

RESOLUTION 2014-043

Passed: June 9, 2014

AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO ENTER INTO A ONE-YEAR AGREEMENT WITH WORLD FUEL/PHILLIPS 66 TO PROVIDE AVIATION FUEL.

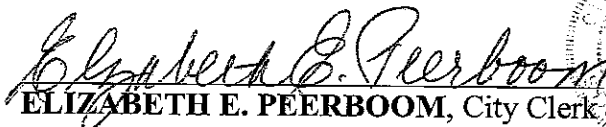
BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1. That the Mayor of the City of DeKalb be authorized and directed to execute a one-year Agreement with World Fuel/Phillips 66 to provide aviation fuel, a copy of which is attached hereto and made a part hereof as Exhibit "A," subject to such changes as shall be acceptable to the Mayor on the advice of the City Manager.

Section 2. That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor's signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting held on the 9th day of June, 2014, and approved by me as Mayor on the same day. Passed by Omnibus roll call vote of 5-0-3 on Consent Agenda. Aye: Finucane, Snow, Naylor, O'Leary, Rey. Absent: Jacobson, Lash, Baker.

ATTEST:


ELIZABETH E. PEERBOOM, City Clerk

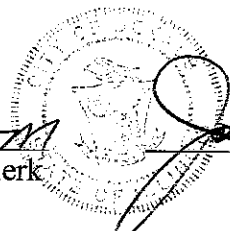
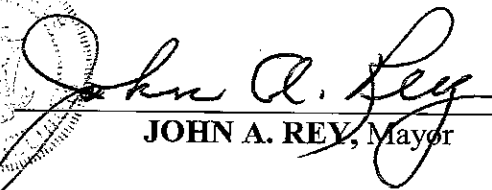


JOHN A. REY, Mayor

EXHIBIT A



CITY CLERK FILES:
Number: RES 11-35
Date: 4/25/11

WESTERN PETROLEUM COMPANY
FUEL SUPPLY AGREEMENT

THIS AGREEMENT is made this 1st day of May, 2011 between CITY OF DEKALB ("Customer"), a Illinois municipality and WESTERN PETROLEUM COMPANY ("Western"), a Minnesota corporation.

WITNESSETH:

WHEREAS, Western markets and distributes aviation fuels, and Customer is in the business of operating an aviation facility which uses aviation fuels; and

WHEREAS, the parties have agreed that Western will sell aviation fuels to Customer and Customer will purchase aviation fuels from Western for Three (3) years in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants and undertakings set forth herein, Customer and Western hereby agree:

1. Pricing. The prices which Customer shall pay Western for petroleum products purchased hereunder shall be governed by Western's posted prices on the date of lifting plus applicable federal, state, and local taxes, fees, additives, and all freight charges. Western shall have the right at any time without prior notice to Customer to change any or all such prices or the method by which Western's prices to Customer are determined.
2. Duration and Renewal.
 - (a) Subject to earlier termination as provided herein, this agreement shall be for a term commencing on the date set forth above and continuing for a period of Three (3) consecutive years. Upon conclusion of the initial Three (3) year term, this agreement shall automatically renew for subsequent annual periods unless cancelled by either party upon at least 90 days' notice prior to the end of the initial Three (3) year term or the anniversary of any such annual period.
 - (b) If at the end of the Three (3) year term of this Agreement Customer has not purchased the minimum 300,000 gallons of combined aviation fuel from Western, this agreement shall automatically renew for subsequent annual periods until Customer has purchased at least 300,000 gallons of combined aviation fuel from Western.
3. Quantity. During the term of this agreement, Customer agrees to purchase and procure all of Customer's requirements for aviation fuel from Western.
4. Product and Product Standard. The products to be sold hereunder are Jet A Turbine Fuel and 100LL Aviation Gasoline. 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-3.23-97. 100LL aviation gasoline produced by a refinery in the United States shall meet ASTM D 910, and 100LL aviation gasoline produced by a refinery in Canada shall meet CAN/CGSB-3.25-94. Western warrants title to the products delivered hereunder and warrants that it has the right to sell such products and that they are free from liens and adverse claims of every kind. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION, WESTERN MAKES NO WARRANTIES OF ANY KIND TO CUSTOMER REGARDING THE PRODUCT SOLD HEREUNDER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. Terms. Payment by Customer shall be made by means of electronic funds transfer, and the terms shall be net 30 days by invoice as the airport approves all invoices at the monthly airport meeting, however payments are not to exceed net 30 days, subject to credit approval by Western. Customer shall provide such information and shall execute such authorizations as Western may from time to time request to allow Western to withdraw payments due hereunder directly from Customer's designated bank account.
6. Force Majeure. Western's failure to supply aviation fuel to Customer, and Customer's failure to purchase one hundred percent (100%) of its aviation fuel requirements from Western, shall not be deemed a breach of this agreement if the same shall arise because of any cause beyond the control of Western or Customer, as the case may be, including 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. If any such *force majeure* interruption occurs with respect to Western's supply, Western may 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 4 above, and/or the quantities of aviation fuel required to be supplied under this agreement shall be ratably reduced for the period during which such *force majeure* interruption may exist.
7. Liability and Insurance. Liability of Western relating to the aviation fuel sold hereunder shall cease and title and risk of loss shall pass to Customer when said product passes the flange between Western's delivery line and Customer's connection or vehicle. Notwithstanding the foregoing, nothing contained herein shall impair the parties' coverage under any applicable policy of insurance.
8. Inspection and Measurement. Customer's inspection and measurement shall be based on meters or on certified tank truck capacities according to terminal practice. All quantities shall be adjusted to 60 degrees F temperature in accordance with latest revised applicable parts of ASTM Designation D: 1250, IP Designation: 200 Petroleum Tables. The term "barrel" shall mean 42 U.S. gallons. 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. Deliveries shall be made at such times within the usual business hours of Western as may be required by Customer, provided that reasonable advance notice is given by Customer. Western shall prepare and furnish the receiving party with copies of bills of lading and other shipping papers. Western shall not be required to make deliveries into vehicles supplied by Customer 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 Western from time to time. If deliveries are to be made into Customer's storage facilities, Customer shall provide storage facilities sufficient to enable it to receive such deliveries and shall provide Western with unimpeded and adequate ingress and egress twenty-four hours per day. Customer shall reimburse Western on demand for any demurrage or other charges incurred by Western by reason of Customer's failure to unload any delivery vehicle or release the same within the time allowed therefor without demurrage or other charge even though such failure may have arisen from causes beyond the control of Customer. All deliveries of aviation fuels shall be in full bulk transport quantities.
10. Taxes. It is agreed that when permitted Customer shall assume and be responsible to the proper governmental units for any and all federal, state and municipal taxes, excises, charges and fees now or hereafter imposed by any governmental agency or authority that may be applicable to the products purchased by Customer. In those cases in which the laws, regulations or ordinances impose upon Western the obligation to collect or pay such amounts, Customer shall pay to Western amounts equal to such governmental exactions for which Western may be liable. If Customer is entitled to purchase products free of any tax, fee, or charge, Customer shall furnish Western proper exemption certificates.
11. Conduct of Customer's Business.
- (a) Customer represents and warrants that all information set forth in Customer's written application to become a Western customer and all other written information including financial statements submitted by Customer was at the time of submission true, accurate and complete, and did not omit any material fact necessary to make the information submitted, in light of the circumstances under which it was submitted, not misleading.
- (b) In the performance of this agreement, Customer is engaged as an independent contractor. Customer shall conduct all operations hereunder in strict compliance with all applicable laws, ordinances and regulations of all governmental authorities, including but not limited to all rules and regulations of the Department of Transportation and all applicable franchise laws and regulations. Customer shall diligently promote the sale of the petroleum products purchased under this agreement, and shall conduct the operation of Customer's business in such a manner as to promote goodwill toward Western and its products. Customer agrees to assist in the administration of any promotional programs Western or its suppliers may establish for its customers.

12. Oil Spills. If a petroleum product spill occurs anywhere in connection with Customer's performance of this agreement, Customer shall promptly notify Western and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Upon receipt of such notification, Western shall have the right to provide to Customer such additional manpower, equipment and material as in Western's reasonable discretion are deemed reasonable to complete the clean-up in a satisfactory manner. Customer shall pay and be responsible for all costs, expenses, charges and judgments incurred or imposed in connection with the clean-up operations, including reimbursement to Western for all of its costs, expenses, fines and judgments.

13. Insurance.

(a) Without in any way limiting Customer's indemnity obligations under the branding agreement or this agreement, Customer shall maintain at Customer's own expense during the term of this agreement the insurance specified below:

(i) Workers' Compensation and Employment Liability Insurance as prescribed by applicable law, see attached Exhibit A and B; and

(ii) Comprehensive Airport Insurance or Commercial General Liability (bodily injury and property damage) Insurance of not less than \$2,000,000 combined single limit per occurrence, but in the aggregate with respect to Product-Completed Operations and any one offense/aggregate with respect to Personal Injury, including, explosion hazard, personal injury, premises-operations, products and completed operations, blanket contractual and independent contractors liability coverage; and

(iii) Business Automobile Liability (bodily injury and property damage) Insurance of not less than \$2,000,000.00 combined single limit per occurrence, on all owned, non-owned and hired vehicles which are used by Customer see attached Exhibit A and B; and

(iv) Any other insurance or surety bonding that may be required under the laws, ordinances and regulations of any governmental authority.

(b) The insurance specified in subsection(a) of this section 13 shall require the insurer to provide Western with thirty (30) days' prior written notice of any cancellation or material change in the insurance and shall name Western and its affiliates as additional insureds. The insurance required under clause (i) of subsection (a) above shall contain a waiver of subrogation against Western and an assignment of statutory lien, if applicable.

(c) The insurance required under subsection (a) above shall provide that it is primary coverage to insurance carried by Western. The insurance required above shall be issued by insurance companies which are reasonably acceptable to Western. The insurance companies shall have no recourse against Western, or any other additional insured, for payment of any premiums or assessments under any policy

issued by a mutual insurance company. Customer shall be responsible for all deductibles in all of Customer's insurance policies. Customer shall furnish Western with certificates for all insurance coverage.

- (d) Customer's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
- 14. Quality Control. Customer shall maintain the quality of Western's aviation products and shall comply with any quality control procedures prescribed by Western and its supplier from time to time. In no event shall Customer permit automotive engine fuels to be sold as Western aviation fuels or dispensed through equipment bearing Western's or its suppliers' insignia. Customer shall immediately report to Western any accident or incident involving a fueled aircraft.
- 15. Confidential Information. Customer shall hold in confidence all manuals, guides, forms, instructions, software programs and other proprietary materials provided by Western for Customer's use in promoting and selling Western products, and all technical information, trade secrets and other confidential business information that is disclosed to Customer by Western (collectively "Confidential Information"), except for any information or document required to be disclosed under the Illinois Freedom of Information Act. In the event that any information or documents which are required to be disclosed under the Act are in the possession or control of Western, Western shall provide any such information or documents to Customer within time prescribed under the Act. Customer shall not use Confidential Information for any purpose other than developing business for Western's products and services, and shall not disclose Confidential Information to anyone other than Customer's employees or agents who have a need to know Confidential Information. Customer's obligations under this section 15 shall survive termination of this agreement.
- 16. Default.
 - (a) In the event of a default hereunder by a party, the other party shall have all rights and remedies provided at law or in equity. No termination of this agreement, even if on account of Western's default, shall excuse Customer from paying any unpaid amounts owing for aviation fuel previously delivered hereunder or from paying other outstanding amounts due Western under this agreement. However, in no event shall either party be liable to the other party for consequential damages.
 - (b) Each party acknowledges and agrees that the other party would be irreparably damaged in the event that any of the provisions of this agreement are not performed by the other party in accordance with their specific terms. Accordingly, it is agreed that each party shall be entitled to an injunction or any other equitable remedy to prevent or terminate breaches of this agreement by the other party and shall have the right to specifically enforce this agreement and the terms and provisions hereof against the breaching party in addition to any other remedy to which the non-breaching party may be entitled at law or equity.

- (c) In the event a default by Customer involves a failure to purchase 100% of the aviation fuel requirements from Western, which default is thereafter cured, Western may at its option without limiting any other right to remedies, extend the duration of this agreement for a period of time equal to the period during which Customer purchased aviation fuel from a vendor or supplier other than Western.

17. Termination.

- (a) Western or Customer may, in addition to its other remedies, terminate this agreement upon giving Customer twenty-five (25) days' prior written notice (or such lesser period as is reasonable in the circumstances) if any one or more of the following occurs:
 - (i) Customer or Western breaches or defaults on any covenant, condition or other provision of this agreement or fails to pay to Western in a timely manner when due all sums to which Western is legally entitled (whether or not such sums are owed under this agreement); or
 - (ii) Customer or Western knowingly fails to comply with federal, state or local laws and regulations (including regulations of applicable airport authorities) relevant to Customer's performance of this agreement; or
 - (iii) Willful adulteration, commingling, mislabeling or misbranding of aviation fuels or other violations by Customer of trademarks utilized by Western occur or unlawful, fraudulent or deceptive acts or practices or criminal misconduct by Customer relevant to Customer's performance of this agreement occur; or
 - (iv) Customer or Western knowingly induces the breach by a third party of a contract between Western and the third party; or
 - (v) Customer's death, if Customer is an individual, occurs (subject to any valid requirements of any applicable statute); or
 - (vi) Customer's insolvency or bankruptcy.
- (b) If Western continues to accept orders from Customer following the expiration of the term of this agreement, such sales shall be upon all of the terms and conditions hereof except that the relationship of the parties may be terminated at will.

18. Miscellaneous

(a) Notices. All notices to be given hereunder by either party shall be in writing and sent by first class United States mail and facsimile transmission to the other, delivered and addressed to the parties as follows:

(i) In the case of Customer to: CITY OF DEKALB
3232 Pleasant St.
DeKalb, Illinois 60115
Phone: (815) 748-8102 Fax: (815) 748-2022

(ii) In the case of Western to: Western Petroleum Company
Cabriole Center
9531 West 78th Street
Eden Prairie, Minnesota 55344
Fax: 952-941-7470 and 541-610-1562

or at such other address or facsimile number as either party may designate to the other by written notice in the manner provided above.

(b) Entire Agreement. This agreement, the attached branding agreement, and the security agreement of the parties constitute the entire agreement between the parties. The parties will execute and deliver a replacement branding agreement in substantially the same form if Western determines to substitute aviation fuel of a different brand so long as such aviation fuel meets the requirements and standards set forth in Section 4 above. No other promises, agreements or warranties additional to this agreement or the branding agreement shall be deemed a part hereof, nor shall any alteration or amendment of this agreement or the branding agreement be effective without the express written agreement of both parties.

(c) Assignment; Waiver. This agreement may not be assigned by either party, either voluntarily, involuntarily, or by operation of law, without the prior written consent of the other party, which consent may not be unreasonably withheld. 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

(d) Governing Law, Disputes.

(i) This agreement shall be construed in accordance with the laws of the State of Illinois without regard to conflict of laws provisions.

(ii) In the event a dispute arises hereunder from the alleged breach by a party, said parties hereby agree to consider to binding arbitration to be conducted by an arbitrator that the parties shall mutually select and in the event mutual selection cannot occur, then each party shall select an arbitrator who shall then mutually select a third arbitrator so that an arbitration

tribunal is empanelled to render its decision. Any arbitration proceeding initiated hereunder shall occur in Illinois. Notwithstanding the above, arbitration shall not be available for disputes in excess of \$100,000 and for disputes to which Western's supplier is a party.

- (iii) In the event of any lawsuit or arbitration proceeding between Western and Customer arising out of or relating to the transactions or relationship contemplated by this agreement, the substantially prevailing party shall be entitled to recover its reasonable costs including its reasonable attorneys' fees.
- (iv) Customer hereby consents to the jurisdiction of any state or federal court situation in DeKalb County, Illinois 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.
- (v) Customer and Western hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to this agreement and all documents relating to this agreement, or any transaction arising herefrom or connected hereto. Customer and Western each represents to the other that this waiver is knowingly, willingly and voluntarily given.

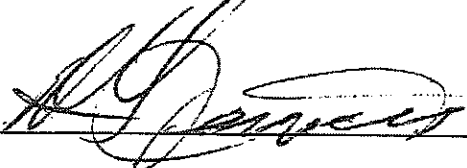
19. Indemnification. Each party shall indemnify, defend and hold the other party and its directors, officers, employees and agents harmless from and against any and all expenses (including attorneys' fees) liabilities and claims of whatsoever kind and nature, including but not limited to those for damage to property (including property of the parties) or for injury to or death of any person (including a party), directly or indirectly arising or alleged to arise out of or in any way connected with the willful misconduct, negligence, violation of law, or breach of this agreement by the indemnifying party. The foregoing indemnity (a) shall not apply where such expense, liability or claims result from the other party's sole negligence or willful misconduct, and (b) is subject to any limitations, exclusions, conditions, and restrictions on indemnification contained in section 3 of the branding agreement.

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

WESTERN PETROLEUM COMPANY

CITY OF DEKALB

By: _____



D. G. Jewett
Vice President

By: _____

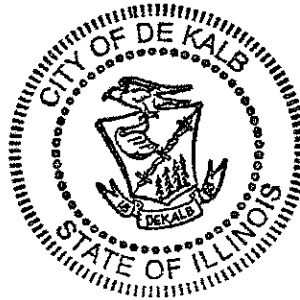


Name: _____

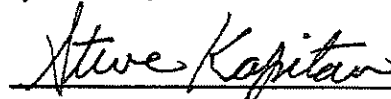
Kris Povlsen

Title: _____

Mayor



ATTEST:



STEVE KAPITAN
CITY CLERK



**AIRPORT OWNERS AND OPERATORS
GENERAL LIABILITY POLICY**

ace usa

DECLARATIONS

This Insurance Policy is issued By: ACE Property and Casualty Insurance Company 436 Walnut Street, Philadelphia, Pennsylvania, 19106 - 3703	Policy Number: AAP N0099134A 006 Renewal of: AAP N0099134A 005																		
Named Insured and Mailing Address: City of DeKalb and DeKalb Taylor Municipal Airport 200 S. Fourth Street DeKalb Illinois Zip 60115 The Named Insured is: A Public Corporation																			
Location of the Airport(s) You Own or Operate: DKB DeKalb Taylor Municipal Airport																			
Policy Period: From: July 1, 2010 To: July 1, 2011 at 12.01 a.m. Standard Time at your mailing address shown above.																			
In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide the insurance as stated in this policy.																			
Limits of Insurance: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Products-Completed Operations Aggregate Limit</td> <td style="text-align: right; padding: 2px;">\$20,000,000</td> </tr> <tr> <td style="padding: 2px;">Personal Injury and Advertising Injury Aggregate limit</td> <td style="text-align: right; padding: 2px;">\$20,000,000</td> </tr> <tr> <td style="padding: 2px;">Malpractice Aggregate Limit</td> <td style="text-align: right; padding: 2px;">\$20,000,000</td> </tr> <tr> <td style="padding: 2px;">Each Occurrence Limit</td> <td style="text-align: right; padding: 2px;">\$20,000,000</td> </tr> <tr> <td style="padding: 2px;">Fire Damage Limit Any One Fire</td> <td style="text-align: right; padding: 2px;">\$50,000</td> </tr> <tr> <td style="padding: 2px;">Medical Expense Limit Any One Person</td> <td style="text-align: right; padding: 2px;">\$1,000</td> </tr> <tr> <td style="padding: 2px;">Hangarkeepers Limit Any One occurrence</td> <td style="text-align: right; padding: 2px;">\$3,000,000</td> </tr> <tr> <td style="padding: 2px;">Hangarkeepers Limit Any One Aircraft</td> <td style="text-align: right; padding: 2px;">\$3,000,000</td> </tr> <tr> <td style="padding: 2px;">Non-Owned Aircraft Liability Limit Any One Occurrence</td> <td style="text-align: right; padding: 2px;">\$20,000,000</td> </tr> </table>		Products-Completed Operations Aggregate Limit	\$20,000,000	Personal Injury and Advertising Injury Aggregate limit	\$20,000,000	Malpractice Aggregate Limit	\$20,000,000	Each Occurrence Limit	\$20,000,000	Fire Damage Limit Any One Fire	\$50,000	Medical Expense Limit Any One Person	\$1,000	Hangarkeepers Limit Any One occurrence	\$3,000,000	Hangarkeepers Limit Any One Aircraft	\$3,000,000	Non-Owned Aircraft Liability Limit Any One Occurrence	\$20,000,000
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Deductibles: (Including Fees and Expenses) <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Each Occurrence or Offense Deductible</td> <td style="text-align: right; padding: 2px;">As Endorsed</td> </tr> <tr> <td style="padding: 2px;">Aggregate Deductible</td> <td style="text-align: right; padding: 2px;">As Endorsed</td> </tr> </table>		Each Occurrence or Offense Deductible	As Endorsed	Aggregate Deductible	As Endorsed														
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Premium: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Advance Premium</td> <td style="text-align: right; padding: 2px;">\$13,965</td> </tr> <tr> <td style="padding: 2px;">Extended Coverage Endorsement AAP 203</td> <td style="text-align: right; padding: 2px;">Not Insured</td> </tr> <tr> <td style="padding: 2px;">Endorsement Premium</td> <td style="text-align: right; padding: 2px;">Included</td> </tr> <tr> <td style="padding: 2px;">Terrorism Risk Insurance Act Premium</td> <td style="text-align: right; padding: 2px;">Not Insured</td> </tr> <tr> <td style="padding: 2px;">Total Advance Premium</td> <td style="text-align: right; padding: 2px;">\$13,965</td> </tr> </table>		Advance Premium	\$13,965	Extended Coverage Endorsement AAP 203	Not Insured	Endorsement Premium	Included	Terrorism Risk Insurance Act Premium	Not Insured	Total Advance Premium	\$13,965								
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Total Advance Premium	\$13,965																		
Policy Forms and Endorsements are described in the attached Schedule of Endorsements.																			

AAP201 (11-99)

Signature:

Jerry Bush
By Authorized Representative

EXHIBIT "B"

City of
DEKALB

Established 1856

LEGAL DEPARTMENT

200 SOUTH FOURTH STREET
DEKALB, ILLINOIS 60115
WWW.CITYOFDEKALB.COM
(815) 748-2092
(815) 748-2320 FAX

Norma J. Gness, City Attorney
norma.gness@cityofdekalb.com

Dawn C. Didier, Assistant City Attorney
ddidier@cityofdekalb.com

Denise Setchell, Corporate Legal Asst.
denise.setchell@cityofdekalb.com

Mary Jo Harms, Liability Legal Asst.
mharms@cityofdekalb.com

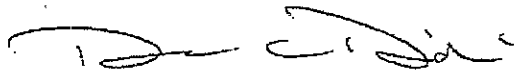
April 6, 2011

To Whom It May Concern:

Please be advised that as of July 1, 1992, the City of DeKalb became and remains self-insured for all general liability claims and worker's compensation claims.

If you require any additional information, please do not hesitate to contact me.

Very Truly Yours,



Dawn C. Didier
Assistant City Attorney

DCD/dd

PW Memo # 021-14

DATE: 6/4/2014

TO: Mayor
City Council

FROM: Anne Marie Gaura, City Manager
T. J. Moore, Director of Public Works
Tom Cleveland, Airport Manager, Assistant Public Works

SUBJECT: Ratification of Existing Purchase Agreement for Airport Fuel and Approval of Continuation of Airport Fuel Service.

STRATEGIC GOAL: Ensure a Financially Stable, Sustainable, and Professional City Government

I. Summary:

On February 11, 2011, the City of DeKalb assumed aircraft fueling operations at DeKalb Taylor Municipal Airport. The Airport had an agreement with World Fuel/Phillips 66 to provide aviation fuel, national airport marketing, a subsidized credit card system, airport fueling insurance, quality control inspections, line service training and fuel truck lease/purchase opportunities under contract with the City of DeKalb for the past three years.

The Department of Public Works – Airport Division is seeking ratification by the Mayor and City Council for a one-year extension to the existing agreement.

II. Background:

The City of DeKalb assumed the fueling operations at DeKalb Taylor Municipal Airport in February 2011. In October of 2011, the City of DeKalb – DeKalb Taylor Municipal Airport amended the fuel supply contract to sell Phillips 66 branded fuel from World Fuel Services. On May 1, 2014, an existing agreement with World Fuel/Phillips 66 was automatically extended by function of the City not serving a notice of termination. In other words, because the initial term expired without the City providing notification of cancellation, the one-year extension of the term was automatically enacted. At the end of this one-year extension, fuel, marketing, credit card administration, quality control, fuel safety/operations training and fuel truck lease/purchase will be publically let in January 2015. The vendor will be notified immediately that the City does not wish to continue the agreement past the one year extension.

Staff has been extremely pleased with the service received by World Fuel. As many fuel producers drop out of the aviation fuel market, World Fuel (Phillips 66) has provided excellent service, comprehensive training, and – most importantly – very high quality control of fuel delivered. Fuel is the first component checked in an aviation related accident. DTMA has always insisted on and provided the highest quality fuel.

Below is a list of the benefits for selling Phillip 66 Branded fuel from World Fuel, Inc.:

- 1) DeKalb Taylor Municipal Airport receives the benefits of national advertising, Phillips in-house marketing assistance program, tradeshow support, National Business Aviation Association programs, Fixed Base Operator promotions, and event strategies for on field events advertising development for the Fixed Base Operators.
- 2) Pre-blended Jet fuel. Anti-fungal and anti-icing additives are blended in fuel at the terminal. Phillips 66 ensures the fuel is blended properly and performs correctly.
- 3) The Phillips Co-Brand Multi Service credit card program will be at a 0% fee which results in more revenue for the City of DeKalb.
- 4) Phillips 66 branded Fixed Base Operator's carrying a minimum base coverage of \$1,000,000 in liability insurance can qualify to be added annually to a \$50,000,000 excess aircraft fueling liability policy offered by Phillips 66 at no charge. Members of World Fuel Services Network can additionally be provided with \$75,000,000 in excess liability insurance at no charge.
- 5) Young Eagles \$1 per gallon rebate. Phillips 99 offers a \$1 per gallon rebate on all Phillips 66 Avgas that is purchased for flights supporting Young Eagles Programs at Phillips 66 Fixed Base Operators when using a Phillips 66 credit card. This program gives young people an opportunity to fly in a small aircraft and promotes interest in aviation.
- 6) Compassion Flight Fuel Rebate Program. As a proud supporter of compassion flights, Phillips 66 offers \$1 per gallon rebate on Avgas to help support the volunteer pilots who give of their time and aircraft to fly medical missions. This program is available at branded Phillips 66 Fixed Base Operators using a Phillips 66 personal credit card.
- 7) Phillips 66 branded dealers have access to Flight Explorer, free of charge. This software program provides access to historical airport activity and aircraft operator's information with data provided by JetNet. This allows us to market our facility to new customers that are part of the Phillips 66 credit card program.
- 8) Phillips 66 Aviation Uniform Support provides 50% reimbursement on uniforms with the Phillips Wing logo. This assists in allowing our line staff to appear professional.
- 9) All Phillips 66 signage and imaging is at no cost to the City of DeKalb.
- 10) Phillips 66 Aviation places ads promoting the brand and individual locations in national trade publications such as ProPilot and Airport Business. World Fuel will additionally be promoting members of our network.
- 11) No cost Quality Control (QC) inspections every six months keep the Airport operating at Air Transport Association (ATA) 103 requirements. (This is an industry standard for aviation fuel quality control)
- 12) National Air Transportation Association (NATA) Safety First provides on line annual training at no charge for two of our line service personnel. This is a nationally recognized aviation refueler training program and an industry standard for training personnel.

- 13) World Fuel is one of a few aviation fuel providers for the industry. They have provided excellent service and support over the period of the three year agreement with DTMA. The aviation fuel market is shrinking as environmental regulations and decreases in overall demand put pressure on producers of 100 octane low lead fuel that is the primary fuel for small propeller driven aircraft.

III. Community Groups/Interested Parties Contacted:

None

IV. Legal Impact:

With the auto-renewal of the agreement, it is necessary for the Council to ratify the current relationship with the provider, so as to enable staff to pay the invoices associated with the fuel services and delivery.

V. Financial Impact:

The City of DeKalb – DeKalb Taylor Municipal Airport will continue to have, with World Fuel, competitive fuel prices, aviation fuel services, marketing and national advertising opportunities, lower credit card fees, and aviation fueling insurance.

VI. Options:

1. Council may choose to ratify this contract extension for one year. This alternative is recommended.
2. Council may choose to ask staff to pursue a negotiated dissolution of the agreement. The outcome of this alternative is unknown.

VII. Recommendation:

The Department of Public Works – Airport Division requests ratification by the Mayor and City Council for a one-year extension to an existing agreement with World Fuel/Phillips 66 for the sale of fuel, marketing, credit card administration, airport fueling insurance, quality control inspections, line service training and fuel truck lease/purchase.