

NORFOLK AIRPORT AUTHORITY
REQUEST FOR INFORMATION (RFI)



FIXED BASED OPERATOR

Issued: January 4, 2023

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I. REQUEST FOR INFORMATION (RFI)

A. Introduction

The Norfolk Airport Authority (hereinafter referred to as “Authority”), acting by and through its President & CEO, is issuing a Request for Information (“RFI”) to receive information from interested, qualified parties who may seek to provide non-exclusive fixed based operator (“FBO”) services at the Norfolk International Airport (“ORF”) effective July 1, 2024.

A qualified party would be an established fixed based operator that currently serves no less than three (3) commercial U.S. airports and is able to provide financial verification of its ability to invest in capital projects and to support an operation at a medium hub airport.

Based on the information gathered from interested, qualified parties, the Authority intends to issue a Request for Proposals (“RFP”) for FBO services in or around the summer of 2023 in order to solicit prospective parties for selection and to allow for timely implementation of the selected party prior to the effective date.

B. Background

The Norfolk International Airport is a medium hub airport located in eastern Virginia.

Signature Flight Support (“Signature”) is the only FBO serving ORF and has a lease and operating agreement (“Agreement”) with the Authority that expires June 30, 2024. This Agreement commenced in July 2009 after an RFP process was conducted and is in its final option period.

The parcels of land included in the Agreement are 6101 Burton Station Road and 6170 Miller Store Road consisting of the general aviation terminal, community hangars, T-hangars, maintenance hangar, and associated ramp. A fuel storage facility and vehicular parking areas are included in the leased premises. **See Exhibit A.**

C. Services, Facilities, & Fees

Minimum Standards:

ORF implemented its current minimum standards in 2009. Those minimum standards are anticipated to change prior to a new agreement.

Currently, fixed based operators must be engaged in the sale of products and services at ORF, including aviation fuels, ground services, and aircraft maintenance. Specifically, the activities performed by the employees of the FBO and using the vehicles and equipment of the FBO are as follows:

<u>Scope of Activity</u>
Deliver and dispense Jet-A, Avgas and lubricants to GA aircraft
Maintain a 15-minute response time during normal hours and conditions
Meet, direct and park arriving aircraft (except assigned parking)
Provide courtesy transportation for passengers and crew (and arrangements)
Provide parking and tiedown of aircraft
Provide hangar storage with in-out towing services
Provide oxygen, lavatory and ground power services
Provide catering
Aircraft maintenance (group I or II aircraft) [May sublease]
Aircraft line maintenance (group III) [May sublease]
Provide for storage of aircraft (along with office and shop space)

Further, any FBO must maintain certain amounts of leased premises in order to qualify under the minimum standards. The space required includes, at least:

<u>Leased Premises</u>	<u>Quantity</u>
Contiguous land	10 acres (435,600 sf)
• Apron	5 acres (217,800 sf)
• Paved tiedown	15 spaces
Facilities	65,000 sf
• Terminal	10,000 sf
○ Customer area	5,000 sf
○ Admin area	1,000 sf
○ Office space	2,000 sf
• Aircraft Maintenance	15,000 sf
○ Admin area	500 sf
○ Mx shop/storage area	1,500 sf
○ Mx hangar area	10,000 sf
• Aircraft Storage (hangar)	40,000 sf
○ Single storage	10,000 sf
○ T-hangar	10 divided aircraft

Fuel dispensing requires the ability to store a minimum of three days' peak supply in leased or owned fuel storage facilities. The FBO leased premises includes two Jet-A tanks of 10,000 gallons each and one Avgas tank of 10,000 gallons. This fuel farm will eventually be removed and a consolidated fuel farm location will be accessible by the FBO on premises adjacent to the FBO site that currently has four 210k gallon Jet-A tanks and a new 10,000 gallon Avgas tank.

An FBO must have fueling equipment, either owned or leased, including two jet refueling vehicles of 5,000 gallons and 3,000 gallons, and two Avgas refueling vehicles of 750 gallons each. Additional equipment must include adequate wheel chocks for aircraft parking on the apron, an oxygen cart, a courtesy vehicle (for passenger or crew transportation), an airside transportation vehicle (for staff to transport passengers and

baggage), two towing vehicles with tow bars, two ground power units, and one lavatory cart.

Personnel standards include a minimum of two (2) line service operators on two shifts (morning/afternoon, afternoon/evening) and one (1) line service operator on the third shift (evening/morning). In addition, during the two-shift periods, the FBO shall have one customer service representative on duty. Either with direct employees or through a sublease, a mechanic for aircraft maintenance must be available.

As noted, these are the current minimum standards that will be updated prior to issuance of an RFP and new agreement.

Facilities:

In addition to the fuel farm(s) noted above, the FBO will manage and lease the following facilities:

1. General Aviation Terminal.
2. Hangars 1, 2, 3, 4, and 8. Currently utilized as community hangars.
3. Hangar 5. Currently houses helicopters and an upholstery shop.
4. Hangar 6. Leased by PSA airlines as a maintenance base.
5. Hangar 7 & 9. Utilized by FBO as a maintenance hangar and a GSE repair facility.
6. T-hangars. Three rows, 41 units.

The Authority is in the process of conducting facility condition assessments for these facilities to determine any new investment that may be necessary. In addition, land and facility appraisals are likely to be implemented to ensure fair market value ground and structure rents.

Development opportunities on the FBO premises will be considered.

Fuel:

The Authority’s fiscal year is from July – June. For fiscal years 2020, 2021, and 2022, the fuel flowage at the FBO has been resilient and growing.

<u>GA fuel</u>	FY2020	FY2021	FY2022
Avgas	66,421	75,039	75,200
Jet-A	1,345,796	1,631,014	1,894,722
Total	1,412,217	1,706,053	1,969,922

Separately, approximately 25MM gallons of commercial fuel is currently dispensed by the FBO. An airline fuel consortium may be formed in the future.

Fees:

Under the current Agreement, the Authority charges the following fees to the FBO. It is anticipated that these fees may be modified based on the assessments and appraisals above along with market conditions and industry standards. Additional fees may be contemplated in a new agreement.

Fees and Percentages
GA Fuel (Jet A & Avgas) - \$.08 per gallon
Location Based Services – 5% (Ground handling, facilities, hangar rental, tie down, passenger/crew, landing fees)
Technical Services – 5%
Minimum Annual Guarantee (MAG) – Set by proposal
Rent (not part of MAG or Fees) – approximately \$1.3MM in FY24

II. INFORMATION REQUEST

A. Visit/Tour

The Authority invites interested, qualified parties to schedule a visit and tour the ORF FBO premises. Those onsite opportunities will be scheduled for the dates below.

Available dates and times for a visit/tour:

- Monday, January 23: 2pm-4pm
- Tuesday, January 24: 9am-11am

Please contact Steve Sterling (see Section III.) by **Monday January 16** to confirm and coordinate attendance. If you are unavailable for one of these two visit/tour dates, please contact Steve Sterling to arrange an alternative date.

B. Submittal

No later than 4:00PM ET March 3, 2023, interested parties will be requested to submit the following:

1. Background information and qualification of submitter.
2. Relevant growth plan of submitter and why ORF would be a good fit for submitter to provide the FBO services.
3. Suggested revisions to the ORF minimum standards.
4. Facilities and services that may or may not be considered essential for the submitter to provide. If essential to submitter, state whether to be provided in-house or subcontracted.
 - a. Fuel farm management (operation and maintenance)
 - b. Commercial airline fueling
 - c. Aircraft maintenance
 - d. Contract services for ground handling (commercial airlines, charters, international, cargo)
 - e. Deicing
 - f. Off-FBO premises hangar development

5. Proposed capital investments to be made by submitter, including a map of the layout, types of facilities, sizes, costs, and timelines to complete.
 6. Anticipated future agreement length of term requested in order to depreciate each of the capital investments made.
 7. Applicable rents and fees suggested (type and amount) as part of a future agreement.
 8. Any additional information submitter believes would be helpful for Authority to consider as part of its RFP process and future agreement.
- C. Items in A & B above do not constitute any obligation on the part of the Authority to contract with the submitting party. All costs incurred by the submitting party shall be borne by it.
- D. Authority reserves the right to amend this RFI.
- E. Each party who submits the request information above will be provided notification of a future RFP process.

III. CONTACT

For all inquiries, visit/tour scheduling, and submissions, please contact:

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EXHIBIT A

