

VIRGINIA HIGHLANDS AIRPORT AUTHORITY

REGULAR MEETING

Members Present: Stephen Lowe
Edward "Earl" Maine
Gary Cutlip
John R. White
Frank Buchanan, III
Joseph C. Straten
David G. Anderson

Guest Present: See Attachment

The Virginia Highlands Airport Authority Board of Directors met on Monday, January 12, 2015 at 6:00 P.M. in conference room "A" of the Terminal Building. Mr. Lowe, Chairman, determined that a quorum of the Board was present and called the meeting to order. Also present were Mickey Hines, Airport Manager, Jim Elliott, Airport Attorney, Kristy Miller, Airport Secretary, and Amber Miller, Airport Assistant Secretary.

Mr. Lowe called for approval of the Minutes of the Regular Meeting December 08, 2014.

Mr. Maine moved to approve the Minutes of December 08, 2014. Mr. Anderson seconded the motion. The motion carried unanimously.

Mr. Lowe recognized Mr. Tracy Saunders from Delta Airport Consultants.

Mr. Lowe called for the Financial Report.

Mr. Cutlip gave the Financial Report.

Mr. Lowe called for the Manager's Report.

Mr. Hines gave the Manager's Report.

Mr. Buchanan moved to approve the additional one thousand three hundred fifty-two dollars (\$1,352.00) to complete the purchase of the truck. Mr. Maine seconded the motion. The motion carried unanimously.

Mr. Lowe called for the Operations Committee Report.

Mr. Straten stated that the Operations Committee had met to discuss presenting information, in regards to what it would take to do an Airshow, to the Rotary Club of Abingdon.

Mr. Straten stated that he presented the information to Mr. Tim Webb of the Rotary Club of Abingdon. Mr. Straten stated that Mr. Webb will present the information to the entire Rotary Club and will contact us with the Rotary's decision.

Mr. Lowe called for the Development Committee Report.

Mr. Buchanan stated that the Development Committee had not met.

Mr. Lowe called for Unfinished Business.

Mr. Lowe inquired about the status on obtaining a CPA.

Mr. Anderson reported that he had spoken to the potential Audit Reviewer again and stated that they are finishing up the quote.

Mr. Lowe brought up the permit fee issue that the Board had asked the Manager to approach the County Administrator about having the permit fees waived. Mr. Lowe stated that the Airport Manager had spoken with the County Administrator and was told that the Airport Authority would have to bring the issue before the Washington County Board of Supervisors.

Discussion ensued.

The Board agreed to wait and find out the amount of the permit fees, before making the decision on whether or not to go before the Washington County Board of Supervisors to ask that the permit fees be waived.

Mr. Lowe called for New Business.

Mr. Lowe stated that Procurement of Aviation Fuel needed to be discussed as our current Fuel contract is coming to an end in May 2015.

Mr. Hines presented the Board with a Resolution for Procurement of Aviation Fuels, Instruction and Specifications, and an advertisement for Request for Proposal.

Discussion ensued in regards to the Resolution for Procurement of Aviation Fuels.

Mr. Maine moved to approve the Resolution for Procurement of Aviation Fuels as amended. Mr. Straten seconded the motion. The motion carried unanimously.

Discussion ensued in regards to the advertisement for Request for Proposal and the Instruction and Specifications.

The Board agree to proceed with the advertisement for Request for Proposal and the Instruction and Specifications as modified.

Mr. Tracy Saunders updated the Board on the status of the Airports Projects.

Mr. Elliott presented the Board with a Resolution approving the purchase of the Johnson property and execution of a pasture lease.

Discussion ensued in regards to the Resolution approving the purchase of the Johnson property and execution of a pasture lease.

Mr. Buchanan moved to approve the Resolution approving the purchase of the Johnson property and execution of a pasture lease. Mr. Maine seconded the motion. The motion carried unanimously.

Mr. Lowe called for Public Comments.

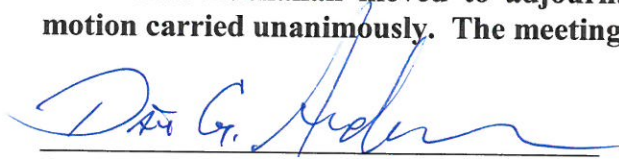
None

No Closed Session

Mr. Hines requested that the Regular Board meeting scheduled for Monday, May 11, 2015 be moved to Tuesday, May 12, 2015 as he will be unable to attend the meeting on Monday, May 11, 2015.

The Board agreed to move the Regular Board meeting from Monday, May 11, 2015 to Tuesday, May 12, 2015.

Mr. Buchanan moved to adjourn. Mr. Maine seconded the motion. The motion carried unanimously. The meeting adjourned at 7:24 P.M.



David Anderson, Secretary



Stephen Lowe, Chairman

**VIRGINIA HIGHLANDS AIRPORT AUTHORITY
 GUEST LIST - January 12, 2015**

[illegible]

RESOLUTION
APPROVING THE PURCHASE OF THE JOHNSON PROPERTY
AND EXECUTION OF A PASTURE LEASE

WHEREAS, Virginia Highlands Airport Authority (the "Authority") is engaged in a project to extend Runway 6 ("RW6") at Virginia Highlands Airport to allow for safer departures and landings at the airport and the protection of people and property on the ground; and

WHEREAS, to expand RW6, the Board resolved on October 14, 2014 to purchase a portion of the real property identified as Tax Map No. 123-A-144 (the "Property"), owned by Johnny Johnson, Julie Sprowles, and Vickie Yarber; and

WHEREAS, after negotiation, the Authority reached agreement with the landowners to purchase 16.203± acres of the Property for total compensation of \$639,856.00, as approved by the Federal Aviation Administration; and

WHEREAS, to facilitate the acquisition, the Authority agreed to lease the Property to Mr. Johnson, Ms. Sprowles, and Ms. Yarber as pasture land for grazing cattle, under the terms set out in the Pasture Lease attached as Exhibit A; and

WHEREAS, the Purchase Agreement and Pasture Lease were executed on January 8, 2015; it is

Hereby RESOLVED, that the Manager and Chair of the Authority were authorized to execute the Purchase Agreement, and Board ratifies this document; and

Be it FURTHER RESOLVED, that the Manager and Chair of the Authority were authorized to execute the Pasture Lease, and the Board ratifies this document.

Resolved this 12th day of January, 2015, by a vote of 7 for and 0 opposed, a quorum present and voting.

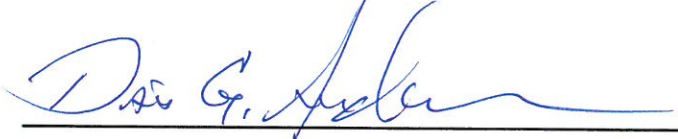

Secretary

EXHIBIT A

This instrument prepared by:

James W. Elliott, Jr., VSB #04064
Elliott Lawson & Minor, P.C.
110 Piedmont Avenue, Suite 300
Bristol, VA 24201

Tax Parcel No. 123-A-144
2014 assessed value: \$199,400

Title insurance has not been provided.

Grantee Address:

Virginia Highlands Airport Authority
18521 Lee Highway
P.O. Box 631
Abingdon, VA 24212-0631

THIS LEASE AGREEMENT, made this 8th day of January, 2015, by and between VIRGINIA HIGHLANDS AIRPORT AUTHORITY, a public body of the Commonwealth of Virginia ("Landlord") and JOHN W. JOHNSON, a/k/a JOHNNY JOHNSON, JULIE SPROWLES, and VICKIE YARBER (singularly and jointly "Tenant");

WITNESSETH:

THAT for and in consideration of the mutual covenants contained herein, the Landlord and Tenant hereby covenant and agree as follows:

PREMISES

Landlord agrees to lease to Tenant the hereinafter described Premises ("Premises") described on Exhibit A hereto solely for the purpose or purposes specified herein, and subject to the terms and conditions herein set forth for a term of one (1) years, to commence on the eighth (8th) day of January, 2015, and to end on the 8th day of January, 20 16.

RENT

In addition to the obligations and covenants contained herein, the Tenant agrees to pay to the Landlord the sum of TEN (\$10.00) DOLLARS, without notice, demand or offset, as annual rental by the second Friday of January in each year.

RIGHT OF ENTRY

The Premises have been sold by the Tenant to the Landlord contemporaneously with this Lease. The Premises have been purchased for the purposes of public roadway development and the development of the extension of a runway (RW 6) from its present location toward a portion of the Premises. The primary purpose of the purchase of the Premises is for these developments, and nothing in this Lease shall be implied nor shall this Lease infer any right of the Tenant to the Premises which will interfere with the Landlord's use of the Premises.

As a result, the Landlord reserves the right for itself, its agents, employees, assigns and engineering and planning personnel and construction contractors, along with representatives of the United States Government (particularly the Federal Aviation Administration and successor agencies) or of the Virginia Department of Aviation (and successor agencies) to enter upon the Premises at any time for any purpose regardless of whether it interferes with the Tenant's grazing operations, including (not by limitation but for examples of Landlord's expected uses only) the construction of roads, the placement of aids to avigation, the construction and maintenance of fences, and such other purposes as the Landlord determines to be useful for its overall purposes of owning and operating a public airport.

TRANSFER OF PREMISES

If the Landlord should sell, devise, or otherwise transfer the title to the Premises, such transfer shall be subject to the provisions of this lease. However, in the event this lease is for a term of more than one (1) year, the Landlord's successors in title shall have the option to give written notice of termination effective at the end of the lease year in which the title is transferred.

LAND USE

Except when otherwise agreed by the parties in writing, the use of the Premises under this Lease is limited solely to the grazing of cattle and/or sheep and no other livestock. The Tenant shall not put the Premises to other uses or purposes. Burros or donkeys may be used for coyote control, but dogs shall not be used for the purpose of guarding the livestock and shall not be kept on the Premises. The Premises shall not be used for grazing more than the number of cattle generally approved by the Virginia Agricultural Extension Agency or similar entity with an accepted reputation for determining the sustainability of grassland used for cattle farming. The Lease is limited to the 12 acres indicated on Exhibit A, or such lesser number of acres as may be available following the Landlord's determination from time to time as to what parts of the Premises are to be used and how they are to be used for the Landlord's purposes. No part of the Premises shall be used for grazing or the keeping of cattle and/or sheep during construction activities on the Premises. Hay may be cut by and for the Tenant, but the Tenant shall not plow, till or cultivate the Premises. Tenant may lime the Premises but shall not use any other fertilizer without Landlord's consent. Tenant shall not allow erosion or other diminution or destruction of the grass cover of the Premises.

No water shall be drawn for livestock or irrigation from a well or other subsurface water sources. All livestock shall be watered from tanks and shall not be allowed access to any streams or ponds on the Premises.

LIMITED ENTRY PRIVILEGES

Landlord will maintain "No Trespassing" signs around the perimeter of the property. Tenant shall not permit anyone, including Tenant, to go on the property for any purpose other than tend to the livestock thereon (which shall include the loading and unloading of livestock from trucks or other carriers). Tenant and Landlord shall inform the other of the entry of other parties on the Premises.

GENERAL MAINTENANCE

Tenant shall maintain the Premises in as good condition as the same are now, normal wear and tear and depreciation and damage from causes beyond the Tenant's control excepted.

SPECIFIC MAINTENANCE AND FENCING

The Tenant shall keep all culverts, ditches, banks and fence rows, and the road sides adjoining the Premises free and clear of weeds and brush. The Tenant agrees to mow the ditch banks, fence rows, and road sides once in June and once between August 15 and September 1, and as may be further necessary to keep the Premises free and clear of weeds; and Tenant agrees to keep all weeds from growing and maturing in the pasture.

The Tenant agrees to replace and repair all fencing on the Premises that has been damaged by Tenant or Tenant's livestock or as a result of the use of the Premises for livestock; otherwise, the Landlord will fence the Premises and keep all fencing in good and substantial repair. The location of fences shall be determined solely by the Landlord.

HUSBANDRY

The Tenant shall cultivate, fertilize, and manage the Premises in a good husbandry-like manner, according to the methods of husbandry standard to grazing rights in Southwest Virginia, in order to conserve the Premises and the grassland thereon.

CROPPING PRACTICES

The Tenant shall NOT, without the prior written consent of the Landlord, do any of the following:

1. Plow or till any part of the Premises.
2. Cut live trees for sale or personal uses, but take for personal use only the dead or unmarketable timber designated by the Landlord.
3. Allow livestock, other than Tenant's own, on the Premises.
4. Burn or remove residue or manure from the Premises.
5. Plant legumes on the Premises that are not approved by the Landowner.
6. Plant ground cover other than grass approved for the grazing of cattle by the Virginia Agricultural Extension Agency or similar entity.
7. Create a nuisance for any neighboring or close by residences or businesses.
8. Violate any ordinance of Washington County.

PASTURING

The Tenant shall prevent trampling by livestock when injury would occur to the pasture on the Premises.

LIVESTOCK PRACTICES

In caring for his livestock, the Tenant will follow good husbandry-like health and sanitation measures, inoculate all livestock according to veterinary recommendations for the geographic area and livestock's use, and guard against disease. The Tenant will notify the Landlord promptly of any diseases found in Tenant's livestock. All diseased livestock shall be quarantined or disposed of according to the advice and recommendations of a licensed veterinarian, which veterinarian shall be approved by Landlord.

No dead livestock shall be buried or otherwise disposed of on the Premises.

CONSERVATION PRACTICES

The Tenant will keep in good repair all terraces, open ditches, and inlets and outlets or tile drains, preserve all established watercourses or ditches, including grass waterways, and the Tenant shall further refrain from any operation or practice that will injure them.

PESTICIDES AND HAZARDOUS MATERIALS

The Tenant shall follow all Environmental Protection Agency and other applicable governmental regulations and guidelines, as to the labeling, use, storage and disposal of fungicides, herbicides, pesticides, and fertilizers. The Tenant shall not allow any hazardous waste, including, but not limited to, petroleum waste products, to be stored, used, or placed on or in the Premises. The Tenant shall immediately notify the Landlord in the event of spillage or leakage of any fungicide, herbicide, pesticide, fertilizer, petroleum product, or hazardous substance, material, or waste on the Premises. The Tenant shall not place any underground or above-ground storage tanks or containments on the property.

In the event of the spillage or leakage of any fungicides, herbicides, pesticides, fertilizers, petroleum products, or hazardous materials, substances, or waste on the property caused by the Tenant or the Tenant's employees, agents, or invitees, the Tenant shall immediately clean up said spillage or leakage and restore the Premises to its prior condition at his own expense.

GOVERNMENT RULES AND REGULATIONS

The Tenant shall comply with all applicable local, state, and federal laws and rules and regulations governing livestock and farming operations. The Tenant shall not permit the Premises to be used for any illegal activities, including, but not limited to, the unlawful or improper use, possession, sale or distribution of any illegal drugs or controlled substances as prohibited by federal, state or local law, including, but not limited to, the unlawful or improper use, possession, sale or distribution of any illegal drugs or controlled substances as prohibited by federal, state or local law.

FIRE PROTECTION

The Tenant shall not house any tractors, automobiles, or trucks on the Premises without the prior written consent of the Landlord. No abandoned or inoperable motor vehicles shall be brought to or stored upon the Premises.

MATERIAL AND LABOR

Unless otherwise specified herein, all expenses for materials and/or labor incurred in the use of the Premises and the fulfillment of the terms of this Lease shall be the sole responsibility of the Tenant.

ASSIGNMENT AND SUBLETTING

This lease shall not be sold, assigned, or in any manner transferred or encumbered by the Tenant, nor shall the Premises or any part thereof be sublet, without the Landlord's prior written consent.

INSURANCE

The Tenant shall obtain and keep in force the following insurance, which insurance shall be written with a company and in an amount acceptable to the Landlord: comprehensive general liability insurance in amounts equal to that maintained by the Landlord.

Tenant shall provide Landlord with proof of insurance upon Landlord's request. Proof shall be in the form of a valid certificate of insurance and a copy of the policy.

DEFAULT

The Tenant agrees that if he fails to observe or perform any of the conditions or covenants on his part to be observed or performed, and such default continues for 20 days after the receipt of a written notice from the Landlord (such written notice to be mailed by registered mail to the Tenants at addresses listed in the NOTICES section below), the Landlord shall have the right to immediately enter and possess the Premises. Willful neglect, failure, or refusal by the Tenant to perform any material provision of this lease shall give the Landlord the right to terminate this lease, in addition to damages and all other remedies provided by law. Such termination shall become effective 20 days after written notice of termination specifying the delinquency has been served upon the Tenant by registered mail, unless during the 20 day period the Tenant has made up the delinquency.

ATTORNEYS' FEES

Tenant shall be liable for Landlord's reasonable attorney's fees and costs, including, but not limited to, court costs, in the event of a breach by Tenant. Landlord's failure to enforce any provision hereunder shall not be deemed a waiver of his right to enforce the terms of this Agreement.

TAXES

The Landlord shall pay all real estate taxes due on the Premises and such personal property taxes as may be levied against Landlord's personal property located on the Premises, including but not limited to, Tenant's livestock.

NO PARTNERSHIP

This lease agreement shall not be deemed to give rise to any partnership or joint venture between the parties, and neither party shall have the authority to obligate the other without the other's prior written consent.

TERMINATION

Except as otherwise provided herein, the Landlord shall have the right to terminate this lease at any time upon six (6) months' written notice to the Tenant.

RETURN OF LAND TO CONDITION

Upon the termination of this lease for any reason whatsoever, the Tenant shall return the land to its original condition, including, but not limited to, where necessary, liming, fertilizing, and sowing in small grain or hay as the Landlord may require, and the Tenant shall restore the soil to the conditions set forth in the attached soil sample report dated the _____ day of , 20 _____ and made a part hereof.

RENEWAL

Any renewal of this lease agreement must be upon prior application of the Tenant made in writing to the Landlord not later than six (6) months before the date of termination. The terms of any renewal lease shall be subject to renegotiation and the terms of this lease shall not carry-over to any renewal unless expressly so provided.

Failure of the Tenant to apply for renewal shall be deemed notice of intent to vacate at the end of the lease term.

INDEMNIFICATION

The Tenant shall assume all liability for any injury or damage to persons or property which may arise on or about the Premises cause by, arising from or as a result of Tenant's lease, use or occupancy of the Premises; or which is caused by or arising from any animal escaping from the Premises; or which is due to the breach of any of the terms or conditions of this lease by the Tenant, or otherwise, including, but not limited to, the acts, omissions or negligence of the Tenant or his employees, agents, or subcontractors.

Tenant shall be responsible for all liability within the demised Premises, and shall indemnify and hold the Landlord harmless from and against any and all liabilities, claims, demands, actions, costs, attorneys' fees and expenses of any kind and nature whatsoever which may be sustained by Landlord by reason of Tenant's occupancy of the Premises, and Tenant shall carry Landlord as a named insured under his insurance policies.

ENTIRE AGREEMENT

This Lease, together with exhibits attached hereto and made a part hereof, represents the entire understanding between the parties, and there are no collateral or oral agreements or understanding, and this Lease shall not be modified, changed or terminated unless in writing of equal dignity signed by both parties.

SEVERABILITY

Any provision of this Lease which is prohibited by, or unlawful, or unenforceable under Virginia law shall be ineffective only to the extent of such prohibition, without invalidating the remaining provisions of this Lease.

LEASE SUBORDINATE TO STATE AND FEDERAL REGULATION

This Lease shall at all times be subject to and subordinate to the regulations of the federal and state governments concerning the use of the Premises in relation to its primary purpose of serving as a public airport.

NOTICES

In addition to written notices delivered in person or by certified mail, return receipt requested, (postage prepaid) any written notices required or permitted by this Lease Agreement shall be sent by to the following addresses:

TENANTS:

John W. Johnson
242 Grove Terrace
Abingdon, VA 24210

Julie J. Sprowles
623 Hurt St. SW
Abingdon, VA 24210

Vickie J. Yarber
18079 Lee Highway
Abingdon, VA 24210

LANDLORD:

Virginia Highlands Airport Authority
18521 Lee Highway
P.O. Box 631
Abingdon, VA 24212-0631

GENERAL PROVISIONS

The parties, having read and understood the provisions of this lease, agree for themselves, their heirs, administrators, personal representatives, executors, successors and assigns to be bound thereby.

This Lease shall be governed by the laws of the Commonwealth of Virginia.

WITNESS the following signatures and seals:

LANDLORD:

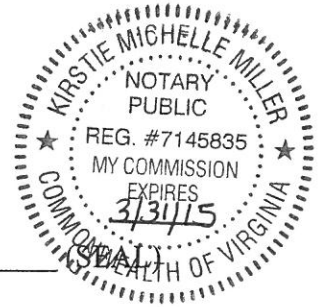
VIRGINIA HIGHLANDS AIRPORT AUTHORITY

By:


~~Chair~~ **MANAGER**

TENANT:

John W. Johnson
John W. Johnson, a/k/a Johnny Johnson



STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged before me by John W. Johnson, a/k/a Johnny Johnson, this 8th day of January, 2015.

SEAL:

[Signature]
Notary Public

My Commission Expires March 31, 2015

Notary ID #: 7145835



TENANT:

Julie Sprowles
Julie Sprowles (SEAL)

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged before me by Julie Sprowles, this 8th day of January, 2015.

SEAL:

[Signature]
Notary Public

My Commission Expires March 31, 2015

Notary ID #: 7145835



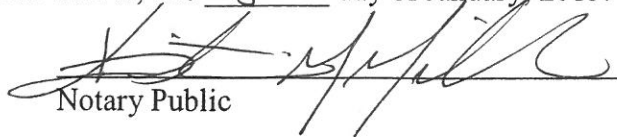
TENANT:

Vickie Yarber
Vickie Yarber

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged before me by Vickie Yarber, this 8th day of January, 2015.

SEAL:


Notary Public

My Commission Expires March 31, 2015

Notary ID #: 7145835



EXHIBIT A
Exhibit to a Lease Agreement
Dated January 8, 2015 among
Virginia Highlands Airport Authority and
Johnny Johnson, Vickie Yarber and Julie Sprowles

The maximum area to be used for grazing, subject to the ownership rights of the Virginia Highlands Airport Authority at law or as set forth in the aforesaid Lease Agreement is:

BEGINNING at an iron rod set S23°44'34"E from another 3/8" iron rod found in the easterly right of way of Westinghouse Road (County Road 1718) and the southwest corner of property now or formerly Rosenbaum and property now owned by Virginia Highlands Airport Authority ("Authority") and formerly owned by Johnny Johnson, Vickie Yarber and Julie Sprowles, thence running from said point of BEGINNING N67°08'23"E 542.75 feet to a 3/8" iron rod set in the property formerly owned by Snead and now owned by the Authority, thence turning and running with said Authority's line and the line of Fred B. Gent, II, S24°13'27"E 505.12 feet to a 3/8" iron rod found, thence continuing S24°13'54"E 433.68 feet to a 3/8" iron rod set in the line of Gent, thence turning and running S58°10'38"W 556.15 feet to a 3/8" iron rod set in the easterly line of said Westinghouse Road, then turning and running N 23°44'34"W along said Westinghouse Road 1025.29 feet to the point of BEGINNING, containing 12.327 acres more or less and being a portion of the property conveyed to the Authority by Johnny Johnson, Vickie Yarber and Julie Sprowles by deed dated January 8, 2015.

**Resolution
of Virginia Highlands Airport Authority
for Procurement of Aviation Fuels**

WHEREAS, Virginia Highlands Airport Authority ("VHAA") is party to an Aviation Fuels Contract that will expire on May 31, 2015; and

WHEREAS, VHAA must conduct a procurement to select a supplier of aviation fuels for the period after the contract ends; and

WHEREAS, the Virginia Public Procurement Act ("VPPA") generally requires public bodies such as VHAA to engage in competitive sealed bidding when procuring goods, including aviation fuels; and

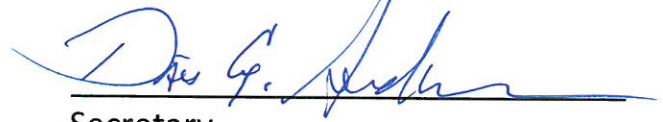
WHEREAS, the VPPA permits public bodies to use competitive negotiation to procure goods upon a determination made in advance by the public body and set forth in writing that competitive sealed bidding is either not practicable or not fiscally advantageous to the public; and

WHEREAS, offerors may wish to provide other services related to aviation fuel such as fuel trucks, Avgas 100LL self-fueling station, credit card processing services, airport signage, advertising, uniform assistance, development and promotional assistance and training; it is

Hereby RESOLVED, that the Board of Directors has determined that VHAA should engage in competitive negotiation to procure aviation fuels and related items because competitive sealed bidding is not practicable for this procurement; and

FURTHER RESOLVED, that the Manager and Board of Directors of VHAA take the necessary steps to conduct procurement by competitive negotiation to select a supplier of aviation fuels and related items.

Resolved this 12th day of January, 2015, by a vote of 7 for and 0 opposed, a quorum present and voting.


Secretary

(advertisement)
Request for Proposal

The Virginia Highlands Airport Authority (VHAA) is soliciting proposals and qualification statements from suppliers interested in providing aviation fuels and petroleum products for the Virginia Highlands Airport, Abingdon, Virginia. Additionally, VHAA may need to obtain three fuel trucks: a 500-750 gallon capacity truck for dispensing 100LL AvGas and two (2) 1,500-3,000 gallon capacity trucks for dispensing Jet-A aviation fuel and a Avgas 100LL self-fuel stations. VHAA currently dispenses approximately 35,000 gallons of AvGas and 230,000 gallons of Jet-A annually. This amount will vary from time to time.

VHAA shall be responsible for storage and dispensing equipment, specified quality checks, and maintenance operations as specified in Supplier's proposal. VHAA will assure compliance with Supplier's safety regulations as well as compliance with all local, state, and federal laws and requirements with regard to handling, storing, and sale of the products purchased. The contract will be for a minimum of three (3) years and a maximum of five (5) years.

Respondents will be evaluated on the basis of experience, reliability, quality, conformity with specifications, terms of delivery, and service.

Proposals will be received until 4:00 P.M. (local time) on March 9, 2015 at which time proposals will be publicly opened and read. Proposals received after that time may be returned unopened. VHAA reserves the right to interview or complete the selection based on the proposals received. VHAA also reserves the right to reject any or all proposals and reserves the right to re-advertise for proposals.

All proposals must be sealed and marked "**PROPOSAL – AVIATION FUEL**". Proposals may not be withdrawn after the scheduled closing time for the receipt of proposals for a period of one hundred and twenty (120) days.

To obtain a copy of *Instructions and Specifications* or for additional information contact:

Manager
Virginia Highlands Airport
18521 Lee Highway
P.O. Box 631
Abingdon, VA 24212-0631
Telephone (276)- 628-2909
Fax (276) 628-2693
Email: vji46@embarqmail.com

Instructions and Specifications
Virginia Highlands Airport Authority
Attachment to Request for Proposal
January 12, 2015

Virginia Highlands Airport Authority (VHAA) is seeking sealed proposals for the purchase of aviation fuels (100LL Av Gas and Jet-A) on an as-needed basis. Delivery will be required to the Virginia Highlands Airport, 18521 Lee Highway, Abingdon, VA 24210. VHAA is currently utilizing one (1) 12,000-gallon above ground Av Gas tank and one (1) 12,000-gallon above ground Jet-A tank with concrete unloading area at an approved fuel farm.

Minimum specifications shall be as follows:

1. **Product/Specifications:**
 - a. Av Gas 100LL – meets or exceeds ASTM D910
 - b. Jet A – meets or exceeds ASTM D1655, NOT premixed with anti-icing additive.
2. **Quantity/Term:**
 - a. Av Gas 100LL – Up to 40,000 gallons per year, plus any growth in sales.
 - b. Jet A – Up to 250,000 gallons per year, plus any growth in sales.
 - c. Invoicing of fuel shall be based on net gallons delivered as verified by the bill of lading provided by the terminal.
3. **Product Delivery and Price:**
 - a. Deliveries of Av Gas shall normally be full transport amounts, not less than 7,000 gallons or up to approximately 8,000 gallons.
 - b. Split-loads may only be delivered if approved by airport management before delivery.
 - c. Freight charges shall be based on supplier's closest delivery source to Virginia Highlands Airport, regardless of actual source of delivery. In the proposal, the bidder will specify Supplier's closest primary terminal to Virginia Highlands Airport.
 - d. All freight charges shall be a separate line item on each delivery invoice.
 - e. Invoice pricing for Jet-A fuel shall be governed by the previous week (Monday through Friday) price per U.S. gallon as published in Platts Oil Gram Gulf Coast "mean" plus a fixed differential amount as specified by Supplier. All Federal taxes, all state taxes, environmental fees, discounts, and any and all other applicable charges will be listed as separate line items on the invoice. Av Gas 100LL may be priced as "Dealers Established Price at Time of Delivery". Proposal shall include a copy of prices for both Jet-A and Av Gas for the past twelve (12) months. Prices will reflect any and all additional charges, discounts, adjustments, etc.
 - f. Supplier shall furnish any necessary adapter(s) needed to accommodate coupling of road transport vehicles to Virginia Highlands Airport fuel storage system.
4. **Credit Cards:**
 - a. Supplier shall accept, without processing fee, at least two major oil company credit cards.
 - b. Supplier shall accept state and federal government-issued credit cards without fee.
 - c. Supplier shall accept other general use credit cards such as Visa, MasterCard, and American Express at a processing fee not to exceed 2.5%
 - d. Successful vendor shall supply an electronic credit card machine, with all credit card supplies, forms, materials, necessary training and technical support without charge to VHAA.
 - e. Supplier must provide toll-free credit card authorization service.
 - f. Supplier's credit card processing service shall provide for normal airport-related charges, in addition to fuel, including but not limited to: tie down fees, hangar or lease payments, pilot supplies, minor repairs, flight, catering service, and/or weather service. The additional listed purchases must be processed at the same fee charge rate as fuel purchases.

- g. Supplier shall reimburse VHAA for credit transmittals by direct deposit to VHAA's bank account of record within two (2) banking days of receipt.

5. Credit Terms:

- a. Supplier shall provide VHAA with 30 day terms without penalty.
- b. Other credit terms may be offered, to include prompt pay discounts and be made a part of the proposal response.

6. Fuel Trucks:

- a. Supplier may offer one (1) 500 – 750 gallon Av Gas fuel truck with one (1) over the wing fuel system.
- b. Supplier may offer two (2) 1500 – 3000 gallon Jet-A fuel trucks with two (2) over the wing fuel system and one (1) single-point fuel system.
- c. Supplier may provide gas or diesel equipment as specified in proposal and list any offer of free truck usage or reduced rate usage or incentive program for provided vehicles.
- d. Supplier will specify in their proposal the year, make, and model of fuel trucks to be provided. Supplier will also describe in detail the scope of maintenance to be provided at no charge to VHAA. Supplier will also detail any warranties or guarantees provided with the fuel trucks.
- e. Supplier will provide detail of maintenance required by VHAA on provided fuel trucks.
- f. Supplier will provide required instruction and training on proper use of provided fuel equipment.
- g. Supplier will provide a loaner fuel truck to VHAA in the event that either of Supplier's provided Av Gas 100LL truck or Jet-A trucks become inoperable and VHAA and Supplier agree repairs cannot be completed within 48 hours.
- h. Supplier may offer a 10,000 gallon Av Gas 100LL self-fueling station.

7. Failure to Perform:

- a. If a provided fuel truck becomes inoperable and VHAA is unable to deliver the product specified for that truck and Supplier cannot provide a working replacement truck within the 48 hour period as required, Supplier agrees to a penalty to reimburse VHAA for lost income. The penalty assessment will be the average daily profit for the related product based on the past six months sales of that particular product. The penalty will be assessed for each 24-hour period that VHAA was unable to deliver the product.

8. Quality Control/Inspection:

- a. Supplier shall provide VHAA with written product quality reports on a quarterly basis and certification of quality with each delivery
- b. Supplier shall inspect all fuel handling equipment on a quarterly basis and provide VHAA with written inspection reports and provide technical assistance to correct deficiencies as required.
- c. All fuel metering equipment shall be inspected and certified as required by federal and state regulations and all meters shall display proper certification signage and seals as required by law.

9. Insurance:

- a. Supplier shall provide at no cost to VHAA excess Aircraft Fueling Liability Insurance covering all fuel related activity of at least fifty (50) million dollars.

10. Emergency Service:

- a. Supplier shall make available to VHAA a twenty-four hour, 365 days per year telephone number(s) should a problem occur with the fuel delivery system or should VHAA require a weekend delivery.

11. Training:

- a. Supplier shall provide line service and quality control training to VHAA employees, on site, at the beginning of the contract, and also provide additional, on site, training for any new employees during this contract period at no charge. Supplier shall provide periodic, on site, line service and quality control training to VHAA employees as necessary.

12. Signage:

- a. Supplier shall provide one large pole-mounted sign for air view and one large building mounted sign visible from the airport terminal ramp area and decals on ground equipment and fuel farm equipment at no charge to VHAA. Supplier will list approximate size of sign in bid information.

13. Uniforms and Other Amenities:

- a. Supplier may wish to provide any number of additional amenities other than those listed above. Consideration will be given to such items as additional signage, advertising, uniform assistance, web page assistance, airport promotional events, discounts for quantities, discount for contract extensions, etc.

14. Length of Contract

- a. Supplier shall agree to contract terms for a minimum of three (3) years and a maximum of five (5) years.

Basis of Award:

VHAA reserves the right to reject any and all proposals. Contract may be awarded to the lowest responsible and responsive respondent based on meeting our requirements as set forth in the specifications, as well as consideration of the low quote overall for freight and mark-up and cost related to leased equipment. Suppliers assume all responsibility for complying with all federal, state and local laws and regulations, meeting industry standards for product and for formulating and completing the proposal as specified.

-END-

(advertisement)
Request for Proposal

The Virginia Highlands Airport Authority (VHAA) is soliciting proposals and qualification statements from suppliers interested in providing aviation fuels and petroleum products for the Virginia Highlands Airport, Abingdon, Virginia. Additionally, VHAA may need to obtain three fuel trucks: a 500-750 gallon capacity truck for dispensing 100LL AvGas and two (2) 1,500-3,000 gallon capacity trucks for dispensing Jet-A aviation fuel and a Avgas 100LL self-fuel stations. VHAA currently dispenses approximately 35,000 gallons of AvGas and 230,000 gallons of Jet-A annually. This amount will vary from time to time.

VHAA shall be responsible for storage and dispensing equipment, specified quality checks, and maintenance operations as specified in Supplier's proposal. VHAA will assure compliance with Supplier's safety regulations as well as compliance with all local, state, and federal laws and requirements with regard to handling, storing, and sale of the products purchased. The contract will be for a minimum of three (3) years and a maximum of five (5) years.

Respondents will be evaluated on the basis of experience, reliability, quality, conformity with specifications, terms of delivery, and service.

Proposals will be received until 4:00 P.M. (local time) on March 9, 2015 at which time proposals will be publicly opened and read. Proposals received after that time may be returned unopened. VHAA reserves the right to interview or complete the selection based on the proposals received. VHAA also reserves the right to reject any or all proposals and reserves the right to re-advertise for proposals.

All proposals must be sealed and marked "**PROPOSAL – AVIATION FUEL**". Proposals may not be withdrawn after the scheduled closing time for the receipt of proposals for a period of one hundred and twenty (120) days.

To obtain a copy of **Instructions and Specifications** or for additional information contact:

Manager
Virginia Highlands Airport
18521 Lee Highway
P.O. Box 631
Abingdon, VA 24212-0631
Telephone (276) - 628-2909
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