



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

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ADDENDUM 1

Date

May 13, 2008

Action Requested

Please review the attached Q & A for
the RFP.

To

Interested Proposers

Contact

george.santore@jud.ca.gov

From

Judicial Council of California
Administrative Office of the Courts,
Office of Court Construction and
Management

Subject

Addendum No. 1 – Q & A
Request for Proposals for VEHICLE FLEET
MANAGEMENT SERVICES

Solicitation Number: OCCM-FY2007-08

Vehicle Fleet Management Services
Solicitation Number: OCCM-FY2007-08
Addendum No. 1

1. 3.0 Scope of Services
3.1 Vehicle Leasing

3.1.1 - Delete last sentence: "These vehicles will be irrevocably quoted."

2. 3.0 Scope of Services
3.1 Vehicle Leasing

3.1.3 Delete and replace with:

"For the 36 month lease, vehicles must be depreciated at 2.5% a month with a 10% Reduced Book Value for this RFP."

"For the 48 month lease, vehicles must be depreciated at 1.875% a month with a 10% Reduced Book Value for this RFP."

"For the 60 month lease, vehicles must be depreciated at 1.5% a month with a 10% Reduced Book Value for this RFP."

These Addendum No. 1 depreciation scenarios must be applied to Pricing Exhibits A-1, A-2, A-3 and A-4.

3. 3.1.8, 3.1.9, 3.2.1, 3.2.2, 3.2.3, 3.2.4 on Page 6 of RFP

Renumber on page 6 only to: 3.1.18, 3.1.19, 3.1.20, 3.1.21, 3.1.22, and 3.1.23

4. 3.0 Scope of Services
3.3 Fuel Card Management Services

3.3.6 Delete 3.3.6 in its entirety.

5. 4.0 Responding to This RFP

Copy of Proposed Lease Agreement

Delete the following paragraph in its entirety from the RFP:

"The Vendor's lease agreement must specify that if the AOC is in default of its obligation to make timely lease payments due to a failure of the State of California to pass a budget, this shall not be considered a breachable violation of the Agreement."

6. 8.0 Additional Requirements

8.2 Delete last sentence, "Please use Attachment 6-Form for Questions, when submitting your questions."

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#	Question	Response
1	3.2.1 A loaner vehicle will be provided when a leased vehicle is undergoing repairs or maintenance that requires overnight servicing. Will this be at the expense of the AOC?	No. This will be at the vendor expense and should be included in your cost.
2	3.2.2 The vendor will provide a vehicle for an AOC employee after drop off for servicing/repair, or can provide a ride to pick up the rental vehicle, and provide a ride back to the service center if the repairs or maintenance requires overnight servicing. As a company, we partner with several third party vendors that offer this service as a courtesy for their clients. Assuming we can handle getting your driver to and from the rental car with ease, would that be a suitable alternative?	This service can be provided by the vendor or a vendor representative/subcontractor.
3	3.2.3 Customer Service that includes the following: A toll free 800 number / 24 hours per day Is the 24 hour service as it relates to roadside assistance or will you be looking for a customer service representative regarding all fleet needs to be available 24 hours per day?	Road side assistance is to be 24 hours a day. Customer Service Representatives should be available during normal business hours.

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4	<p>3.4.1 Collision and Comprehensive Damage and Repairs: As required under the provisions of Section 3.2.2.4 of this Agreement the vendor shall be responsible for repairs of all damage to any vehicle. The vendor may charge back to the AOC the first \$1,000 on any loss or damage. The vendor is also responsible for all administrative details for all accident reports/repairs, subrogation and insurance processes including:</p> <p>Would you be open to a third party partnership with a vendor that might provide competitive rates with a program of substantial value, or will you only entertain the Fleet Management vendor as a primary source of Comprehensive and Collision coverage?</p>	<p>This coverage can be provided by the vendor or through a third party partnership/insurance.</p>

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#	Question	Response
5	<p>3.4.5 ALTERNATE SECTION 3.4.1 In the alternate section the vendor should include in its proposal in Exhibit A1-A4 the cost of providing commercial automobile liability insurance for claims or lawsuits brought against the AOC and the State of California, arising out of the operation of each vehicle with limits of liability of \$2,000,000 any one accident or loss (legal defense costs are to be in addition to the limits of liability), as well as the cost of accident investigation and claim administration services as follows:</p> <p>Would you be open to a third party partnership with a vendor that might provide competitive rates with a program of substantial value, or will you only entertain the Fleet Management vendor as a primary source of Liability coverage?</p>	See question #4 response.
6	<p>4.5.2 Provide resumes describing the background and experience of the key staff you intend to assign for the performance of the work, describing each individual's ability and experience in conducting the proposed activities.</p> <p>As personnel files are of strictest confidence, would a bio and brief history on each key staff member be an appropriate alternative?</p>	Yes

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7	<p>Part 4: Copy of Proposed Lease Agreement</p> <p>A copy of the Lease Agreement under which you propose to provide vehicles:</p> <p>The Vendor's lease agreement must specify that if the AOC is in default of its obligation to make timely lease payments due to a failure of the State of California to pass a budget, this shall not be considered a breachable violation of the Agreement. What provision will be built into the contract to ensure payment, regardless of the capability of the State of California to pass a budget?</p>	<p>Please see Addendum Item #5. That paragraph in 4.7 has been deleted from the RFP.</p>
8	<p>5.1 The Vendor's lease agreement shall not specify the payment of any finance charges or interest on the part of the AOC. What specifically are you referring to in this section by "lease agreement"?</p>	<p>See section 4.1 Part 4: Copy of Proposed Lease Agreement.</p>
9	<p>8.2 refers to Attachment 6 – Form for Questions</p> <p>We do not find Attachment 6.</p>	<p>Please ignore reference to " Attachment 6". There is no such document in this RFP. Please see Addendum Item #6.</p>

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#	Question	Response
10	<p>3.1.1 Please define "irrevocably quoted" as noted. Lessor/Fleet Management companies do not completely control the factory invoice pricing of a vehicle...the vehicle manufacturers do. In addition, we do not control the monetary markets and any changes that may occur from the time of quotation until actual funding. In this RFP response, ARI will "guarantee" our price structure...capitalization set-up and interest rate formula generation...but not the monthly payment that is based on these factors beyond our control.</p>	<p>The last sentence of this section, "These vehicles will be irrevocably quoted" should be removed. Please see Addendum Item #1.</p>
11	<p>3.1.3 Using a 1.5% monthly depreciation reserve and a 10% remaining residual lease book value only fits for a 60-month period. What monthly reserve and residual % should be used for the 36 and 48 month lease quotes?</p>	<p>See question #23 response and Addendum Item #2.</p>

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#	Question	Response
12	<p>3.1.6 & 3.1.8</p> <p>Please clarify your definition and/or the differences between "current resale value" and "current market value"?</p> <p>3.1.13</p> <p>Please clarify "pricing for the duration of the contract". Does this mean program pricing or vehicle pricing or both?</p> <p>Also, please clarify "include all licensing fees". Is the Judicial Council exempt from any licensing fees? If not, then typically you are asking that any admin or handling costs be noted but that the actual licensing fees are passed back through.</p>	<p>These terms are used interchangeably.</p> <p>Both.</p> <p>The vendor will provide all licensing fees and associated cost as if the vehicle is not a government vehicle.</p>
13	<p>3.1.15</p> <p>Please clarify "vehicle warranty bumper to bumper for minimum of 3 years or 36,000 miles and 24/7 roadside assistance." Does it mean OEM standard as some OEMs provide longer warranties?</p>	<p>All vehicles should come with a standard manufacture warranty but with a minimum of 3 years or 36,000 miles is required.</p>

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14	<p>3.1.8, 3.1.9, 3.2.1, 3.2.2, 3.2.3, 3.2.4</p> <p>Question numbers do not follow prior pattern and some are duplicated elsewhere within the RFP. Will AOC re-number? (3.1.18, 3.1.19, 3.1.21, 3.1.22, 3.1.23, and 3.1.24)</p>	<p>Yes. Please see Addendum Item #3.</p>
15	<p>3.2.3 (actually 3.1.23)</p> <p>Network of rental facilities - "please provide a listing of all participating locations" Are you talking here about short-term rentals or new vehicle delivery or both?</p>	<p>The availability of Short-term rentals for loaner vehicles needs to be addressed.</p>
16	<p>3.2.2.2</p> <p>Please clarify (emergency roadside assistance) "documented for entire state and Reno/Nevada and Lake Tahoe area". What type of documentation should we provide?</p>	<p>No documentation is necessary. We simply want you to explain how you will provide this service.</p>
17	<p>3.2.4.1</p> <p>Please clarify "documentation supporting our service provider network". This is also requested on Exhibit D. What type of documentation should we provide?</p>	<p>No documentation is necessary. We simply want you to explain how you will provide this service and where the service will be available.</p>

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18	<p>3.3.6</p> <p>What is meant by a "third party fleet administration vendor"?</p>	<p>This section "3.3.6" will be removed from the RFP. Please see Addendum Item #4.</p>
19	<p>3.4.2</p> <p>Collision, comprehensive insurance. Please clarify: "Vendor may charge back to the AOC the first \$1,000 on any loss or damage"? Is this a "deductible"? Who pays for damage above \$1,000? Below \$1,000?</p>	<p>Yes, the vendor will charge back to the AOC the first \$1,000 of repair cost due to any loss or damage. This is a deductible. Any repair cost above \$1,000 is to be covered by the vendor or their insurance.</p>
20	<p>4.7</p> <p>Regarding default and/or late payments, please clarify what recourse the vendor should have for non-payments.</p>	<p>Please see question #7 response and Addendum Item #5.</p> <p>The reference to our not paying finance charges remains.</p>
21	<p>Pricing</p> <p>2008s can't be ordered...assume 2009 factory orders? If so, 2009 pricing is not out...please advise how to proceed. Does the AOC have an existing OEM volume incentive program or a bid assistance program in place...either direct with an OEM or via another State agency?</p>	<p>The price structure for this proposal should be based on 2008 vehicle prices. The vendor should build their pricing based on any known incentive programs for which the AOC may be eligible.</p>

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22	Please clarify list of “participating locations”. Does it mean our field offices in California? If not, how does list of “participating locations” differ from the requested "list of service provider network"?	This would be the field offices in California.																														
23	<p>Question #1: Page 4 of 35, Section 3.1.1 & 3.13</p> <p>In this section AOC requests to view different lease terms with a defined depreciation percentage and residual balance. It is customary to establish a level benchmark when evaluating potential vendors. However, for the 36 and 48 month terms, the depreciation percentage and residuals requested do not coincide. We proposes that the AOC amend their request to one of the following 2 options:</p> <table border="1" style="margin-bottom: 10px;"> <thead> <tr> <th colspan="3" style="text-align: center;">Option 1 - 1.50% Depreciation All Terms</th> </tr> <tr> <th style="text-align: center;">Term</th> <th style="text-align: center;">Depreciation</th> <th style="text-align: center;">Residual</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">36</td> <td style="text-align: center;">1.50%</td> <td style="text-align: center;">46%</td> </tr> <tr> <td style="text-align: center;">48</td> <td style="text-align: center;">1.50%</td> <td style="text-align: center;">28%</td> </tr> <tr> <td style="text-align: center;">60</td> <td style="text-align: center;">1.50%</td> <td style="text-align: center;">10%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3" style="text-align: center;">Option 2 - 10% Residual All Terms</th> </tr> <tr> <th style="text-align: center;">Term</th> <th style="text-align: center;">Depreciation</th> <th style="text-align: center;">Residual</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">36</td> <td style="text-align: center;">2.500%</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">48</td> <td style="text-align: center;">1.875%</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">60</td> <td style="text-align: center;">1.500%</td> <td style="text-align: center;">10%</td> </tr> </tbody> </table>	Option 1 - 1.50% Depreciation All Terms			Term	Depreciation	Residual	36	1.50%	46%	48	1.50%	28%	60	1.50%	10%	Option 2 - 10% Residual All Terms			Term	Depreciation	Residual	36	2.500%	10%	48	1.875%	10%	60	1.500%	10%	<p>Please see Addendum Item #2. All vendors should use the depreciation schedule as shown in proposed Option 2 of this question.</p> <p>*Note 36 month scenario of Option 1: We are concerned, that given the types of vehicles requested and mileage patterns indicated in the maintenance section, a 46% residual (obligation at end of lease term) may be greater than the market value at time of disposal. Should this option be selected, the AOC may wish to work with the selected vendor to accelerate the depreciation on these vehicles to ensure the residual (obligation at end of lease term) is comfortably below the estimated market value at time of disposal.</p>
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#	Question	Response
24	<p>Question #2: Page 5 of 35, Section 3.1.14</p> <p>In this section AOC request that, “Vehicles be those of current model year as determined by the date on which the vehicles are formally requested.” The current timing of this formal request (and potential award date) fall past the current vehicle cut-off for model year 2008 for most manufactures that produce a vehicle(s) in the classes requested by the AOC. In order to encourage the greatest competition from the vehicle manufacturers, We suggest the AOC request and order model year 2009 vehicles.</p>	<p>Please see question #21 response.</p>
25	<p>Question #3: Page 9 of 35, Section 3.2.3.3</p> <p>In this section the AOC request “Quarterly, semi-annual or annual fleet reviews for clients.”</p> <ul style="list-style-type: none"> • Are the meetings to be in-person? • If so, what location does the AOC request for these meetings? 	<p>Quarterly meetings will be phone, and the semi-annual and annual meetings will be in person at</p> <p style="text-align: center;">2860 Gateway Oaks Drive, Suite 400 Sacramento Ca 95833</p>
26	<p>Question #4: Page 13 of 35, Section 4.7</p> <p>In regards to this section, will the AOC agree that in this event, that once a budget is passed, all past due balances (not to include any finance or any other form of late fees) will be made whole?</p>	<p>Please see question #7 response and Addendum Item #5.</p> <p>The reference to our not paying finance charges or any form of late fees remains.</p>