

City of Fayetteville Staff Review Form

A. 1  
REW Investments, Inc.,  
Woolsey Aviation, Inc.  
and Go Fayetteville, LLC  
(collectively Million Air Fayetteville)  
Page 1 of 10

City Council Agenda Items  
and  
Contracts, Leases or Agreements

Special Meeting 3/12/13

City Council Meeting Date  
Agenda Items Only

Ray M. Boudreaux

Submitted By

Aviation

Division

Transportation

Department

Action Required:

Action Required: A resolution to approve an Agreement with Woolsey Aviation Inc., DBA Go Fayetteville, Million Air Fayetteville, for transfer of equipment and agreements related to the Drake Field Fixed Based Operation.

\$ 57,500.00

Cost of this request

\$ 98,437.00

Category / Project Budget

FBO Capital Expenditures

Program Category / Project Name

VARIOUS

Account Number

\$ -

Funds Used to Date

2013 Trk Other

Program / Project Category Name

51301 1

Project Number

\$ 98,437.00

Remaining Balance

Airport

Fund Name

Budgeted Item

Budget Adjustment Attached

*Ray M. Boudreaux*  
Department Director

3-11-13  
Date

Previous Ordinance or Resolution # 28-13

*Paul A. Baker*  
City Attorney

3-11-13  
Date

Original Contract Date:

Original Contract Number:

*Paul A. Baker*  
Finance and Internal Services Director

3-11-2013  
Date

Received in City Clerk's Office

ENTERED  
3-11-13

*Kim G.*

*Alan Man*  
Chief of Staff

3-11-13  
Date

Received in Mayor's Office

ENTERED  
3/11/13  
PH

*Samuel Jordan*  
Mayor

3/11/13  
Date

Comments: Cost of this request does not include the cost of fuel and oil inventory to be purchased from Million Air.



AVIATION DIVISION  
FAYETTEVILLE EXECUTIVE AIRPORT • DRAKE FIELD

**CITY COUNCIL AGENDA MEMO/STAFF CONTRACT REVIEW MEMO**

**TO:** Mayor Jordan  
**THRU:** Chief of Staff  
**THRU:** Staff/Contract Review Committee  
**THRU:** Terry Gulley, Transportation Director *TG*  
**FROM:** Ray M. Boudreaux, Aviation Director *RMB*  
**DATE:** March 11, 2013

**SUBJECT:** **Approve the Termination Agreement with Woolsey Aviation, Inc. (dba: Million Air, Fayetteville and Go Fayetteville LLC) and payments for equipment and inventory. Signature of the Mayor and City Clerk.**

**RECOMMENDATION:** Approve the Termination Agreement between the City of Fayetteville and Woolsey Aviation, Inc. (dba Million Air, Fayetteville and Go Fayetteville, LLC.) Authorize payment for the equipment and the Novation of the Contract with Defense Logistics Agency for sales to US Government aircraft in the total amount of \$57,500.00 and the purchase of fuel and oil inventory in an amount determined on the last day of the Million Air operation at the wholesale price paid when delivered to Drake Field. Signature of the Mayor and the City Clerk on the Agreement.

**BACKGROUND:** The City Council has approved the termination of the contract with Million Air, Fayetteville (Woolsey Aviation, Inc. and Go Fayetteville, LLC) and the budget for the City to operate the FBO in house. The City will purchase the Ground Support Equipment (GSE) needed to operate the FBO from Million Air and the DLA Contract for service to US Government Aircraft from Million Air. On the final day of operation, inventory of product for sale will be accomplished and the City will purchase, at cost, the inventory remaining in the bulk fuel storage facility (Fuel Farm) and engine oil in inventory in the FBO. This item approves the expenditures.

**BUDGET IMPACT:** The total to be paid to Million Air for the equipment and the DLA contract novation is \$57,500.00, the amount negotiated, and will be expensed from the budget approved by the City Council for the FBO. Inventory payment will be expensed from the FBO budget in the amount remaining in the inventory on the last day of the contract.

Attachments: Staff Review  
Termination Agreement

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE WAIVING THE REQUIREMENTS OF FORMAL COMPETITIVE BIDDING AND APPROVING A CONTRACT IN THE AMOUNT OF \$57,500.00, PLUS APPLICABLE PER GALLON FUEL COSTS, WITH REW INVESTMENTS, INC., WOOLSEY AVIATION, INC. AND GO FAYETTEVILLE, LLC (COLLECTIVELY MILLION AIR FAYETTEVILLE) FOR THE PURCHASE OF EQUIPMENT AND SUPPLIES NECESSARY TO EFFECTUATE THE CITY'S TAKEOVER OF AIRPORT FIXED-BASE OPERATIONS

**WHEREAS**, the City has determined to terminate its agreement with Million Air, the current Fixed Base Operator (FBO) for the Fayetteville Executive Airport; and

**WHEREAS**, continued FBO services on and after March 15, 2013, including the provision of aviation fuel and appropriate equipment to dispense and store such fuel, are required for the functioning of the Airport; and

**WHEREAS**, the equipment and supplies needed by the City is currently owned by Million Air Fayetteville and is on-site at the airport, and, further, the City has insufficient time to competitively bid necessary equipment and supplies in order to conduct FBO services by March 15, 2013; and

**WHEREAS**, an orderly transition of FBO services from Million Air Fayetteville to the City will provide and opportunity for the City to retain a Defense Logistics Agency (DLA) fueling contract,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines an exceptional situation exists in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and approves a contract in the amount of \$57,500.00, plus applicable per gallon fuel costs, with REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC (collectively Million Air Fayetteville), marked as Exhibit "A" attached hereto and made a part hereof, for the purchase of airport equipment and supplies necessary to effectuate the City's takeover of Airport fixed-base operations.

**PASSED** and **APPROVED** this 12<sup>th</sup> day of March, 2013.

APPROVED:

ATTEST:

By: \_\_\_\_\_  
**LIONELD JORDAN**, Mayor

By: \_\_\_\_\_  
**SONDRA E. SMITH**, City Clerk/Treasurer

## CONTRACT

THIS AGREEMENT, made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Fayetteville, Arkansas (hereinafter "Fayetteville") and REW Investments, Inc. with and through its wholly-owned subsidiaries Woolsey Aviation, Inc. and Go Fayetteville, LLC each dba Million Air Fayetteville (hereinafter "Million Air"), collectively the "Parties":

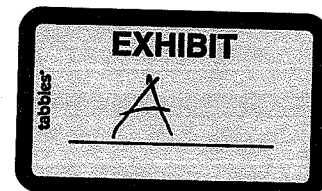
### WITNESSETH:

That Million Air and Fayetteville, for the consideration hereinafter fully set out, hereby agree as follows:

1. Million Air states that Woolsey Aviation, Inc. and Go Fayetteville, LLC are wholly-owned subsidiaries of REW Investments, Inc. each of which have done or currently do business as "Million Air Fayetteville", and that the undersigned authorized representative of Million Air has the authority to, and hereby does, bind REW Investments, Inc., Woolsey Aviation, Inc. and Go Fayetteville, LLC to this Contract, with each of them being jointly and severally liable for the performance of Million Air as agreed herein.

2. Million Air and Fayetteville agree that the last day of operation by Million Air pursuant to the current Fixed-Base Operation (FBO) agreement shall be March 15, 2013. By entering this Contract, Million Air and Fayetteville hereby agree and hereby do release each other from any further obligation under the existing FBO agreement and terminate the FBO agreement.

3. Million Air agrees, and hereby does, sell to Fayetteville the equipment listed and attached hereto as Exhibit "A", novation of a Defense Logistics Agency (DLA) fuel contract by December 31, 2013, all fuel currently remaining in Fayetteville's airport "fuel farm" and service trucks on the date of termination (March 15, 2013), all aircraft engine oil in inventory on the date of termination (March 15, 2013), and further agrees to pay Fayetteville for fuel currently stored by Million Air at Fayetteville's airport and pre-purchased by Fayetteville airport fuel customers. All property transferred to Fayetteville by Million Air shall be free and clear of any and all liens



or encumbrances of any kind. The rate of payment for fuel shall be the delivered price of fuel most recently purchased by Million Air for fuel delivered to Fayetteville's airport. Payment for aircraft engine oil shall be at the wholesale rate paid by Million Air. Payment for fuel and aircraft engine oil shall be in addition to any payment required pursuant to Section 7 of this Contract.

4. The Parties agree that Fayetteville will act as fueling agent for Million Air for purposes of the DLA contract. Million Air will take all steps necessary to designate Fayetteville as said fueling agent with the Defense Logistics Agency (DLA), through December 31, 2013. The Parties agree that, through December 31, 2013, Million Air will promote Fayetteville's airport as a training destination for military flights. The Parties agree that Fayetteville shall bill DLA for all fuel purchases pursuant to the DLA contract and that DLA shall make full payment of said bills to Million Air. Million Air shall then pay over to Fayetteville all amounts less and except the total of \$0.47 per gallon of fuel sold. Payment for fuel by Million Air as required in this section shall be in addition to any payment required pursuant to Section 7 of this Contract.

5. Fayetteville agrees that it will make all reasonable efforts to hire as many qualified employees of Million Air currently stationed at Fayetteville's airport as are needed by Fayetteville for its own fixed-base operations. Fayetteville will follow all of its standard hiring practices, as well as all applicable provisions of local, state or federal law. The Parties agree that Fayetteville's agreement herein shall not be deemed to create third-party beneficiary rights for any current or future employee of Fayetteville, nor for any Fayetteville job applicant, nor for any employee of Million Air.

6. Million Air agrees to allow Fayetteville's employees or agents the right to be physically present during Million Air's removal of any of its remaining equipment and/or furnishings at Fayetteville's airport, and further agrees to allow Fayetteville the right of access to spaces and facilities occupied by Million Air at Fayetteville's airport in order to accommodate Fayetteville's set up of telecommunications hardware, including, but not limited to telephone and/or data lines.

7. Subject to credits, deductions and off-sets stated herein, Fayetteville agrees to pay and Million Air agrees to accept \$80,000.00 to perform as agreed herein. The Parties acknowledge and agree that Million Air currently owes the sum of \$45,000.00 to Fayetteville pursuant to the terms of the FBO agreement previously entered between Million Air and Fayetteville and that fifty percent (50%) of said sum owed shall be deducted by Fayetteville from the total \$80,000.00 payment due Million Air pursuant to this Contract, leaving a total payment to Million Air by Fayetteville of \$57,500.00. Said \$57,500.00 owed shall be paid by Fayetteville to Million Air as follows:

- A. A payment of \$45,000.00 within seven (7) days of execution of this Contract.
- B. A payment of \$5,000.00 ninety (90) days after execution of this Contract, so long as Million Air has made timely payments to Fayetteville for fuel purchases pursuant to the DLA contract currently in place between Million Air and DLA and referenced in Section 4, above. If timely payments are not made during the ninety (90) days after execution of this Contract, this \$5,000.00 payment shall be deferred and made only upon final novation (assignment) of the DLA fueling contract to Fayetteville. To be timely, payments to Fayetteville for fuel pursuant to this subsection must be made by Million Air within thirty (30) days of the date of the fuel purchase by DLA.
- C. A payment of \$7,500.00 upon final novation (assignment) of the DLA fueling contract to Fayetteville, which shall occur on or before December 31, 2013. If final novation (assignment) of the DLA fueling contract to Fayetteville does not occur by such date, or if payments due for fuel purchases referenced in Section 7(B) are unpaid, all further payments due Million Air pursuant to this Contract shall be forfeited and considered liquidated damages.

8. Changes, modifications, or amendments to any of the terms of this Contract shall not be allowed without a prior formal contract amendment, approved by the Mayor.

9. Freedom of Information Act. Fayetteville contracts and documents prepared while performing contractual work are subject to the Arkansas Freedom of Information Act. If an Arkansas Freedom of Information Act request is presented to Fayetteville, Million Air will do

everything possible to provide the requested information in a prompt and timely manner as prescribed in the Act. Only legally authorized photocopying costs, pursuant to the Act may be assessed for this compliance.

10. Assignment. Neither of the Parties may assign this Contract, nor any interest herein, without written consent of the other party.

11. Integration. This Contract reflects the entire agreement of the Parties with regard to the subject matter herein stated. No other written or oral agreements between the Parties have been made.

12. Jurisdiction and Venue. The jurisdiction and venue for any dispute arising pursuant to this Contract shall be the Circuit Court of Washington County, Arkansas or the United States District Court for the Western District of Arkansas, Fayetteville Division, with Arkansas law applying to the case, without regard to conflicts of law principles.

AGREED UPON AND EXECUTED BY AND BETWEEN THE PARTIES ON THE DATE FIRST WRITTEN ABOVE.

**REW Investments, Inc.  
Woolsey Aviation, Inc.  
Go Fayetteville, LLC  
(collectively "Million Air")**

**City of Fayetteville, Arkansas**

By: \_\_\_\_\_  
Roger Woolsey, President/CEO  
Authorized Agent to Bind All Entities Listed

By: \_\_\_\_\_  
Lioneld Jordan, Mayor

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk/Treasurer



CITY OF FAYETTEVILLE  
 FAYETTEVILLE EXECUTIVE AIRPORT  
 SCHEDULE OF MILLION AIR GSE  
 6-Feb-13

NO.	ITEM/DESCRIP	MODEL	CONDITION
1	Tug	'84 Harlan CT120	Unknown - runs
2	Tug	Hammond ODV	Needs repair
3	GPU	Hobart 600	Average
4	GPU	Hobart Diesel	Needs repair - fuel leak
5	HD Towbar w/heads	AERO?	Used no apparent defects
6	Towbars GA small (2)	AERO?	Used no apparent defects
7	Towbars GA hand (2)		Used no apparent defects
8	Chocks Lg (27)		Used no apparent defects
9	Chocks sm (6)		Used no apparent defects
10	Road cones (30)		Used no apparent defects
11	Ladders (5)	generic 6'	Used no apparent defects
12	Fueling Mats (3)		Used no apparent defects
13	24V Battery Charger	DSR	Fair
14	Air compressor		Fair to poor
15	Lav Cart	Aerospecialties	Needs repair - wheels
16	Luggage cart		Good
17	De-ice trailer	Homemade	Unknown
18	Storage shelves (3)	Chrome wire	Used no apparent defects
19	Airband base station (2)	icom - A110	Used no apparent defects
20	Ice machine	Manitowoc	Average
21	Upright freezer		Average
22	Commercial cooler	Frigidaire	Average
23	Drum pump		Average
24	Lobby/office furnishings	Various	Average
25	Manager's office		Good
26	Line shack furniture		Average
27	Line service equip	wands/ear protect	Average
28	Hand held line radio (5)	Pro HT850	Average
29	Soda dspnsr & ice mach		Average

Plus various parts, attachments and appurtenances to the above-listed items.

EXHIBIT "A"