



Los Angeles
World Airports

March 26, 2014

The Honorable City Council
of the City of Los Angeles
City Hall, Room 395
Los Angeles, CA 90012

Subject: **APPROVAL OF A FORM COVERING NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMITS AT VAN NUYS AIRPORT.**

LAX
LA/Ontario
Van Nuys
City of Los Angeles

In accordance with Section 606 of the City Charter, the Board of Airport Commissioners transmit for your approval a form covering Non-Exclusive Revocable Fuel Delivery Permits at Van Nuys Airport for the period of five years.

RECOMMENDATION FOR CITY COUNCIL

Eric Garoetti
Mayor
Board of Airport Commissioners
Sean O. Burton
President
Valeria C. Velasco
Vice President
Gabriel L. Eshaghian
Jackie Goldberg
Beatrice C. Hsu
Matthew M. Johnson
Dr. Cynthia A. Telles
Gina Marie Lindsey
Executive Director

1. APPROVE the form for Non-Exclusive Revocable Fuel Delivery Permit(s) at Van Nuys Airport.
2. CONCUR in the Board's action authorizing the Executive Director, under a new Blanket Resolution, to execute the Non-Exclusive Revocable Fuel Delivery Permits with airlines, including the current permittees: 1) Air Petro Corporation; 2) Amber Resources, LLC; 3) AvFuel Corporation; 4) Epic Aviation, LLC dba Air BP Aviation Services; 5) Mercury Air Group, Inc.; 6) World Fuel Services; 7) KAG West; 8) Van Dyk Tank Lines, Inc. dba Cool Transports; 9) Fuel Controls, Inc.; and 10) Tri-Pet Group, Inc. dba National Dist. Systems.
3. FIND that the recommended action is exempt from the requirements of the California Environmental Quality Act as provided by Article III, Class 1 (18) (c) of the Los Angeles City CEQA Guidelines.

The Board of Airport Commissioners, at their meeting held on March 18, 2014, by Resolution No. 25353 adopted the Blanket Resolution covering the issuance of Non-Exclusive Revocable Fuel Delivery Permits, subject to the approval of your Honorable Body.

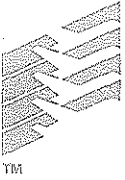
There is no fiscal impact to the City's General Fund as a result of this action.

Very truly yours,

Sandra J. Miller, Secretary
BOARD OF AIRPORT COMMISSIONERS

- cc: Trade, Commerce and Tourism Committee
Councilmember LaBonge, E-file
Councilmember Bonin, E-file
Councilmember Buscaino, E-file
CAO (Airport Analyst), E-file
CLA (Airport Analyst), E-file
City Clerk's Office, Enc. (one original)





RESOLUTION NO. 25353

LAX
LA/Ontario
Van Nuys
City of Los Angeles

BE IT RESOLVED that the Board of Airport Commissioners approved a Blanket Resolution covering a successor five (5)-year Non-Exclusive Revocable Fuel Delivery Permit at Van Nuys Airport, as referenced on the board report attached herein and made part hereof; and

Eric Garcetti
Mayor
Board of Airport Commissioners

BE IT FURTHER RESOLVED that the Board of Airport Commissioners authorized the Executive Director, or designee, to execute Non-Exclusive Fuel Delivery Permits for Van Nuys Airport upon approval as to form by the City Attorney and approval by the Los Angeles City Council; and

Sean O. Burton
President
Valeria C. Velasco
Vice President
Gabriel L. Eshaghian
Jackie Goldberg
Beatrice C. Hsu
Matthew M. Johnson
Dr. Cynthia A. Telles

BE IT FUTHER RESOLVED that the issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, or other entitlements granting use of an existing airport facility involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines; and

Gina Marie Lindsey
Executive Director

BE IT FUTHER RESOLVED that actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.

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I hereby certify that this Resolution No. 25353 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Tuesday, March 18, 2014.

Sandra J. Miller – Secretary
BOARD OF AIRPORT COMMISSIONERS





Los Angeles World Airports

Item **4** here


REPORT TO THE

BOARD OF AIRPORT COMMISSIONERS


Approved by: Ted Maslin, Deputy Executive Director


Reviewed by: Debbie Bowers, Deputy Executive Director


City Attorney


Gina Marie Lindsey - Executive Director

Meeting Date:

3/18/2014

CAO Review:

- Completed
- Pending
- N/A

| Reviewed for | Date | Approval Status | By |
|------------------|-----------|--|----|
| Capital Budget | 2/26/2014 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA | DS |
| Operating Budget | 2/21/2014 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA | RW |
| CEQA | 2/24/2014 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | MV |
| Procurement | 3/4/2014 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond | MT |

SUBJECT: Blanket Order for Fuel Delivery Permit at Van Nuys Airport

Approve a Blanket Order covering a successor five-year Non-Exclusive Revocable Fuel Delivery Permit at Van Nuys Airport.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. APPROVE a Blanket Order covering the successor five-year Fuel Delivery Permit for Van Nuys Airport.
4. AUTHORIZE the Executive Director, or her designee, to execute Non-Exclusive Fuel Delivery Permits for Van Nuys Airport upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

This Blanket Order for the Non-Exclusive Revocable Permit (Permit) will establish an agreement between Los Angeles World Airports (LAWA) and companies delivering petroleum products to Van Nuys Airport (VNY). The Permit ensures on-going compliance with LAWA's operational requirements including airport security, self-reporting operations, insurance and payment of petroleum delivery fees.

2. Prior Related Actions

- March 23, 2009 – Resolution No. 23743
Adoption of new fuel delivery fees for VNY excluding it from coverage of Resolution No. 17807, which covered all LAWA airports.
- March 23, 2009 – Board Order No. AO-5119
Amended Blanket Order No. AO-4964 to exclude VNY from the existing blanket order covering fuel delivery permits at all LAWA airports, and obtain blanket authorization for the Executive Director to issue new five-year Permits for VNY in order to implement an increase in fuel delivery fees for VNY at \$0.11 per gallon for all aviation gas and turbine fuel. The Permits issued under this Blanket Order will expire on April 30, 2014.

3. Current Action

The current Non-Exclusive Revocable Fuel Delivery Permit at Van Nuys Airport will expire on April 30, 2014. This action authorizes the Executive Director to extend or issue new Non-Exclusive Revocable Fuel Delivery Permits at VNY.

The table below provides a summary of the terms for the current and proposed Fuel Delivery Permit for VNY.

| <u>Description</u> | <u>Current Terms</u> | <u>Proposed Terms</u> |
|---------------------------------|---|------------------------------|
| Term: | | |
| Commencement | May 1, 2009 | May 1, 2014 |
| Expiration | April 30, 2014 | April 30, 2019 |
| Delivery Fees: Jet Fuel/AvGas | \$0.11 per gallon | No Change |
| Administration Fee: | \$120 Annually | No Change |
| Delivery Fees: Lubricants | Not included in services under Fuel Delivery Permit | No Change |
| Faithful Performance Guarantee: | 3 times the highest monthly fuel delivery amount of the previous year multiplied by the applicable fee for the period or \$5,000, whichever is greater. | No Change |

The following Permits will expire on April 30, 2014:

| Permittee | Existing Permit No. |
|--|----------------------------|
| Air Petro Corporation (subsidiary is World Fuel) | NBV-4122 |
| Amber Resources, LLC (Sawyer Petro) | NBV-3856 |
| AvFuel Corporation | NBV-3851 |
| Epic Aviation, LLC dba Air BP Aviation Services | NBV-3850 |
| Mercury Air Group, Inc. | NBV-3855 |
| World Fuel Services | NBV-4158 |
| KAG West | NBV-3865 |
| Van Dyk Tank Lines, Inc. dba Cool Transports | NBV-3873 |
| Fuel Controls, Inc. | NBV-5853 |
| Tri-Pet Group, Inc. dba National Dist. Systems | NBV-3861 |

Action Requested

Adopt a Blanket Order for a Non-Exclusive Revocable Fuel Delivery Permits at VNY and authorize the Executive Director to execute the Permits.

Fiscal Impact

Approval of the Permit will result in approximately \$1,900,000 annually or approximately \$9,500,000 over the five-year term, to the Airport Revenue Fund. Approval of this action will have no impact on LAWA's Capital Budget.

4. Alternatives Considered

- ***Elimination of Fuel Delivery Permits at VNY***

This is not a viable option because the Permit is needed to ensure operational, safety, and security compliance and to provide ongoing funding for Van Nuys Airport.

APPROPRIATIONS:

No appropriations are required for this action.

STANDARD PROVISIONS:

1. The issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, or other entitlements granting use of an existing airport facility involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. This item is subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.

4. Permittees will comply with the provisions of the Living Wage Ordinance.
5. The Small Business Enterprise Program does not apply to Permits.
6. Permittees will comply with the provisions of the Affirmative Action Program
7. Permittees must submit a Business Tax Registration Certificate prior to execution of the Permit.
8. Permittees will comply with the provisions of the Child Support Obligations Ordinance.
9. Permittees will have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to execution of the Permit.
10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. Permittees must be determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Permit.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. Permittees must submit the Bidder Contributions CEC Form 55 and comply with its provisions prior to execution of the Permit.