rental location. To access this area, travelers reserve a midsize or fullsize car, bypass the counter and choose their vehicle all while paying the midsize rate.

▼ **Emerald Club Counter ServiceSM**

Available at over 400 locations in the United States and Canada, Emerald Club Counter Service may be delivered in one of two ways:

Emerald Club Counter ServiceSM

Travelers proceed to the dedicated Emerald Club Counter where a pre-printed rental agreement is waiting for them. Travelers present their credit card and driver's license, locate the car and drive away.

Emerald Club Booth ServiceSM

Select National locations offer dedicated counters in rental booths. Similar to Emerald Club Aisle Service, travelers choose their vehicle from the designated area, present their driver's license and credit card and drive away.



▼ **Emerald ReserveSM Service**

Emerald Club Reserve service was designed to accommodate your travelers when they require a specific vehicle class. Travelers are taken directly to the Emerald Reserve area where they chose from any vehicle in the row of the car class reserved and drive away. This service is available at most major airport locations in the United States.

▼ **Choice Rental ProcessSM**

Emerald Club members personally select the car they want to drive, including make, model, and color, along with other options desired. Available at most major airport locations throughout the U.S.

▼ **Handheld Return Service[®]**

With this service, a National attendant will greet the traveler as they pull into the return lot, process the rental, and print a receipt on the spot. There is no waiting, paperwork, or need to visit the counter. Available at most major airport locations throughout the U.S.

▼ **Frequent Traveler Miles**

Emerald Club members will receive frequent flyer miles through any of National's travel affiliates, including Aloha Airlines[®], Air Canada, Air FranceSM, Alaska Airlines, Alitalia Airlines, America West Airlines[®], American Airlines[®], Continental Airlines[®], Delta Air Lines, FrontierTM Airlines, Hawaiian Air, Iberia Airlines, LanChile[®], Midwest Express Airlines, Northwest Airlines[®], United[®] Airlines, and Hilton[®] Hotels. (See *Travel Partners*.)

▼ **No Additional Driver Fee**

We will waive the additional driver fees for Emerald club members when the additional driver is either a family member residing at the same address or works for the same company as the primary driver.

▼ **How To Enroll In Emerald Club**

The fee is waived for all corporate employees.
You may visit your company's Travel Services website to enroll online.
Or contact your authorized Travel Agent to obtain an application.

▼ **Online Profile Updating**

Log on to www.nationalcar.com and update your Emerald Club profile anytime, day or night.



Quicksilver

Alamo will maintain a master rental agreement (MRA) on file for renters using Alamo's Quicksilver service. At the time of rental, the customer will proceed directly to the designated Quicksilver service area where the transaction will be initiated with a credit card swipe. The customer's master rental agreement will ensure that all transactions will be processed quickly and efficiently.



Vanguard Car Rental USA Inc.

One-way Rental Program Description

- No drop or mileage fees will be applied on reserved (authorized) one-way rentals WITHIN CALIFORNIA.
- No drop or mileage fees will be applied on reserved (authorized) one-way rentals within Local Rate Zones in the U.S. (see attached).
- For one-way rentals outside of (1) California, (2) Local Rate Zones in the U.S. (see attached) and (3) all non-reserved (unauthorized) one-way rentals, the daily rate plus \$0.37 per mile will be charged.

ATTACHMENT 5

STATE OF CALIFORNIA RENTAL AGREEMENT

COMMERCIAL CAR RFP DGS OFA CC05

(Bidder may attach list to this sheet)

Listing of Participating Locations:

California

Nationwide

International

Participating locations are:

For a complete listing of Alamo and National locations, refer to www.alamo.com & www.nationalcar.com.

ATTACHMENT 6
STATE OF CALIFORNIA CAR RENTAL AGREEMENT
COMMERCIAL CAR RFP DGS OFA CC06

Reservation and Toll Free Number
and
Quality Control Representative(s)

- 1. The toll free telephone number for reservations is: 1-800-227-7368 (National Car Rental)**
1-800-462-5266 (Alamo Rent A Car)

- 2. The Name, Address and Telephone/FAX number of the Company representative(s) to be contacted with regard to billing problems and/or complaints is:**

Name: Patti Elliott
Title: National Accounts Manager
Address: 778 Burlway Road
Burlingame, CA 94010

Telephone: 1-800-608-7514 extension 163
Fax: 1-650-548-0156
Email: elliottp@vanguardcar.com

Name: Rob Fyfe
Title: Director of National Accounts
Address: 778 Burlway Road
Burlingame, CA 94010

Telephone: 1-800-608-7514 extension 160
Fax: 1-650-548-0156
Email: fyfer@vanguardcar.com

ATTACHMENT 11
STATE OF CALIFORNIA CAR RENTAL AGREEMENT
COMMERCIAL CAR RFP DGS OFA CC06
List of Applicable Fees and Surcharges

Bidder must provide a list of applicable fees and surcharges that may be added to the base rate submitted by the bidder for this Request for Proposal. If a fee or surcharge appears on an invoice, but does not appear on the list provided by the bidder, appropriate documentation and/or justification must be provided if requested by either the party responsible for payment or the Department of General Services.

The Department of General Services may request additional information and/or further explanation regarding the fees and surcharges provided on this list, prior to accepting these additional charges into the final contract.

See Attached for fee and surcharges: