

AVIATION FUEL SUPPLIER

REQUEST FOR PROPOSALS



Watsonville Municipal Airport

Watsonville, California

August 7, 2019

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Watsonville Municipal Airport
Request for Proposals
Aviation Fuel Supplier

I. OBJECTIVE

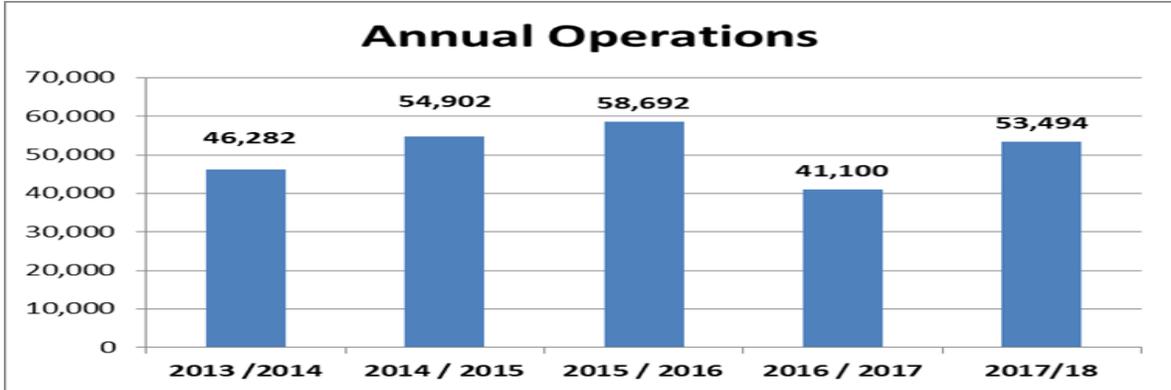
The City of Watsonville invites proposals from qualified producers and suppliers of aviation fuels and lubricants to be the sole supplier of aviation fuels for the Watsonville Municipal Airport located in Watsonville, California. The City is the owner and operator of the Airport, managed by the Airport Director. The City will enter into an appropriate agreement (“Fuel Supply Agreement”) with the successful proposer.

II. THE AIRPORT

The Airport is classified by the FAA as a regional general aviation airport with no commercial service. The Airport is an important general aviation asset that serves the city of Watsonville, the Pajaro Valley and the Central Coast region which includes the Monterey Bay, Santa Cruz and San Benito counties. The Airport provides Fixed Based Operator (FBO) services including fueling, hangar rentals, transient parking and other FBO services. The Airport has several privately owned and operated FBOs which provide aircraft maintenance, flight training, and aircraft rental. The Airport is home to a number of business aircraft along with over 300 aircraft permanently based. The Airport has 218 hangars, all of which are occupied, and 80 monthly tie-downs, all of which except 30 are occupied. The Airport’s airfield currently has two runways, associated taxiways, runway safety areas and runway protection zones. Runway 2/20 is 4,501 feet long and 150 feet wide. Runway 9/27 is 3,999 feet long and 75 feet wide.

Table I details the historical commercial and general aviation operations at the Airport for the last three (3) calendar years.

Table I
Watsonville Municipal Airport
Historical Aircraft Operations



The Airport has operated as a proprietary exclusive FBO fuel provider under FAA regulations since the early 1980's and intends to continue providing FBO fueling services in to the foreseeable future.

During Fiscal Year 2013-2014 the Airport sold 69,699 gallons of Jet Aviation fuel ("Jet A") and 151,518 gallons of AvGas to aircraft operators. **Table II** identifies Airport's fueling history for each of the last four (4) years.

Table II
Historical Fuel Sale

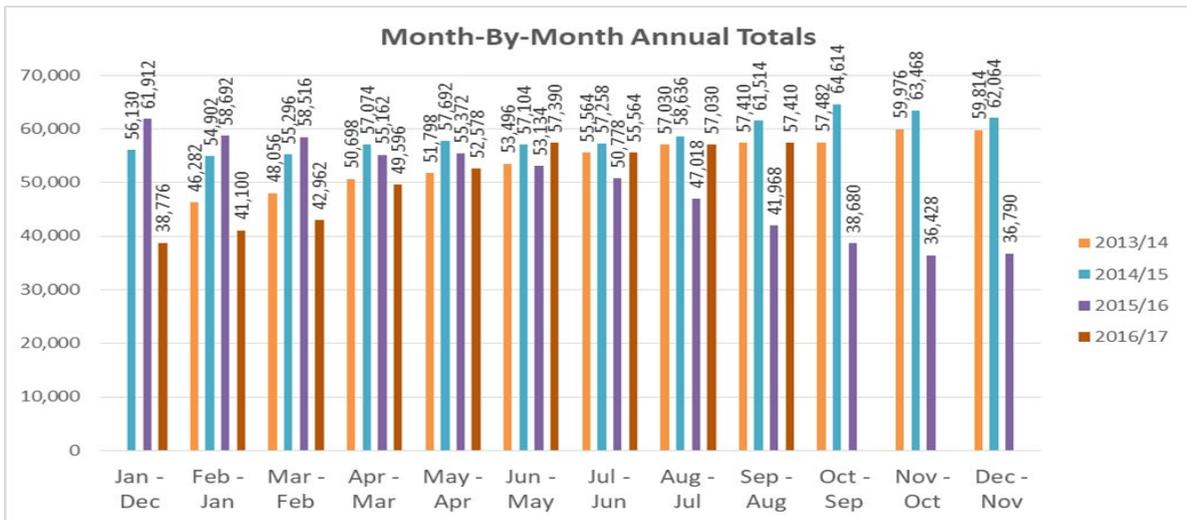


Table III

Historical Monthly Operations

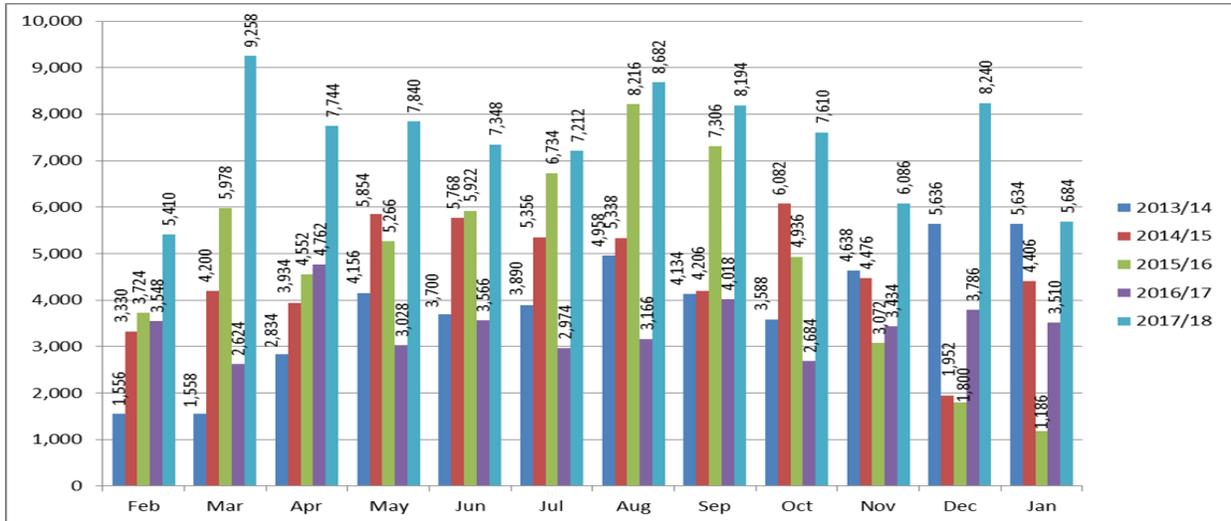


Table IV

Historical Fuel Sales

FISCAL YEAR	AvGas	Jet "A"	Total Gallons
JULY 2015 - JUNE 2016	142,529	76,556	219,085
JULY 2016 - JUNE 2017	160,220	60,587	220,807
JULY 2017 - JUNE 2018	147,902	64,142	212,044
JULY 2018 - JUNE 2019	135,174	97,349	232,523

The Airport has one (1) general aviation terminal/administrative building, which is used to provide terminal and services to pilots, owners and passengers as a flight information station. One (1) Airport Operations Center that supports tenants and leaseholds maintenance request for service. It has 19 separate hangar buildings housing 218 hangars, all of which are owned by the Airport and all of which are leased to various aviation tenants. There is one fuel farm with a capacity of 36,000 gallons (12,000 gallons of Jet "A" fuel, 24,000 gallons of AvGas).

III. THE NEED FOR AVIATION FUEL SUPPLIER

The Airport is presently purchasing and selling fuel based on a five year arrangement with its current aviation fuel supplier. The current agreement expires in September 2019. To ensure a continued level of service, uninterrupted fuel supply and facilitate a profitable arrangement for the acquisition of its requirements of aviation fuel, the Airport needs to contract with an aviation fuel supplier ("Fuel Supplier"). The Airport intends to select the Fuel Supplier based upon competitive proposals submitted pursuant to this Request for Proposal (RFP). After evaluation of all proposals the Airport intends to enter into an agreement by which the selected proposer will serve as the Airport's Fuel Supplier ("Fuel Supply Agreement") for the term of the Fuel Supply Agreement.

IV. AVIATION FUEL SPECIFICATIONS

By submitting a proposal, the Supplier will ensure that the aviation fuel delivered meets or exceeds the following minimum specifications:

- A. Jet Fuel: Aviation Kerosene type Jet A fuel received shall conform to ASTM D-1655 specifications, latest revision.
- B. Avgas: Fuel received shall conform to ASTM D-910 specifications, latest revision and shall be of the Aviation Gasoline type, 100 Octane, Low Lead (Avgas 100LL) or future replacement.

Supplier will provide a certificate of analysis on all aviation fuel shipments. Supplier will also provide traceability on all shipments back to refinery.

V. MINIMUM QUALIFICATIONS

To be considered for selection as the Fuel Supplier, proposers should possess the following Minimum Qualifications:

- A. Proposer must be a refiner and producer or marketer of both Jet "A" and AvGas meeting standards established from time to time by the Federal Aviation Administration and by manufacturers of the aircraft routinely operated in the United States.
- B. Proposer must be able to supply the Airport with its requirements for aviation fuels for at least five (5) years.

- C. Proposer must be a full service general aviation marketer who provides marketing support, including a nationally recognized brand identity.
- D. Proposer must agree to indemnify the City of Watsonville from loss arising from damage to property and injury to or death of persons arising from a failure of the quality of its products delivered to the Airport.
- E. Proposer must have the demonstrated ability to provide, if requested, fuel trucks of a type and in the number required to deliver fuel to aircraft.
- F. Proposer must have in place a quality control program that meets or exceeds regulatory and industry standards.
- G. Proposer must have in place a customer service program that includes:
 - (i) a representative that can answer fueling and quality control questions and provide support in a timely manner;
 - (ii) experience with FAA regulations required to support the Airport's requirements for FAA certification;
 - (iii) a credit card program that utilizes standard Point Of Sale (POS) equipment. The POS system must be capable of electronically processing the following cards with moneys returned to the Airport electronically: supplier's credit card, Master Card, Visa, American Express, AvCard, Multi-Service Card, Discover, Carte Blanche, Diners and Limited Government cards;
 - (iv) options to participate in advertising programs for promotion of the Airport and fuel sales;
 - (v) national advertising that supports its product and the general aviation industry;
 - (vi) provision and installation of brand identification as approved by the Airport; and,
 - (vii) an account manager whose total interest and function is aviation related.
- H. Also, the successful proposer shall be required to outlay any and all startup costs related to the commencement of service to the Airport.

VI. SELECTION OF SUCCESSFUL PROPOSER

The Fuel Supplier will be selected by the Airport based upon the Airport’s evaluation of the qualifications of the proposer, the price basis for the supply of aviation fuels and other petroleum products, the equipment and services to be provided to the Airport by the proposer, the contract terms offered by the proposer and the capital investments in the general aviation facilities of the Airport offered by the proposer.

The Airport will select, in its sole and absolute discretion, the proposer with which the Airport wishes to perfect a Fuel Supply Agreement. Under the Fuel Supply Agreement the Fuel Supplier will provide the City of Watsonville with the Airport’s requirements for aviation fuel and lubricants and provide other services and do other things in accordance with the Fuel Supplier’s proposal as it may be modified through negotiations with the Airport and incorporated into the Fuel Supply Agreement. The Fuel Supply Agreement may vary significantly from the contract terms offered by the proposer. It is possible that the Airport and the selected proposer may agree upon modifications and addendums to the contract terms offered by proposer and in such cases such agreements will be incorporated into the Fuel Supply Agreement. If the Airport and the selected proposer cannot agree on contract terms or if the selected proposer fails to promptly execute the Fuel Supply Agreement tendered to it by the Airport, the Airport may abandon its discussions with the selected proposer and select another proposer as the Fuel Supplier.

VII. PRE-PROPOSAL CONFERENCE

A pre-proposal conference to discuss the Airport’s requirements, the Airport, the fuel supplier agreement and the requirements of this RFP will be conducted in the Airport Operations Center at 11:00 A.M. on August 22, 2019. All potential proposers are strongly encouraged to attend this pre-proposal conference.

VIII. PROPOSAL DEADLINE

Proposals, as described in this RFP, must be submitted in three (3) counterparts in a manner easily reproducible and must be received by the Airport Procurement Supervisor no later than **5:00 P.M. on September 4, 2019** (“Proposal Due Date”). Proposals may be mailed to the Airport care of Robert Robertson – Airport Procurement Supervisor, 70 Aviation Way, Watsonville CA 95076.

Alternatively, proposals may be sent via email to robert.roberston@cityofwatsonville.org. Submittals shall be complete and prepared in the format of the Proposal Form supplied herein as **Attachment "A"**.

Costs for developing proposals in response to this RFP are entirely the obligation of the proposer and shall not be charged in any manner to the District.

IX. COMMUNICATIONS AND CLARIFICATION

Proposers shall limit contact with respect to this RFP and the proposed Agreement to the Airport Procurement Supervisor (or his designee). If clarification is needed concerning this RFP, please contact Robert Robertson, Airport Procurement Supervisor at (831) 768-3582. Any formalized questions or inquires for additional information should be submitted, in writing, to the Airport or by e-mail to robert.roberston@cityofwatsonville.org at least one week prior to the Proposal Due Date. Required responses will be in writing and made part of this RFP as an addendum if necessary. **The Airport will not make and will not be bound by any oral representations regarding this matter.**

X. ACCEPTANCE/REJECTION OF PROPOSALS

It is understood that all proposals and other information submitted by proposers pursuant to this RFP will become part of the public file concerning this matter and be subject to the public disclosure laws of the State of California. The Airport reserves the right to reject any proposer that, in the Airport's opinion, does not have adequate qualifications. The Airport reserves the right, at any time, to reject any or all proposals and to advertise for new proposals. The Airport also reserves the right to waive minor irregularities and formalities in proposals.

XI. CONTRACTING

Any contract or agreement developed for this work shall be construed and enforced in accordance with the laws of the State California. Any controversy or claim arising as a result of contracting shall be settled by action initiated in the appropriate division of the General Court of Justice in Santa Cruz County, California.

XII. EQUAL EMPLOYMENT OPPORTUNITY/COMPLIANCE REQUIREMENTS

The Airport does not discriminate in the administration of any of its programs or activities. The Fuel Supplier will be required to assure that no person shall be denied employment or fair treatment, or in any way discriminated against, on the grounds of or because of the basis of race, sex, religion, age, national origin, or disability.

The Supplier, for itself, its personal representatives, successors in interest, and assigns as part of the consideration hereof, does hereby covenant and agree:

- A. that no person on the grounds of race, color, creed, sex, age or national origin or handicap shall be excluded from participation, denied the benefits of or be otherwise subjected to discrimination in the use of its facilities;
- B. that, in the construction of any improvements on behalf of Supplier and the furnishing of services, no person shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination on the grounds of race, creed, color, sex, age, national origin or handicap; and
- C. that Supplier shall use the Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination-Effectuation of Title VI of the Civil Rights Act of 1964, as amended; and that in the event of breach of any of these nondiscrimination covenants, the Municipality shall have the right to terminate this Agreement.

The Supplier assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, age, handicap or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Supplier assures that no person shall be excluded on these grounds from participating or receiving the services or benefits of any programs or activity covered by the Subpart.

Further, Supplier agrees that it will require that its covered sub-organization provide assurance to the City that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E.

XIII. BID RIGGING

The proposer affirms that he/she is not barred from bidding on this contract as a result of a violation of Federal or law of the State of California.

XIV. HOLD HARMLESS

Upon receipt of this RFP through the award of a contract, the Supplier shall indemnify, keep and hold harmless the Airport and any agents, officials or employees of the Airport against all suits or claims that may be based on all alleged death or injury to persons or damages to property that might occur, or that might have been alleged to have occurred in the course of the performance of this proposal and subsequent award of contract by the Supplier or their employees, and shall at their own expense defend any and all such actions and shall at their own expense pay all charges of attorneys and all costs and other expenses arising there from or incurred in connection therewith and if any judgment shall be rendered against the Airport in such action the Supplier shall, at their own expense, satisfy and discharge the same.

ATTACHMENT "A"
PROPOSAL FORM

**PROPOSAL for AVIATION FUEL
SUPPLIER
at the
WATSONVILLE MUNICIPAL AIRPORT**

The undersigned ("Proposer") hereby proposes to the City of Watsonville Municipal Airport, ("Airport") that Proposer be selected by the Airport to serve as fuel supplier ("Fuel Supplier") to supply the Airport with its requirements for aviation fuel for resale at the Airport as described in the City's Request For Proposals dated August 7, 2019. If selected by the Airport as the Fuel Supplier, Proposer will supply the Airport's requirements for aviation fuels and lubricants and provide other services as described in this proposal and the fuel supplier agreement ("Agreement") to be made between Proposer and the Airport as more particularly described below:

I. Authority

The City of Watsonville, as owner and operator of the Airport, will purchase from the Fuel Supplier and the Fuel Supplier shall provide and sell to the Airport's requirements for aviation fuels and lubricants (collectively the "Product") at the Airport. The Airport shall purchase the Product for resale to aircraft owners and operators at the Airport.

II. The Product shall include the following types of fuels:

- (i) Aviation Turbine Fuel – Jet A;
- (ii) Aviation Gasoline, 100 Octane, Low Lead (Avgas) or future replacement; and
- (iii) Other (if any).

The Product delivered to the Airport shall comply with the following specification:

(Here describe the current product specification required by the FAA and aircraft manufacturers for Jet A and Avgas and aviation lubricants)

or such other specification that may be established by applicable governmental regulation or industry standard in the future.

III. Prices for Product will be established as follows:

(Here describe the methodology for pricing aviation fuels and lubricants. The methodology may be a guaranteed price, a base price established upon a given date and to be increased and decreased thereafter according to an index, a margin against a pre-defined spot price or any other methodology that allows the Airport to compare future cost of Product to be obtained from Proposer in comparison with other proposers. An acceptable methodology is a price that is guaranteed not to be higher than prices being charged to other FBOs operating in the same geographic region of the airport at the time of delivery and pricing to the Airport. Include a quote of the price that your proposed pricing methodology would produce for: the date of the Proposal; six months earlier; and twelve months earlier.)

IV. Airport's requirements of Product subject to limitation:

(Here describe the limitation, if any, on the amount of Product Fuel Supplier shall be obligated to supply to the Airport at the stated price. Describe plan to provide continuous product delivery on time and on schedule.)

V. Product Quality Control Program:

(Here describe, in detail, your quality control and assurance program. Include complete description of any documented breakdowns in quality of your product and itemize any instances of aircraft damage or personal injury that have been established as proximately caused by the failure of your product to meet specifications.)

VI. Credit Card Program:

(Here describe your credit card program. Include as much detail as necessary for the Airport to fully understand the operations of same and how it compares with other credit card programs operated by other aviation fuel suppliers.)

VII. Refuelers:

(Here describe the type and specification of refuelers you could propose to provide to the Airport for the purpose of transferring fuel from the fuel storage area of the Airport into planes at the Airport. Be specific as to the type, size, specification, manufacturer, age, condition and number of such refuelers. If you propose to be compensated for the use of such refuelers state the basis of such compensation and the disposition to be made of the refuelers at the end of the Agreement.)

VIII. Advertising and Promotions:

(Here explain method or plan for Airport advertising in relation to national and international programs. Explain aviation directory support available from supplier. Set forth sales aids items provided through suppliers and cost. Explain co-op program, if applicable, and funds available to the Airport.)

IX. Industry Involvement and Commitment:

(Here set forth trade show participation by supplier and how the Airport will benefit from activity. Describe all memberships in industry organizations like ACA, NBAA and NATA, including active participation on committees if any. Set forth a list demonstrating involvement with FBOs nationwide and examples of customers similar to the Airport.)

X. Training:

(Here describe the training program you propose to conduct at the Airport including the curriculum, the number of employees to be trained, the periodic re-training and the cost, if any. The training should include the following areas at the minimum: ground servicing, safety, refueling piston aircraft, refueling turbo prop aircraft,

refueling jet aircraft, towing, fuel farm operation, quality control, customer service, and fire safety. Quality control and basic fuel farm operation should be provided on a regular basis to accommodate new employees.)

XI. Crisis Management Plan:

(Here describe suppliers program or plan to support Airport in the event supplier's product is called into question or implicated in an aircraft incident or accident.)

XII. Investment by Supplier:

(i) fuel island and farm investment;

(Describe the investment, if any, in the fuel island and fuel farm you are willing to make and under what conditions.)

(ii) Airport facilities investment;

(Describe other investments, if any, you are willing to make in facilities at the Airport and under what conditions.)

XIII. Specimen Contract:

Provide a draft contract that will be provided at the pre-proposal conference that the supplier be willing to execute with the Airport if we are selected as the Fuel Supplier.

XIV. Qualifications; References:

(Here describe your company or organization; your qualifications to be selected as Fuel Supplier; and include a at least five reference airports/contacts at which you are the exclusive provider of aviation fuel. Please include contact information for the references.)

ACKNOWLEDGMENT OF PROPOSAL

The undersigned, being the _____ (here describe your position) of _____ (here give the complete business name of Proposer), with full authority to bind the Proposer, do hereby make this proposal to the Watsonville Municipal Airport this the _____ day of _____, 2019.

Name of Proposer (SEAI)

Typed Name

Title

Name of Witness

Typed Name