



3300 Airport Rd., Escanaba, MI 49829 | 906.789.5100 | <https://flyesc.com/>

To: Delta County Board of Commissioners
From: Robert C. Ranstadler, Airport Manager, Delta County Airport

Date: June 18, 2024

Re: Request for Proposals: Aviation Fuel Supply/Branding Agreement for Delta County Airport

1.1 Purpose

The Delta County Airport (herein referred to as “ESC”) is requesting sealed bids for an aviation fuel supply and/or fuel branding agreement at the airport. Presently, ESC is not under contract with any fuel service providers, nor does the airport host or operate with an FBO (Fixed-Base Operator). Airport Administrative staff currently purchase bulk fuel through multiple providers on a conditional or “as needed” basis, which varies according to seasonal and operational demands. Airport Operations staff handle, dispense, and sell retail fuel to commercial and private customers. Daily activities include full-service Jet A sales to SkyWest Airlines as well as full-service Jet A and self-service Avfuel sales to private, charter, and General Aviation customers.

1.2 Scope of Agreement

Principally, ESC seeks to enter into an aviation fuel supply and/or branding agreement with an approved provider to: (1) offset the cost of procuring a replacement Jet A Refueler for the aging refueler that is presently in use at the airport; (2) gain access to training and support programs that will optimize Jet A delivery services and retail fuel sales at the airport; and (3) engage in future bulk fuel purchasing practices, based upon a contractually agreed upon price index for provided fuel, which will facilitate the managing of day-to-day finances as well as developing more accurate operational outlays and fuel budgets for the airport.

A. Jet A Refueler Replacement

The airport is presently in possession of a single 2200 gal Jet A Refueler that is approximately 30 years old. It is rapidly nearing the end of its operational lifespan and in constant need of repair. Moreover, many of the systems installed on this truck are outdated and fail to meet the growing operational needs at ESC.

At the request of the Delta County Airport Advisory Board (DCAAB), Airport Management and Administrative staff (working in conjunction with the Delta County Road Commission and multiple industry experts) concluded that the airport would benefit best from a 3,000 Gallon Jet A Refueler with an output of 300 GPM (gallons per minute). The truck would also need to be configured per the following specifications:

- Ford F-750, Triton V-10 gasoline engine, auto transmission; or comparable diesel engine meeting current emission requirements and equipped with cold-weather-start system;

- One (1) underwing hose reel w/ 2” by 50’ aviation hose;
- One (1) overwing hose reel w/ 1 ¼” by 50’ aviation hose;
- Latest edition filter/separator system;
- ATA-103 and NFPA 407 compliant (“Scully” overfill protection); and
- Low Level Automatic Shutdown (LLAS)

Unfortunately, purchasing a Jet A Refueler, or independently financing or leasing one, would prove cost prohibitive (a new refueler cost approximately \$253K while the average cost of a used refueler is about \$105K). For this reason, as well as some of the others outlined below, the DCAAB and Airport Management recommend that ESC enter into an aviation fuel supply and/or fuel branding agreement that includes the leasing of a new or used Jet A Refueler to ESC for a term not exceeding more than seven (7) years.

B. Benefits of Entering an Aviation Fuel Supply Agreement

Airports may purchase and sell fuel from a variety of suppliers. In addition to the cost of the product, other expenses associated with purchasing of aviation fuel include freight, applicable sales tax, and environmental fees. In some cases, an airport may elect to enter a fuel supply agreement with a selected distributor to stabilize fuel costs. Out of the seven regional airports included in a recent management study, ESC is the lone airport without some form of aviation fuel supply and/or branding agreement.

The basic premise of an aviation fuel supply agreement is an exclusivity arrangement between the supplier and the airport, the latter of which agrees to only purchase and sell fuel provided by the former. Such agreements usually stipulate that the provider will sell fuel to the airport at a price relative to a set index, which facilitates bulk fuel purchase budgeting and planning. Other potential benefits of entering a fuel supply agreement include:

- Reduced equipment costs, including the leasing or purchasing of new or used refueling trucks at steeply discounted rates
- Reliable supply, in that the fuel seller provides contracted airports preferential service over non-contracted airports
- Training for fuel service staff, thus increasing efficiency and safety
- Quality assurance and customer support

C. Proposed Elements of the Desired Agreement

Just as every airport is unique, so too are the requirements of an aviation fuel supply or branding agreement. In addition to the minimums set forth by federal, state, and local laws, the DCAAB and Airport Management will require that the following provisions be part of any potential agreement:

- That ESC be provided – either lent at no cost, or leased for a price not exceeding more than \$1500/month – a new or used Jet A Refueler meeting the specifications outlined in Paragraph 1.2.A.
- That if provided a used Jet A Refueler, the vehicle not be more than 20 years old and that a mutually agreed upon line of funding (stipend) be provided to ESC for annual maintenance and upkeep.

- That if entering into a lease for a Jet A Refueler, the terms of said lease shall not be more than seven (7) years and that the end of said term culminate with an option to renew for an additional term, or outright purchase the leased vehicle (in the form of a residual lump-sum payment based upon the fair market value of the vehicle at the time of purchase).
- That provisions be made by the supplier to quickly replace the lent or loaned Jet A Refueler with a comparable vehicle in the event the original refueler suffers a mechanical or material failure that would prevent or otherwise interrupt fuel services at ESC.
- That the supplier potentially provides a second refueler – either leased, purchased, or loaned – to ESC as future operational or financial needs may dictate.
- That the vendor and/or supplier provide airport staff with the requisite training and support needed to effectively operate the Jet A Refueler, as well as any systems or programs related to the storage, dispensing, and sale of Jet A fuel at ESC.
- That ESC reserves the right to terminate the agreement in writing if and when the DCAAB and/or Airport Management decide to employ the services of an FBO, which would be responsible for the dispensing and sale of fuel at ESC.

1.3 Required Submission Documents

All vendors and/or service providers are required to submit: (1) a brief description of the company’s experience and qualification; (2) a service agreement proposal that includes the provisions and requirements outlined above; and (3) a cost proposal (e.g. quote or estimate of cost of goods and services).

1.4 Schedule of Events

Proposals must be received, in a sealed envelope, at the below address, no later than **3:00 p.m. EDT by Thursday, August 1, 2024. Envelopes must be marked, “Aviation Fuel Supply [or] Branding Agreement for Delta County Airport” (as applicable).**

Administrative Office
Delta County Courthouse
310 Ludington St, Suite 222
Escanaba, MI 49829

Proposals will be opened **Thursday, August 1, 2024 at 3:00 p.m. EDT**, at 310 Ludington St., Escanaba, MI 49829, Room 222, Administrator Conference Room.

The final decision to accept and award bids is expected to be made during the Delta County Board of Commissioners Meeting scheduled for **Tuesday, August 20, 2024 at 5:00 p.m. EDT** at the Delta County Service Center. Proposals received after **3:00 p.m. EDT on Thursday, August 1, 2024** will not be opened or eligible for consideration. The Delta County Board of Commissioners will make their selection based on its current approved procurement policy.

1.5 Amendments to Proposals

Amendments to or withdrawals of proposal will only be allowed if acceptable requests are received prior to the deadline. No amendments or withdrawals will be accepted after the deadline unless they are in response to the County’s request.

1.6 Required Review

Vendors and/or service providers shall carefully review this RFP for defects as well as questionable or objectionable matter. Comments concerning defects and questionable or objectionable material must be made in writing and received by Delta County Administrator Ashleigh Young, 310 Ludington St., Suite 222, Escanaba, MI 49829. Telephone conversations are not considered official and must be confirmed in writing by the interested party.

1.7. Preparation Costs

The County is not responsible and will not pay for any costs associated with the preparation, submittal, or presentation of any proposal.

1.8 Copies of Proposals

Interested Bidders will provide four (4) copies of their proposals.

1.9 Confidential Information

Once bids are opened, they will become public record, subject to public viewing and requests under the Freedom of Information Act.

1.10 Right to Cancel

The County of Delta reserves the right to cancel the RFP at any time when it is in the best interest of the County. The County reserves the right to accept or reject any and all submitted bids. The County is not required to accept the lowest bid.

Robert C. Ranstadler
Airport Manager
Delta County Airport