



REQUEST FOR PROPOSALS

AVIATION FUEL SUPPLIER
MADRAS MUNICIPAL AIRPORT S33
MADRAS, OREGON

ISSUE DATE: March 27, 2024

PROPOSAL DEADLINE: 2:00 PM, Tuesday April 30, 2024

**CITY OF MADRAS
MADRAS MUNICIPAL AIRPORT
Request for Proposals
Aviation Fuel Supplier**

I. OBJECTIVE

The City of Madras, Oregon (“City”) owns and operates the Madras Municipal Airport (“S33” or the “Airport”), located in Madras, Oregon. The City invites proposals from qualified producers and suppliers of aviation fuels and lubricants (“Proposers”) to supply the Airport with aviation fuel and related goods and services as further described in this Request for Proposals (“RFP”). The City intends to enter into a multi-year agreement (“Fuel Supply Agreement”) with the successful proposer.

II. THE AIRPORT

S33 is an important regional general aviation Airport that serves Jefferson County, Oregon and surrounding communities. The Airport is home to New Moon Aviation, BC Air, Cat-Ag Aviation, Erickson Aero Air Tanker, and Tillamook Naval Air Museum. There are presently 76 aircraft permanently based at the Airport [fifty-seven (57) single-engine planes; ten (10) multi-engine planes; eight (8) jets; and one (1) helicopter]. The Airport has two runways, associated taxiways, runway safety areas and runway protection zones. Runway 16-34 is 5,091 feet long and 75 feet wide and runway 4-22 is 2,701 feet long and 50 feet wide.

The City intends to operate the Airport as a Proprietary Exclusive Fixed Base Operation (FBO) as defined by the FAA for fueling, hangaring, tie down, and parking.

The Airport has one (1) general aviation terminal/administrative building, used to provide terminal and flight line services to general aviation pilots, owners and passengers. It has one (1) separate corporate-style hangar buildings, two (2) WWII B-17 Bomber hangars, one (1) of which houses New Moon Aviation, the fixed wing firefighting hangar leased by Erickson Aero Tanker, Tillamook Naval Air Museum which is privately owned, and forty-eight (23) T-Hangars. The apron has twenty-four (24) tiedowns. There is a fuel tank farm with a capacity of 12,000 gallons of Jet A fuel; a Jet A refueler with a 2,150-gallon capacity; and a 12,000-gallon AvGas tank; a AvGas refueler with 1,500-gallon capacity. The tank farm includes a self-service M4000 QTPod card lock system, accessible to the public twenty-four (24) hours a day for Jet A and AvGas.

Table I provides historic fuel sales at the Airport.

III. FUEL SUPPLY AGREEMENT AND REFUELER LEASING/SERVICES

The City currently sells fuel under a 5-year contract with a fuel supplier that expires June 30, 2024. Through this RFP, City seeks to enter into a Fuel Supply Agreement with a supplier (“Fuel Supplier”) for a three-year initial term, with an option to renew the contract for up to two additional one-year terms at the City’s discretion.

Although City presently owns its refuelers, City may surplus or retire its refuelers. Accordingly, in addition to purchasing fuel and related goods, City is interested in opportunities to lease refuelers or otherwise receive refueler services from the successful Proposer.

IV. FUEL SPECIFICATIONS

The aviation fuel delivered pursuant to the Fuel Supply Agreement must meet or exceed the following minimum specifications:

- A. Jet Fuel: Jet A fuel shall conform to ASTM D-1655 specifications, latest revision. Jet fuel must be supplied without anti-icing additive.
- B. Aviation Gasoline (AVGAS): AVGAS fuel shall conform to ASTM D-910 specifications, latest revision, and shall be of the Aviation Gasoline type, AVGAS 100LL or future replacement.
- C. The selected Proposer will provide a certificate of analysis on all aviation fuel shipments and documentation to allow for traceability on all shipments back to the refinery.

V. PROPOSAL CONTENTS AND SUBMISSION REQUIREMENTS

Proposals in response to this RFP (“Proposals”) must be actually received by City no later than **2:00 PM, Tuesday April 30, 2024**. Late submissions will not be accepted and Proposers bear all risk of late or mis-delivery. Proposals must be hand delivered or mailed to:

**Jeff Hurd
Public Works Director
City of Madras
125 SW E Street
Madras, OR 97741**

Proposals sent by fax or email will not be accepted.

Each submitted Proposal must be in a sealed envelope, with the outside clearly labeled with the name of the Proposer and marked “PROPOSAL ENCLOSED: S33 FUEL SUPPLIER PROPOSAL.” The submitted Proposal must be no longer than 12 pages (8.5” x 11”), inclusive of the cover letter and mandatory form but exclusive of any sample contracts or leases, and include and/or address all of the following:

- A. A cover letter with basic information concerning the firm including, without limitation, the name of the firm, RFP contact person, email address, mailing address, telephone number, background of the firm, acknowledgement that Proposer has reviewed the RFP and all addenda (if any), and must be signed by the person authorized to bind the firm
- B. Description of products to be supplied, including available quantities and guarantees of quantity and quality.
- C. Quality control procedures,

- D. Delivery schedules based on normal (non-urgent) fuel order lead times.
- E. Emergency procedures, including back-up supplier if applicable.
- F. Ordering procedures, including order minimums, if any.
- G. Price information in substantially the form attached hereto as Exhibit A for *delivered* prices of both 100LL AvGas and Jet A, broken out separately and itemized to include freight, state and federal taxes and fees, and any other applicable costs and charges. Fuel pricing shall be based on the Portland Rack Price plus any differential (please specify). For illustrative/comparison purposes the price information must include certified fuel prices charged by the Proposer under the foregoing methodology for the week of April 15 to April 21, 2024 (averaged in the event of fluctuation during such week).
- H. Certification that payment terms will be net thirty (30) days.
- I. Methods of payments accepted, including fees or discounts for different forms of payment, if applicable.
- J. Description of point of sale credit card system and supplies. Must include a wireless, point-of-sale terminal for the refueler.
- K. Statement that the Proposer can provide a lease Jet A refueler with a minimum 5,000-gallon capacity and an AvGas refueler with a minimum 1,000-gallon capacity. Detail costs of maintenance programs required for the vehicle, both those provided by the Airport and those provided by the Proposer. Include specifications on truck make, model, year of manufacture, and photograph(s) of fueler expected to provide fuel to the City. Provide proposed lease terms and a sample lease.
- L. Describe promotional, advertising, uniform, and any/all co-op programs available that may benefit the City.
- M. Description of Line and Customer Service training programs, including training materials used, if any.
- N. Conversion/transition plan: provide a timetable for delivery of refuelers, signage, logos, uniform replacement, forms, software conversion, et cetera.
- O. Marketing support and incentive programs including available contract fuel program services and/or assistance. With each item identify any associated costs.
- P. At least three examples of fuel supply services similar to those sought by the City provided by the Proposer within the last five (5) years, including customer names and contact information. By supplying this information, the Proposer consents to have the City contact the named former customers to obtain reference information about the Proposer's performance.
- Q. Signed and completed copy of Oregon statutory certifications on the form attached hereto as Exhibit B.
- R. Acknowledgement of acceptance of terms in the sample contract attached as Exhibit C or list of requested changes. Proposers may respond this provision by including a redline of the sample contract without such pages applying to the page limit.

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 City. All Proposals and other information submitted pursuant to this RFP will become part of the public record and are subject to the public disclosure laws of State of Oregon. If the Proposer seeks to keep any part of its Proposal confidential, the Proposer shall clearly indicate in its Proposal the specific sections for which confidentiality is sought. The City will make reasonable efforts to maintain confidentiality as requested but

makes no guaranty that submitted information will not be disclosed if required by law or if doing so is in the best interests of the public or the City.

VI. EVALUATION OF PROPOSALS; FUEL SUPPLIER SELECTION CRITERIA

Proposals will be opened publicly immediately following the Proposal deadline. Proposals will be evaluated and scored based upon the information provided in the Proposal. The Fuel Supply Contract, if one is awarded, will be awarded to the Proposer that, in the City’s discretion, best meets the City’s needs considering the following criteria. Each criterion will be scored as follows:

<u>Criterion</u>	<u>Possible Points</u>
Qualifications	15 points
Experience	15 points
Reputation for reliable performance	10 points
Cost information	30 points
Available equipment and materials	20 points
Contract/lease terms	10 points
Interviews (if held)	25 points

City reserves the right to ask questions or request clarifying information on any submitted Proposals. City may use information gained for purposes of scoring and evaluation. City reserves the right to conduct interviews. If conducted, interviews will be evaluating using the same evaluation criteria applied to Proposals, but result in an aggregate interview score of 25 points.

Unless otherwise negotiated by the parties, the terms of the Proposal will be incorporated by reference into the Fuel Supply Agreement. If the City and the highest-ranked Proposer are unable to agree on contract terms, or if the selected Proposer fails to promptly execute the Fuel Supply Agreement, the City may upon written or electronic notice terminate discussions with the selected Proposer and begin negotiations with a lower-ranked Proposer.

The City shall not discriminate against any Proposer on the basis of race, color, national origin, ethnicity, age, disability, sex, pregnancy, religion, military or veteran status, sexual orientation, or gender identity or expression.

VII. PRE-PROPOSAL MEETING; QUESTIONS AND CLARIFICATION; ADDENDA

City will hold a non-mandatory pre-proposal meeting on April 12, 2024, at 2:00 PM at the Madras Municipal Airport 2028 NW Berg Drive, Madras, OR 97741. Proposers unable to attend in person may attend remotely by Microsoft Teams:

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>.

Meeting ID = 289 713 725 224

Passcode = jKRYNW

Or call in (audio only)

+1 971-203-2980,,632026204# United States, Portland

Phone Conference ID: 632 026 204#

The purpose of the pre-proposal meeting is to provide a forum for prospective Proposers to ask questions about this RFP.

Questions and requests for clarification about this RFP may otherwise be submitted by email to Jeff Hurd Public Works Director, at: jhurd@ci.madras.or.us, no later than 5 p.m. on Monday April 20, 2024. Emails should include the subject line, "Aviation Fuel Supplier RFP Question." The question must be specific and must cite the specific part of the RFP being inquired about.

Required responses will be in writing and made part of this RFP as an addendum. No information, instruction, or advice provided orally or informally by any City personnel, whether at a meeting or made in response to question or otherwise concerning this RFP, shall be considered authoritative or binding. Proposers shall rely only on written material contained in an Addendum to this RFP.

All materials concerning this RFP, including all addenda to this RFP, will be posted to City's website at <https://www.ci.madras.or.us/rfps>. City will not mail notice of the issuance of any addenda but will publish notice of any addenda issued on its website. It is the obligation of each Proposer to regularly review City's website for issuance of any addenda.

VIII. RFP PROPOSED TIMELINE

City reserves the right to make adjustments but proposes to process this RFP pursuant to the schedule set forth below. Any adjustments to firm dates will be made by written addenda.

<u>Event</u>	<u>Date</u>
RFP Issued	March 26, 2024
Pre-Proposal Meeting	April 12, 2024
Requests for Clarification/RFP Protest Deadline	April 20, 2024
Deadline for RFP Submission	April 29, 2024
Evaluation of Proposals (apprx.)	May 6, 2024
Proposer Interviews (if held)	May 15, 2024
Selection Notice (apprx.)	May 20, 2024
Selection Protest Deadline (apprx.)	May 27, 2024
Execution of Contract (apprx.) and Service Begins	July 1, 2024

IX. PROTEST PROCEDURES

Proposers may submit to the issuing officer a written protest of the RFP, contractual terms or specifications, or notice of intent to award. To be considered, a protest must (a) identify the Proposer's name and reference to this RFP, (b) contain evidence that supports the grounds on which the protest is based and specify the relief sought, including, without limitation, a statement of the proposed changes to the process or RFP provisions, requirements or terms, and/or conditions that the Proposers believes will remedy the conditions upon which the protest is based, (c) be signed by the Proposer's authorized representative, (d) be received by City on or before the applicable deadline, and (e) otherwise comply with OAR 137-047-0730 or OAR 137-047-0740 as applicable. A timely submitted protest will be resolved within a

reasonable time following City's receipt of the protest.

X. CITY'S RESERVATION OF RIGHTS

Notwithstanding anything contained in this RFP to the contrary, and in addition to any other rights reserved by City in this RFP, if in City's best interest, City reserves the right to (a) amend and/or revise this RFP in whole or in part, (b) cancel this RFP, (c) extend the submittal deadline for responses to this RFP, (d) waive minor informalities and errors in such Proposals, and/or (e) reject any or all Proposals for any reason and/or without indicating reasons for rejection. City reserves the right to hold the Proposals for sixty (60) days before rendering a decision. This RFP does not obligate City to award a contract and/or to procure the Services (or any portion thereof). City reserves the right to enter into one or more contracts concerning the Services.

XI. MISCELLANEOUS

The City reserves the right to make such investigations as it deems necessary or appropriate to determine the ability of a Proposer to furnish the required goods and services, and each Proposer will furnish all such information for this purpose as the City may reasonably request.

Any Proposal may be modified or withdrawn at any time prior to the proposal submittal deadline, provided that a written request is actually received by City prior to such deadline. The withdrawal of a proposal will not prejudice the right of a Proposer to submit a new proposal.

The Proposer awarded the contract will be required to obtain a City business license.

Information contained in this RFP (e.g. airport data, historic fuel sales, etc.) is provided as a courtesy and does not constitute a representation or warranty on behalf of City and does not excuse a Proposer from conducting its own due diligence.

- a) "The City promotes equal opportunity for all individuals without regard to age, color, disability, marital status, national origin, race, religion or creed, sex or gender, sexual orientation, or veteran status."
- b) Encouragement of minority and woman-owned businesses to apply just like I did for the advertisement notice.
- c) "If any Proposers requires special assistance or auxiliary aids during the proposal, evaluation or award process, please contact City at least two (2) business days prior to the required assistance."

TABLE I: Historic Fuel Sales

Total Gallons sold by Year				
	FY	100 LL Gal.	Jet A Gal.	
	2018-2019	37,336.07	38,444.72	
	2019-2020	44,011.18	64,822.14	
	2020-2021	31,879.54	112,072.23	
	2021-2022	39,165.33	116,816.57	
	2022-2023	32,994.63	94,297.28	
Jet A				
	Retail General Aviation	Private Contracts	Government Contracts	Flowage Only
FY				
2018-2019	26,438.92	11,930.80	75.00	166,573.10
2019-2020	23,007.23	41,716.91	98.00	50.00
2020-2021	64,073.80	35,504.00	12,497.43	29,899.83
2021-2022	43,593.89	71,423.23	1,799.45	124.00
2022-2023	21,394.97	68,382.31	4,520.00	201.70
AVGas				
	Retail General Aviation	Private Contracts	Government Contracts	Flowage only
FY			-	
2018-2019	23,853.81	13,482.26	-	N/A
2019-2020	30,247.60	13,763.58	-	N/A
2020-2021	26,120.31	5,759.23	-	N/A
2021-2022	30,122.62	9,042.71	-	N/A
2022-2023	21,532.76	11,461.87	-	N/A

EXHIBIT A
Fuel Pricing Methodology

Primary Terminal	Product	Price Basis
	Jet-A	Portland Rack Price
	Avgas 100LL	Portland Rack Price

The following shall be applied to the base price (Portland Rack Price) using the dates April 15 through April 21, 2024.

Avgas	
Weekly Market Rack Price for Portland, OR	
Mark Up (fixed) per Gallon (in cents)	
Oregon Load Fee	
Oregon Avgas Tax	
Federal Oil Spill Liability	
Federal Excise Tax	
Other Taxes or Fees	
Fixed Freight Cost per Gallon	
Total Cost Per Gallon	
Detention Fee (per hour)	\$

Jet-A	
Weekly Market Rack Price for Portland, OR	
Mark Up (fixed) per Gallon (in cents)	
Oregon Jet Tax	
Federal Oil Spill Liability	
Federal Excise Tax	
Federal LUST Tax	
Other Taxes or Fees	
Fixed Freight Cost per Gallon	
Total Cost Per Gallon	
Detention Fee (per hour)	

Percent Discount for early invoice payment: _____

Any Additional Costs (if applicable): _____

We hereby certify that the foregoing price information is true and accurate:

Proposer _____ Date _____

(Authorized Official)

EXHIBIT B

Oregon Statutory (ORS) Certifications

We Hereby Certify to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statues, rules and regulations. We Certify also that we shall comply with the Americans with Disabilities Act of 1990, as amended by the ADA Amendments Act (ADAAA) of 2008 and any subsequent amendments (42 U.S.C. § 12101, et seq.) (Pub L No. 101-336), ORS 659A, and all regulations and administrative rules established pursuant to those laws. We Certify, in the performance of any contract issued from any proposal related to these documents, we will in all respects adhere to City of Madras’ policy of non-discrimination.

We Certify that we have not and shall not discriminate against a subcontractor in awarding a subcontract because the subcontractor is a minority, women or emerging small business enterprise certified under ORS 200.055 or a business enterprise that is owned or controlled by or that employs a disabled veteran, as defined in ORS 408.225.

We Certify that we, and our subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law, and shall comply with ORS 656.017, which requires them to provide Workers’ Compensation coverage for all of their subject workers, unless such employers are exempt under the law.

We Certify that we accept all the terms and conditions contained herein and in the event of a forthcoming contract containing these same terms and conditions we would agree without exception. Any exception to these terms and conditions will be made a minimum of five (5) working days before the proposal deadline.

We Certify that we _____ ARE _____ ARE NOT (mark one) a “Resident Bidder” as defined by ORS 279A.120. As defined in ORS 279A.120, “Resident Bidder” means a bidder that has paid unemployment taxes or income taxes in this state in the twelve calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder is a “Resident Bidder”.

If not a Resident Bidder as defined in ORS 279A.120, please indicate state of residence:

Proposer _____ Date _____
(Authorized Official)

Exceptions to the above Certifications. Proposer will cross out those items they cannot certify to and then list the reasons for the exception (use additional pages if necessary):

EXHIBIT C
Key Contract Term

- A. The Agreement is made under and shall be governed and construed in accordance with the laws of the State of Oregon. The place of the Agreement or purchase order, its situs and forum, shall be Madras, Oregon, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation, and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to the Agreement, to the jurisdiction of the courts of the State of Oregon and stipulates that Jefferson County shall be the proper venue for all matters.

- B. Except to the extent the provisions of this Agreement are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in Madras, Oregon shall govern the Agreement. To the extent the Agreement entails both the supply of "goods" and "Services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such Services as "goods" would result in a clearly unreasonable interpretation.

- C. Vendor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to rules and regulations of the City of Madras, and the Oregon Public Contracting Code, ORS chapters 279A and 279B.

- D. Vendor is responsible for obtaining and maintaining all required licenses and permits necessary to perform work under this Agreement.

- E. Vendor releases and will defend, indemnify, and hold City and City's present and future elected officials, officers, employees, contractors (other than Vendor), tenants, members, volunteers, representatives, and agents (collectively, "City's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) Vendor's and/or Vendor's directors, officers, employees, agents, representatives, invitees, volunteers, and/or contractors (collectively, "Vendor's Agents") acts and/or omissions, including, without limitation, Vendor's and/or Vendor's Agents operations at the Property; (b) Vendor's use of the Property and/or Equipment; (c) Vendor's maintenance, repair, use, and/or operation of the Shelter Services Center and/or Program; (d) Vendor's and/or Vendor's Agents use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property; and/or (e) Vendor's breach and/or failure to perform any Vendor representation, warranty, covenant, and/or obligation under this Lease. Vendor's indemnification obligations under this Section _____ will survive the expiration or earlier termination of this Lease. Any indemnification obligation on the part of the City to Vendor and to third parties shall be subject to the protections and limitations of the Oregon Tort Claims Act, ORS 30.260 to 30.300.

- F. During the term of this Agreement, Vendor (and Vendor's carrier(s)) will obtain and

maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Vendor's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of not less than \$2,000,000 per occurrence, \$3,000,000 in the aggregate; (b) pollution liability insurance with limits of not less than \$2,000,000 per occurrence, \$3,000,000 in the aggregate; (c) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Vendor in connection with Vendor's performance of its obligations under this Agreement with limits of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; and (d) Workers' Compensation and Employment Liability Insurance as prescribed by applicable law. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will contain a severability of interest clause, and will contain a provision that the insurance policy may not be cancelled without thirty (30) days' prior written notice to City. Vendor's insurance will be primary and any insurance carried by City will be excess and noncontributing. Vendor will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) Vendor is required to obtain under this Agreement upon Vendor's execution of this Agreement and at any other time requested by City. If Vendor fails to maintain insurance as required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Vendor upon City's demand or, at City's election, deducted from amounts owed to Vendor. During the term of this Agreement, Vendor will require each carrier utilized by Vendor to deliver the fuel to City to obtain and maintain such levels of insurance as required under this Section _____, and such insurance will insure against all claims arising out of any environmental contamination caused by Vendor and/or such carrier at City's place of business caused by spills that occur during the delivery of fuel.

G. City does not discriminate in the administration of any of its programs or activities. Vendor will be required to ensure 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. Vendor, for itself, its personal representatives, successors in interest, and assigns as part of the consideration hereof, does hereby covenant and agree:

- 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.
- that, in the construction of any improvements on behalf of Fuel 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
- that Vendor 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 on discrimination covenants, the Municipality shall have the right to terminate this Agreement.

FUEL SUPPLY AGREEMENT

This Fuel Supply Agreement (this "Agreement") is made and entered into this _____ day of June, 2024 (the "Effective Date") by and between City of Madras ("City"), an Oregon municipal corporation, whose address is 125 SW "E" Street, Madras, OR 97741 and _____, a _____ corporation, ("Vendor") whose address is _____.

RECITALS:

- A. City is the owner and operator of the fixed-based operation site at Madras Municipal Airport (S33), addressed as 2028 NW Berg Drive, Madras, OR 97741 (the "FBO").
- B. Vendor markets and distributes aviation fuels and similar products.
- C. The parties have agreed that Vendor will sell aviation fuels to City and City will purchase aviation fuels and similar products from Vendor in accordance with the terms and conditions of this Agreement.

AGREEMENT:

NOW THEREFORE, in consideration of the parties' mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Scope. During the Term (as defined below), and subject to the terms and conditions of this Agreement, Vendor agrees to sell and City agrees to purchase all of City's requirements for the FBO for branded and unbranded aviation gasoline and jet fuel (collectively, "Product") exclusively from Vendor and that it will not purchase any such Products for the FBO from any other party except as otherwise provided herein. City may, in its discretion, purchase any other products offered for sale by Vendor and, in which case, such products will be included in the term "Product" and otherwise governed by this Agreement. City represents and warrants that all Product purchased hereunder will be for the purpose of operating the Madras Municipal Airport and that no Product purchased hereunder shall be used or sold for non-aviation use.

2. Pricing; Orders.

(a) Unless otherwise agreed in writing by the parties, the price for Product sold hereunder shall be as established by Vendor from time to time in its discretion on price sheets provided to City. Prices stated on price sheets shall be inclusive of all Taxes (as defined in Section 10) additives, freight charges, surcharges and fees, but shall be broken down or otherwise list the information referenced in Exhibit A. Vendor may adjust its prices from time to time by providing City with an updated pricing sheet. Notwithstanding anything herein to the contrary, price changes will not take effect until ten (10) days City's receipt of an updated pricing sheet and will not apply to any orders for Product made by City prior to the effective date of the price change.

(b) Notwithstanding anything herein to the contrary, if, City can purchase Product of comparable quality and for a like use from a different vendor, (a) Vendor, upon presentation of

satisfactory written evidence, will meet the lower prices during the time in which the lower prices are in effect, or (b) City will be permitted to purchase such comparable Product elsewhere during such time and City (or its designee) may fill all storage tanks or other storage receptacle with such comparable Product.

(c) City will place orders for Product on Vendor's standard purchase order form provided such form complies with this Agreement. In the event of any conflict between this Agreement and the purchase order form, this Agreement will control and City's execution of a purchase order containing any conflicting terms shall not be considered an amendment or waiver of this Agreement.

3. Product; Product Standard. Vendor represents and warrants to City that the Products sold hereunder will meet the highest standards prevalent in the industry or business most closely involved in providing the Product, will comply with all applicable legal requirements, and will otherwise meet the following requirements: Jet A Turbine Fuel produced by a refinery in the United States shall meet ASTM D-1655, latest revision, and Jet A Turbine Fuel produced by a refinery in Canada shall meet the requirements of CAN/CGSB-3.23, latest revision; and 100 low lead (LL) aviation gasoline produced by a refinery in the United States shall meet ASTM D-910, latest revision. Vendor represents and warrants to City that it has good title to the Product delivered hereunder, and Vendor represents and warrants to City that it has the right to sell such Product and will transfer and deliver such Product free from any restrictions, liens, conditions, encumbrances, and/or adverse claims of every kind. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION, VENDOR MAKES NO WARRANTIES OF ANY KIND TO CITY REGARDING THE PRODUCT SOLD HEREUNDER.

4. Payment Terms. Subject to the terms and conditions contained in this Agreement, payment by City shall be made by means of electronic funds transfer, and the terms shall be net thirty (30) days from City's receipt of invoice. Payments made with ___ days of City's receipt of invoice will be subject a _____% discount. Past due amounts shall be subject to a one-time late fee in the amount of five percent (5%) of the past due amount and will thereafter accrue interest at a rate of nine percent (9%) per annum, or the maximum rate permitted by applicable law, whichever is less. Any waiver by Vendor of interest charges or administrative fees on a particular invoice shall not be construed as a waiver by Vendor of its right to impose such charges on other or subsequent deliveries. Vendor reserves the right, in addition to all other rights and remedies available to it under the law, in equity or otherwise, to suspend further delivery of Product, and demand payment of all outstanding balances, if City fails to make any payment as herein provided, or if Vendor at any time deems itself insecure with regard to the creditworthiness or financial condition of City.

5. Duration and Renewal. Subject to the terms and conditions contained in this Agreement, this Agreement shall be for an initial term of three (3) years beginning on the Effective Date (the "Initial Term"). City shall have the option to renew this Agreement for two (2) additional periods of one (1) year each (each a "Renewal Term"). City must exercise an option review by providing written notice of such exercise to Vendor no less than ninety (90) days prior to the end of the Initial Term or the applicable Renewal Term.

6. Force Majeure. The performance of a party's obligations under this Agreement will be excused by delays that arise out of causes beyond the control, and without the fault or negligence of, such party, including, without limitation, acts of God, acts of federal, state, or local government, compliance with requests, regulations or orders of any governmental authority, fire, storm, flood, earthquake, explosion, accidents, acts of the public enemy, terrorism, war, riot, strike, lockout, or

unavailability of or delays in delivery of any product which is the subject of this Agreement; provided, however, in no event will the performance of a party's obligations under this Agreement be excused for delays resulting from (a) changes in economic or market conditions, (b) financial or internal problems of the party delayed, and/or (c) a party's inability to pay its financial obligations. If any such *force majeure* interruption occurs with respect to Vendor's supply which is not the fault of Vendor itself, Vendor may, with City's prior written consent, substitute another fuel of the same brand, a different brand, or no brand so long as such aviation fuel meets the standards set forth in Section 3 above and/or the quantities of aviation fuel required to be supplied under this Agreement may be ratably reduced for the period during which such *force majeure* interruption may exist. In the event that deliveries will be delayed for a time period that would cause service interruptions at the Airport, City can acquire Product from a third party without voiding this Agreement. City will not be liable for any breach of this Agreement for acquiring Product pursuant to this Section 6. City must provide bill of lading and quality tests documentation for any deliveries not obtained from Vendor.

7. Title and Risk of Loss. Subject to the terms and conditions contained in this Agreement, Vendor's liability relating to Product sold hereunder shall cease and title and risk of loss shall pass to City when said product passes the flange between Vendor's delivery line and City's designated storage tanks or is otherwise in the possession of City.

8. Inspection and Measurement. City's inspection and measurement of delivered Product shall be based on meters or on certified tank truck capacities according to City practice. All quantities shall be adjusted to 60 degrees F temperature (unless otherwise specified by Oregon law) in accordance with the latest revised applicable parts of ASTM Designation D: 1250, IP Designation: 200 Petroleum Tables. The term "gallon" shall mean a U.S. gallon of 231 cubic inches. The term "tank truck" shall mean a transport truck with a tank storage capacity of not less than 3,000 gallons.

9. Deliveries. Vendor will make best efforts to deliver Product within five (5) business days after Vendor's receipt of City's purchase order for such Product. Deliveries shall be made within the usual business hours for FBO administrative staff. Vendor shall prepare and furnish City with copies of bills of lading and other shipping papers. Vendor shall not be required to make deliveries into vehicles supplied by City unless they are clean and empty immediately prior to delivery and shall not be required to load or deliver quantities less than the full capacity of the vehicle, except as otherwise authorized by Vendor from time to time. If deliveries are to be made into City's storage facilities, City shall provide storage facilities sufficient to enable it to receive such deliveries and shall provide Vendor with unimpeded and adequate ingress and egress twenty-four hours per day. All deliveries of Product shall be made by qualified personnel in industry-standard trucks, vehicles, and equipment maintained in accordance with industry standards and shall be in full bulk transport quantities. .

10. Taxes. All prices quoted in price sheets shall be U.S. Dollars (unless otherwise specified) and include all duties, taxes, assessments, fees, and other charges, whether foreign or domestic, including, but not limited to, excise tax, VAT, GST, mineral oil tax, sales tax, use tax or any other tax, license fees, inspection fees, landing fees, airport fees, fees for the privilege of buying, selling or loading aviation fuel, or other charges imposed by any governmental authority or agency or regulatory body, or third party upon, or measured by the gross receipts from or volume sold of any commodity, or on the production, manufacture, transportation, sale, use, delivery or other handling of such commodity, or any component thereof, or on any feature or service related thereto or of any invoice, existing at the time of any sale hereunder (collectively "Taxes"). City shall receive the benefit of any tax exemption or exception afforded to City as a governmental entity buyer and price sheets

will certify that all applicable exemptions and exceptions have been factored into stated prices. To the maximum extent permitted by applicable law, Vendor will pay on behalf of City all Taxes included in the purchase price for Product and will indemnify City against any liability for such Taxes. Vendor's obligations under this Section 10 shall extend to any Taxes which are assessable against City as a result of any subsequent change in, or in interpretation of, any laws relating to such Taxes.

11. Independent Contractor. In the performance of this Agreement, Vendor is engaged as an independent contractor. This Agreement does not create an agency relationship between City and Vendor and does not establish a joint venture or partnership between City and Vendor. Vendor does not have the authority to bind City or represent to any person that Vendor is an agent of City. Vendor has the authority to hire other persons to assist Vendor in performing its obligations under this Agreement (and has the authority to fire such persons).

12. Insurance. During the term of this Agreement, Vendor (and Vendor's carrier(s)) will obtain and maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Vendor's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of not less than \$2,000,000 per occurrence, \$3,000,000 in the aggregate; (b) pollution liability insurance with limits of not less than \$2,000,000 per occurrence, \$3,000,000 in the aggregate; (c) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Vendor in connection with Vendor's performance of its obligations under this Agreement with limits of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; and (d) workers' compensation and employment liability Insurance as prescribed by applicable law. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will contain a severability of interest clause, and will contain a provision that the insurance policy may not be cancelled without thirty (30) days' prior written notice to City. Vendor's insurance will be primary and any insurance carried by City will be excess and noncontributing. Vendor will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) Vendor is required to obtain under this Agreement upon Vendor's execution of this Agreement and at any other time requested by City. If Vendor fails to maintain insurance as required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Vendor upon City's demand. During the term of this Agreement, Vendor will require each carrier utilized by Vendor to deliver the fuel to City to obtain and maintain such levels of insurance as required under this Section 12, and such insurance will insure against all claims arising out of any environmental contamination caused by Vendor and/or such carrier at City's place of business caused by spills that occur during the delivery of fuel.

13. Indemnification. Vendor releases and will defend, indemnify, and hold City and City's present and future elected officials, officers, employees, contractors (other than Vendor), tenants, members, volunteers, representatives, and agents (collectively, "City's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) Vendor's and/or Vendor's directors, officers, employees, agents, representatives, invitees, volunteers, and/or contractors (collectively, "Vendor's Agents") acts and/or omissions, including, without limitation, Vendor's and/or Vendor's Agents operations at the Property; (b) Vendor's use of the Property and/or Equipment; (c) Vendor's maintenance, repair, use, and/or operation of the Shelter Services Center and/or Program; (d) Vendor's and/or Vendor's Agents use, storage, treatment, transportation, presence,

release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property; and/or (e) Vendor's breach and/or failure to perform any Vendor representation, warranty, covenant, and/or obligation under this Lease. Vendor's indemnification obligations under this Section 13 will survive the expiration or earlier termination of this Lease. Any indemnification obligation on the part of the City to Vendor and to third parties shall be subject to the protections and limitations of the Oregon Tort Claims Act, ORS 30.260 to 30.300.

14. Quality Control; Compliance With Laws; Authority.

(a) City shall maintain the quality of Vendor's aviation products and shall comply with any quality control procedures prescribed by Vendor and its supplier. In no event shall City permit automotive engine fuels or kerosene to be sold as Vendor's aviation fuels or dispensed through equipment bearing Vendor's or its suppliers' insignia. City shall immediately report to Vendor any accident or incident involving a fueled aircraft.

(b) Vendor will perform its obligations under this Agreement in accordance and compliance with all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules and/or ordinances, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated. Without otherwise limiting the generality of the immediately preceding sentence, Vendor will comply with each and every obligation applicable to Vendor under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Vendor will be solely responsible for obtaining any and all licenses, approvals, and certificates necessary or appropriate to perform its obligations under this Agreement. Any failure of Vendor to comply with such applicable laws and regulations will entitle City to terminate this Agreement.

(c) In addition to any other Vendor representation, warranty, and/or covenant made in this Agreement, Vendor represents, warrants, and covenants to City that Vendor has full power and authority to sign and deliver this Agreement and to perform all Vendor's obligations under this Agreement, including, without limitation, granting of branding authority. This Agreement is the legal, valid, and binding obligation of Vendor, enforceable against Vendor in accordance with its terms. The signing and delivery of this Agreement by Vendor and the performance by Vendor of all Vendor's obligations under this Agreement will not (i) breach any agreement to which Vendor is a party, or give any person the right to accelerate any obligation of Vendor, (ii) violate any law, judgment, or order to which Vendor is subject, or (iii) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

15. Confidential Information. Vendor acknowledges that City is subject to Oregon Public Records law and that City cannot guarantee that any records transmitted from Vendor to City will not be subject to public disclosure. Notwithstanding the foregoing, City will make reasonable efforts to maintain confidentiality as requested by Vendor and provided Vendor clearly indicates the specific records or sections thereof for which confidentiality is sought. City makes no guaranty that submitted information will not be disclosed if required by law or if doing so is in the best interests of the public or the City.

16. Termination.

(a) This Agreement may be terminated upon the mutual written consent of both parties.

(b) Vendor may, in addition and without prejudice to any of its other rights or remedies hereunder, terminate this Agreement upon giving City thirty (30) days' prior written notice (or such other period as is specified herein) if any one or more of the following occurs and City fails to cure such breach within the applicable notice period: (i) City breaches or defaults on any covenant, condition or other provision of this Agreement, the branding schedule, note, security agreement, lease, or any other agreement of the parties; (ii) City fails to pay to Vendor in a timely manner when due all sums to which Vendor is legally entitled (whether or not such sums are owed under this Agreement); or (iii) willful adulteration, commingling, mislabeling or misbranding of aviation fuels or other violations by City of trademarks utilized by Vendor occur.

(c) City may, in addition and without prejudice to any of its other rights or remedies hereunder, terminate this Agreement upon giving Vendor no less than thirty (30) days' prior written notice (or such other period as is specified herein) if any one or more of the following occurs and City fails to cure such breach within the applicable notice period: (i) Vendor breaches or defaults on any covenant, condition or other provision of this Agreement or any agreement executed pursuant to this Agreement; (ii) City fails to pay to Vendor in a timely manner when due all sums to which Vendor is legally entitled (whether or not such sums are owed under this Agreement); or (iii) willful adulteration, commingling, mislabeling or misbranding of aviation fuels or other violations by City of trademarks utilized by Vendor occur.

(d) City may terminate this Agreement, without cause, upon giving Vendor no less than ninety (90) days' prior written notice.

(e) If Vendor continues to accept orders from City following the expiration of the Term, such sales shall be upon all of the terms and conditions hereof except that the relationship of the parties may be terminated at will.

(f) In the event this Agreement is terminated, all other agreements and instruments between the parties shall also terminate, and all amounts owing under any note or other document shall become due and payable. In addition, upon termination of this Agreement, any and all indemnity obligations, parties' rights upon breach, all collateral and security interests in favor of Vendor, obligations arising upon termination (such as discontinuing the use of the trademarks and tradenames of Vendor's supplier), confidentiality provisions, and any other terms of this Agreement which by their nature should survive termination shall all survive.

(g) No termination of this Agreement, even if on account of Vendor's default, shall excuse City from paying any unpaid amounts owing for aviation fuel previously delivered hereunder, or from paying other outstanding amounts due Vendor under this Agreement.

17. Allowances.

(a) (enter proposed allowances here for the City such as fuel trucks, equipment, etc.)

(b) (enter proposed allowances here for the City such as fuel trucks, equipment, etc.)

18. Miscellaneous.

(a) Notices. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses first set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation or delivery), or by a nationally recognized overnight delivery service, or at the end of the fourth business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

(b) Entire Agreement; Severability. This Agreement constitutes the entire agreement between the parties. The parties agree to execute such additional documents as may be necessary to effectuate the purposes of this Agreement including, without limitation, any branding agreements provided such terms are reasonable to City in City's reasonable discretion. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law.

(c) No Conflict. Each of City and Vendor represents and warrants to the other that neither the execution and delivery of this Agreement by it, nor the consummation of the transactions contemplated hereby, will: (a) violate or conflict with, or result in a breach of any provision of, or constitute a default under any existing agreement or other instrument or obligation to which it is a party, (b) violate applicable law; or (c) require any action, or consent or approval of, or review by, any other party, except as shall have been duly obtained and effective as of the date of this Agreement.

(d) Assignment. This Agreement may not be assigned by Vendor, either voluntarily, involuntarily, or by operation of law, without the prior written consent of City. As used herein, an assignment includes any transaction or conveyance in the equity interest of Vendor of fifty percent (50%) or more.

(e) Waiver. The waiver by either party of the breach of any provision hereof shall not constitute a waiver of any subsequent or continuing breach of such provision or provisions.

(f) Governing Law, Disputes. This Agreement shall be construed in accordance with the laws of the State of Oregon without regard to conflict of laws provisions. Vendor hereby consents to the jurisdiction of any state or federal court situated in Jefferson County, Oregon and waives any objections based on forum non conveniens with regard to any actions, claims, disputes or proceedings relating to this Agreement, any related document, or any transactions arising therefrom, or enforcement and/or interpretation of any of the foregoing; provided, nothing herein shall affect a party's right to bring proceedings against the other party in the competent courts of any other jurisdiction or jurisdictions.

(g) Attorneys' Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements

specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

(h) Person; Interpretation. For purposes of this Agreement, the term “person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement which is made effective as of the date first above written.

VENDOR

_____,
a _____ corporation

By: _____
Its: _____

Date: _____

CITY

City of Madras,
an Oregon municipal corporation

By: _____
Its: _____

Date: _____

Exhibit A
Pricing Sheeting Cost Breakdown

Avgas	
Weekly Market Rack Price for Portland, OR	
Mark Up (fixed) per Gallon (in cents)	
Oregon Load Fee	
Oregon Avgas Tax	
Federal Oil Spill Liability	
Federal Excise Tax	
Other Taxes or Fees	
Fixed Freight Cost per Gallon	
Total Cost Per Gallon	
Detention Fee (per hour)	\$

Jet-A	
Weekly Market Rack Price for Portland, OR	
Mark Up (fixed) per Gallon (in cents)	
Oregon Jet Tax	
Federal Oil Spill Liability	
Federal Excise Tax	
Federal LUST Tax	
Other Taxes or Fees	
Fixed Freight Cost per Gallon	
Total Cost Per Gallon	
Detention Fee (per hour)	