STATE OF CALIFORNIA

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)

☐ **CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED** _____

AGREEMENT NUMBER	AMENDMENT NUMBER
DGSOFA06VAN (Secondary)	3
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:

   STATE AGENCY'S NAME

   CA DEPARTMENT OF GENERAL SERVICES, OFFICE OF FLEET AND ASSET MANAGEMENT

   CONTRACTOR'S NAME

   Vanguard Car Rental USA, LLC as successor in interest to Vanguard Car Rental USA, Inc.

2. The term of this Agreement is January 1, 2006 through December 31, 2010

3. The maximum amount of this Agreement after this amendment is: $0.00 Zero dollar and 00/100

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The State of California is extending the contract with Vanguard Car Rental USA to provide rental car services in accordance with the original contract terms and conditions. According to **RFP DGS OFA CC06,** page 3, Section A, Purpose and Description; the State will have an option to extend the contract term, at its sole discretion, for two (2) additional one (1) year terms.

This amendment will also change the name of the contracted vendor from **Vanguard Car Rental USA, Inc. to Vanguard Car Rental USA, LLC as successor in interest to Vanguard Car Rental USA, Inc.** The effective date of this amendment is January 1, 2010 through December 31, 2010. All car rental rates and other terms and conditions shall remain the same. (See attached rental rate spreadsheet)

All other terms and conditions shall remain the same.

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

CONTRACTOR

CONTRACTOR'S NAME *(If other than an individual, state whether a corporation, partnership, etc.)*

Vanguard Car Rental USA, LLC as successor in interest to Vanguard Car Rental USA, Inc.

BY *(Authorized Signature)* ✍

DATE SIGNED *(Do not type)* 11/13/09

PRINTED NAME AND TITLE OF PERSON SIGNING

Mark I. Litow / Assistant Secretary

ADDRESS

199 N. Sunrise Avenue
Roseville, CA 95661

STATE OF CALIFORNIA

AGENCY NAME

CA Department of General Services

BY *(Authorized Signature)* ✍

DATE SIGNED *(Do not type)* 12-2-09

PRINTED NAME AND TITLE OF PERSON SIGNING

Kathy Hicks, Office Chief - CA Department of General Services

ADDRESS

1700 National Drive
Sacramento, CA 95834

CALIFORNIA
Department of General Services
Use Only

APPROVED
DEC 23 2009
DEPT OF GENERAL SERVICES

☐ 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 **CALIFORINA 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

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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**

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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.

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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 Specialist
Statewide Travel and Meeting Management Program
707 Third Street, 6th Floor
West Sacramento, California 95605

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 in 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 there from 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.

Consumer Price Index Increase for Amendment # 2 & current rental rates with Vanguard Car Rental USA Inc.				
New Rates as of March 8, 2009 and continuing through December 31, 2010				
Car Type	**Daily Rate**	**Max Cap Rate**	**Weekly Rate**	**Monthly Rate**
Intermediate	$35.02	$83.41	$210.12	$907.40
Full Size	$37.08	$85.48	$215.40	$956.81
Mini Van	$50.51	$98.91	$303.06	$1,279.13
Small SUV	$52.58	$100.72	$315.48	$1,328.81