# COMMONWEALTH OF KENTUCKY

 **FINANCE AND ADMINISTRATION CABINET**

**Request For Proposals (RFP)**

# Project Name: CAPITAL CITY AIRPORT HANGAR BUILDINGS

 Transportation Cabinet/Division of Aviation

Proposal Number: RFP#120424

IMPORTANT: PROPOSALS MUST BE RECEIVED BY **December 4, 2024 @ 2:00 p.m. EST**

 at the Division of Real Properties, Finance & Administration Cabinet

 403 Wapping Street, 3rd Floor Bush Building

 Frankfort, KY 40601

**I. INTRODUCTION**

The Commonwealth of Kentucky intends to lease up to three (3) parcels of land at the Capital City Airport, Frankfort, Kentucky (CCA), for the purpose of constructing. operating, and maintaining executive box hangars (the “Hangars’). The Hangars are intended to attract business jets and other airplanes to be based at the Capital City Airport.

The CCA benefits from the based aircraft directly in the form of sales of aviation fuels and, indirectly by improving the eligibility for FAA grants and providing opportunities for employment for pilots, mechanics, and airport personnel. The larger community consisting of the City of Frankfort, Franklin County and surrounding counties will also benefit from increases in business and leisure visitors, jobs, and payroll taxes.

The Commonwealth has determined that the most practical and responsible approach to develop and manage hangar facilities at the Capital City Airport project site involves private sector participation. The objective is to enter into a lease agreement with an Offeror for one, two, or three executive hangars, who will independently finance, construct, maintain, manage, operate, and equip a private hangar (referred to hereinafter as the "hangar").

Contact with Commonwealth agents for information specific to this RFP, bidding procedures, and/or regulations, programmatic, technical, or site specifications or location shall be limited to the Buyer for the Division of Real Properties, Attention: Nancy E. Brownlee, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601, nancy.brownlee@ky.gov.  All inquiries must be submitted no later than November 20, 2024 by 2:00 p.m. EST to allow sufficient time for written responses to be posted as an addendum

**II. GENERAL**

Proposed Lease Sites

The Department of Aviation has identified and surveyed three (3) sites for the construction of executive box hangars. Parcel #1 encompasses 0.95 acres of leased land, accommodating a minimum total hangar area of 18,000 square feet. Parcels #2 and #3 will encompass 0.23 acres of leased land, including improvements, with a minimum potential hangar size of 3,600 square feet (see the proposed layout in Exhibit A). Offerors are invited to propose hangar dimensions suitable for each specific site. Offerors proposals should be specific for each site.

Principal Lease Terms

a. **Initial Term.** The term of this lease shall be twenty (20) years (“Term”), commencing on the date of execution of the resulting Lease Agreement by the Secretary of the Finance and Administration Cabinet, (“Commencement Date”) and expiring, unless earlier terminated, twenty thereafter.

b. **Optional Renewal Period**. If Offeror remains in possession of the Premises after the expiration of the term, this lease may be extended at the completion of the initial contract period for two (2) additional five-year periods, which may be terminated by either party at the end of any calendar year, upon thirty (30) days advance written notice.

During the initial term of the lease or any renewal thereof, title to all buildings, structures, additions, changes, and other improvements, including fixtures, shall remain with the Offeror. All buildings, structures, additions, changes, and other improvements, including fixtures, erected or placed on the leased premises shall remain thereon. At the expiration or termination of the lease agreement, any and all such buildings, structures, additions, changes and other improvements shall be conveyed by the Offeror to the Commonwealth. Prior to conveyance of the property to the Commonwealth, both parties shall complete a walk-through inspection of the buildings and property to determine what, if any repairs or corrections must be completed by the Offeror prior to conveyance of the property to the Commonwealth.

c. **Consideration.** Annual lease payments shall not be less than $1.

d. **Financing**. The lease terms will include provisions allowing for the successful financing of the project by the Offeror/owner/lessee.

**III. PRIVATE HANGAR FACILITY**

A. Facility Development

The facility shall be operated as a private hangar and for no other purpose other than outlined herein, except as may be authorized by the express, prior, written consent of the Department of Aviation, Transportation Cabinet.

* The leasehold agreement shall include a minimum area as specified in Parcel #1 through #3 of the proposed layout in Exhibit A. These areas are intended to accommodate the hangar building and minimum building setbacks, along with access to the parcel via vehicle road network. Subject to the rules and regulations governing the use of the airport, as may be established by the Lessor, the Successful Offeror, its employees, suppliers of materials, furnishers of service, business visitors, and invitees shall have the right of ingress and egress to and from the premises leased exclusively to the Successful Offeror.
* The Successful Offeror of the larger hangar (Parcel #1) must be able to commit at least one private mid-sized jet to be based in the executive box hangar on the grounds of the Capital City Airport. The Successful Offeror of the smaller hangars (Parcels #2 and #3) must be able to commit one piston or turboprop aircraft to be based in the box hangar on the grounds of the Capital City Airport.
* As an incentive for Offerors, the Kentucky Department of Aviation (KDA) will provide for construction of certain of the infrastructure including extending utilities to the site, construction of the concrete pad for the building and improvements to the apron and taxiway connectors. KDA will require that the Offeror construct the infrastructure and will reimburse the Successful Offeror for these infrastructure improvements. Reimbursement for these components of the project may not exceed $400,000 for the hangar on Parcel #1 and $120,000 for each of the smaller hangars on Parcels #2 and #3. These are not to exceed reimbursements and all incurred costs must be documented in accordance with standard KDA policies and procedures.
* If needed, improvements or construction to the apron or taxiway connectors will be completed by CCA.

**B. Restrictions for Buildings and Structures**

**REQUIREMENTS**

1. Federal Aviation Administration (FAA) regulations and guidelines.

The successful bidder/s must ensure full compliance with all pertinent Federal Aviation Administration (FAA) regulations and guidelines. This includes adherence to [FAA Order 5190.6B](https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6), "Airport Compliance Manual," governing the use and management of airport property, and FAA [Advisory Circular 150/5300-13B](https://www.faa.gov/airports/resources/advisory_circulars/index.cfm/go/document.current/documentnumber/150_5300-13), "Airport Design," which outlines design standards for airport infrastructure. Compliance with these FAA documents is essential for both the approval and operation of the hangar

1. Setbacks

No part or portion of any building shall be erected, constructed, or extended into any setback area. No building construction, equipment or materials shall be staged, placed, or operated in a manner that impedes the movement of aircraft along taxi lanes or taxiways.

1. Height of Buildings

All buildings and structures shall comply with the maximum height regulation(s) identified in the current Airport Layout Plan. (These specifications are based on FAA standards for regulating airspace in the vicinity of runways.) The tallest point of a hangar, including antennas or other attachments, may not exceed the maximum structure elevation specified for a given distance from the runway.

1. Drainage

A drainage plan shall be submitted indicating flow and contours/elevations. Roof drainage and a soil erosion control plan shall be indicated on plan submittal.

1. Parking

The number and location of parking stalls required for the specific intended use shall be submitted with the construction plans.

1. Apron and Pad Standards

Apron and pad thickness shall be indicated on submitted plans. All floors and ramps must be constructed of concrete having a thickness recommended by the architect/engineer developing the plans. A stiff broom finish is required on exterior concrete ramps.

1. Refuse

No storage of waste, refuse, material, or equipment shall be permitted outside the building. Where necessary, dumpsters should be located at the rear of a structure/site and should be enclosed with an opaque wall.

1. Acceptable Doors

Bi-fold, swing out, overhead or sliding doors may be used.

1. Walks

All pedestrian sidewalks in the hangar area shall be constructed of concrete, at least 4-inches thick and 4-feet wide. Bituminous asphalt, dirt, and gravel walks shall be prohibited.

1. Maintenance

All trees and shrubbery must be always kept in good appearance. Grass shall be mowed by the Capital City Airport/Lessor. The Offeror shall be responsible for maintaining plants, trees and shrubs.

1. Utilities

Extension of Utilities to the proposed facilities will be constructed by the Airport but may be performed by the Offeror’s contractor. If constructed by the Offeror, the CCA may reimburse the Offeror for such costs subject to the limitation set forth herein. All plan submittals shall include sufficient detailed information on all utility designs and design loads, and work shall not be permitted until approved by the Commonwealth. Sewer, gas, water, electric, and communication utilities shall be located underground. The Successful Offeror shall be responsible to restore all disturbed areas including pavement and grass areas. Upon completion of construction, a plot plan showing the exact location of all Successful Offeror-installed utilities shall be given to the Commonwealth’s Representative. See attached Exhibit B “Utility Service Plan” for utility locations.

1. Sign Standards

A sign may be displayed in the vicinity of a hangar door on the front of a hangar building. In the case of a multiple unit building, one such sign is permitted for each unit.

All hangar sign plans shall be submitted to the Commonwealth for review and written approval prior to construction or installation.

1. Building Plans

The drawings furnished to the Commonwealth are to indicate the intent of the Successful Offeror as to the type of building construction desired, the dimensions shown on floor plan drawings and the height dimension shown on the drawings shall not be changed without the prior written approval of the Commonwealth. Drawings shall include an architectural view of all four sides of building. The Commonwealth must review a complete set of plans and specifications before approval is granted. The submittal must bear the seal of a Professional Engineer and Architect, registered in the State of Kentucky, thereby certifying that the structural design of the building meets all the requirements of the current Kentucky Commercial Building Code.

Combinations of architectural design treatments, additional landscaping, and trees should be provided.

Upon award of the Lease, the Successful Offeror shall have **ninety (90) days** from the date of award to submit professionally signed drawings and specifications of the proposed new hangar. The deadline set forth in this paragraph may be extended at the Commonwealth’s sole discretion.

1. Framing

All framing shall be of metal.

1. Exterior Materials and Finishes

Hangar may be painted in matching/complementary color scheme of existing hangars.

All exterior materials and colors must be submitted to the Commonwealth for written approval before construction starts.  A standard color will be identified and registered with the Commonwealth.  No galvanized metal shall be used on any exterior surface.

Wood- No wood or wood composite siding or roofing shall be allowed. Requests for exceptions to this requirement must be made in writing at the time of initial plan approval.

Steel - The minimum gauge of steel used for roofing or siding shall be twenty-six (26) and shall be factory finished in a color pre-approved by the Commonwealth and warranted by the manufactured as to color fastness for a minimum of twenty (20) years.

The Commonwealth shall approve building colors. All building colors shall be consistent with the Airport Terminal Building. Color sample(s) shall be provided by Offerors with hangar plan submittals.

1. Roofs

Roofs shall be metal. Perimeter roof drainage with gutter and downspouts shall be required.

1. Lighting

Exterior lighting, if present, shall be located on building and shall illuminate the building exterior sufficient for safety and security. All lighting shall be LED and shall not create a vision hazard to aircraft movement. Successful Offeror’s plan submittal shall include exterior lighting information including location.

1. Compliance with Building Codes

All buildings constructed, erected, or placed upon any lot within the borders of the Airport shall conform to all government zoning and use requirements.

1. Variances

The Commonwealth shall consider and may grant a variance to these covenants, conditions, and restrictions.

No modification or change of any provision in the resulting Lease shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Successful Offeror and the Commonwealth and is incorporated as a written amendment to the Lease and approved by the Finance and Administration Cabinet prior to the effective date of such modification or change. Memoranda of Understanding, written clarification and/or correspondence shall not be construed as amendments to the Lease.

The Lease shall be construed and interpreted according to the laws of the Commonwealth. Any legal proceedings against the Commonwealth regarding this RFP or any resultant Lease shall be brought in Commonwealth administrative or judicial forums. Venue will be in Franklin County, Commonwealth of Kentucky.

**Other:**

1. Fuel and Petroleum Sales

The Successful Offeror and its tenants, if any, will agree to purchase fuel from the CCA and will not sell or resell fuel and/or any petroleum products. The Capital City Airport will offer to the Successful Offeror and its tenants’ rates for purchase of fuel from the Airport facility that are less than published retail rates.

2. Aircraft Services and Maintenance.

Successful Offeror may hangar, adjust, repair, clean and otherwise service its own and tenant aircraft.

3. Security

In addition to the Capital City Airport flight line attendants, the Successful Offeror shall provide security for its operation on the entire leased premises. The Capital City Airport will work with the Successful Offeror to provide a key code to the front security gate.

4. Utilities

It shall be the responsibility of the Successful Offeror to provide and pay for all utilities for the operation of the private hangar facility. This responsibility includes, but is not limited to, obtaining all (IF ANY) necessary easements and rights-of-way from the various private, local, state, and federal government agencies involved. All expenses and costs resulting from the granting and installation of such easements and rights-of-way will be borne by the successful Offeror. Payment of all utilities for operation of the private hangar will be the responsibility of the successful Offeror and will be placed in the name of the successful Offeror.

The successful Offeror shall be responsible for obtaining all necessary regulatory agency approvals (federal, state and local). It shall also be the successful Offeror’s responsibility to ensure adequate water service for the entire private hangar facility domestic use and necessary fire and safety usage.

5. Maintenance Responsibilities

Successful Offeror shall be responsible for following maintenance duties:

a. The successful Offeror, at its sole expense, shall pick up and provide for a complete and proper arrangement for the adequate handling and disposal, away from the Airport, of all trash, garbage, and other refuse caused because of the construction of the hangar and operation of its business.

1. The Successful Offeror shall be responsible, at its own expense, for repair and maintenance of all existing facilities (to include utilities, janitorial services, and supplies); painting, and daily restroom cleaning (once a day cleaning will not satisfy this requirement, cleanliness shall be accomplished by frequent monitoring as the customer load dictates on any given day); providing all supplies, cleanup after flooding, all utilities, etc. This maintenance responsibility includes tree and shrub trimming, snow removal in and around private sidewalks, landscaping and/or parking lots. Capital City Airport shall be responsible for snow removal and mowing grass to include the concrete ramp and taxiway leading into and adjoining the proposed private hangar(s) site.

**IV. Process for Selection and Contracting**

1. The Finance and Administration Cabinet, with reliance on the Kentucky Department of Aviation, will evaluate and select successful bidders based upon the foregoing criteria. Once the selection has been made, the Cabinet and the Department will enter negotiations to prepare a lease that is mutually acceptable to both the Offeror and the Commonwealth. The Lease will be prepared with terms that will allow for the successful financing of the project by the Offeror.
2. To be successful, the Offeror’s response should demonstrate compliance with the following evaluation criteria:
* The Offeror’s proposed hangar for Parcel #1:

	+ Must be of sufficient size to store between 2 and 4 medium sized jet aircraft.
	+ Must provide evidence acceptable to the KDA of at least one medium sized jet aircraft has been committed and will be based in the hangar.
* The Offeror’s proposed hangar for Parcels #2 and #3:
	+ Must be of sufficient size to store between 2 and 4 medium sized piston or turboprop aircraft.
	+ Must provide evidence acceptable to the KDA of at least one aircraft has been committed and will be based in the hangar.
* The Offeror must provide evidence of financing sufficient to complete the project and operate the hangar.
* The Offeror must agree to acquire fuel from the Capital City Airport at a price to be mutually agreed-upon as a codicil to the lease. It is the intent of the Capital City Airport to offer a competitive price, subject to market conditions and airport operational requirements, such that the Offeror is able to attract additional private jets to be based in the Hangar on Parcel #1. For Hangars on Parcels #2 and #3, it is expected that the agreed-upon fuel price will be equal to that offered to aircraft currently based at the Capital City Airport.
1. The Lease terms will include provisions covering performance bonds, insurance coverage, taxes, liens, subleasing, assignment, mortgages, and other provisions. A sample lease is attached as Appendix A (final lease terms will be negotiated with the successful Offeror.
2. Once the negotiations are completed; the parties will enter into a lease agreement and construction of the hangar(s) may begin.

**V. Proposal**

* + 1. Evaluation of Proposals

The Commonwealth will conduct a comprehensive evaluation of proposals received in response to the RFP. This evaluation will be conducted by a committee, which may be comprised of representatives from the Department of Aviation, Transportation Cabinet, the Finance and Administration Cabinet, and other resource agencies' representatives, as appropriate. Items that must be included in the Offeror’s proposal and are to be given specific attention during the evaluation process are as follows:

* **Transmittal letter.** The transmittal letter shall be in a form of a standard business letter and shall be signed by an individual authorized to legally bind the Offeror. The signed letter will legally bind the Offeror. It shall include:
	+ A statement indicating the type of entity of the Offeror, and the ownership of such entity.
	+ A statement that the Offeror is registered to do business in Kentucky or will obtain a Kentucky business license, as well as any other documents required by law and the regulations of the Commonwealth of Kentucky, prior to commencement of work.
	+ A reference to all RFP addenda received from the Commonwealth (by addenda issue date), to ensure that the Offeror is aware of all such addenda in the event there are any.
	+ A statement that the Offeror’s proposal meets all requirements, provisions, specifications, terms, and conditions set forth in the RFP, or in the alternative, an explanation of any deviations from such terms and conditions, specifications, requirements or provisions.
	+ A statement that the Offeror’s proposal shall remain valid for ninety (90) days after the closing date for the receipt of proposals.
	+ A signed statement certifying that no personnel currently employed by, under contract with, or in any way associated with the Commonwealth have participated in any activities relating to the preparation of the Offeror’s proposal.
	+ A statement that acknowledges and agrees to all of the rights of the Finance and Administration Cabinet including terms and conditions, and all other rights and terms specified in this RFP.
	+ A statement specifying Offeror’s contract manager, address, phone, and email address.
	+ An itemization of all materials and enclosures being forwarded collectively in response to this RFP.
	+ The transmittal letter shall be signed by the person with authority to bind the Offeror, answer questions, and provide clarification concerning the proposal.
		- * The Successful Offeror’s construction and operational plan. Project approach, drawings and documents:
			* All drawings to be 30” x 42”
			* Provide written and graphic description of Offeror’s approach to this project
			* Composition of design and build teams
* Drawings and documents to be submitted shall be completed to a “review ready” design level. The following documents shall be submitted as a minimum for each building:

Site Plan

The building will be shown on the Offeror’s plan as generalized footprints.

A utilities site plan and/or a written description will be provided by the Offeror, including incorporation of site utilities connections into the proposed building design plans.

Floor plans of building at 1/8” – 1’-0” showing all rooms, walls, columns, door swings, plumbing fixtures, built-in millwork, cubicle partitions, and other features and spaces which fully describe the various building architectural features for structures. Floor plans shall describe overall dimensions and sizes of major spaces.

Elevations of façade of building at 1/8” – 1’0”. Include notations of finishes, as well as overall dimensions and height.

Building sections of building at 1/8” = 1’0”.

Other sections or plans at the option of the Offeror to fully describe the structural systems.

Written, detailed narrative description of the mechanical, electrical, life safety, security, and communications systems for building, including if any differing systems or zones within a building that requires separate mechanical systems.

Narrative of structural systems, including foundations, footings, structural framing, and other necessary information to fully define the structural system that will be used.

Narrative of mechanical, electrical, and plumbing systems to fully define the systems that will be incorporated in the building.

Narrative of security system and other security features to fully define the systems and construction that will be utilized to comply with the RFP requirements.

Provide a critical path method (CPM) schedule to be used on the project.

* Financial background of Successful Offeror including, but not limited to, the Successful Offeror's ability to provide financial backing for the proposed operation private hangar facility. Offeror must provide evidence that the completion of the hangar project (including design and construction) will be financially viable to its organization or team. The Offeror must arrange its own financing. The Commonwealth has no arrangement to obligate any state, city, or local government to provide financing.

The Offeror must provide in its proposal:

1. A compiled, reviewed or audited financial statement for each of the last three years must be provided for the applicable legal entity submitting a proposal. This statement should, at a minimum, list all assets and liabilities and include the appropriate com0liation, review or audit report from a certified public accountant.

2. A current (unaudited) financial statement.

3. Bank references for the Offeror shall be provided including name, address, and current telephone number of the given financial institution. This should include a signed authorization for release of financial information from each bank listed.

4. Projected design, development costs, and explained contingencies must be detailed. This section provides the opportunity for the Offeror to show the attributes to plan for an overcome obstacles they may encounter.

5. A description of the proposed financing plan including, but not limited to, source of credit, terms of credit and repayment schedule. Source of credit will identify credit for construction, as well as term of financing of structures.

 THE FINANCIAL SECTION OF THE OFFEROR’S PROPOSAL WILL BE SCORED BY THE FINANCE AND ADMINISTRATION CABINET’S OFFICE FOR FINANCIAL MANAGEMENT (OFM).

* + - * Business and/or Aviation Experience. The Offeror must provide in its proposal:

Details of the background of the Offeror, date established, ownership (public company, partnership, subsidiary, etc.), company resources, and details of company experience relevant to the proposed project. List, if any, current or past similar projects developed/management by Offeror. (Note: if an individual submits the proposal, the same type of information will be required.)

 Should the proposal be submitted by a non-builder, a corporation or business formed solely for the purpose of responding to this RFP, the above information shall be submitted for each individual within the said corporation, business venture, or partnership.

* Revenue payable to the Commonwealth.
* Completed **required** forms (Exhibit C): Required Affidavit for Bidders, Offerors, and Contractors (KRS45A.110 & 45A.115), Authentication of Bid and Affidavit of Non-Collusion and Non-conflict of Interest, Statement of Final Determination of Violations pursuant to KRS 45A.485.

The Successful Offeror's proposal documents will become a part of any final lease agreement. All items listed must be thoroughly addressed in your written proposal.

Please include ONE (1) original complete copy of proposal document and all attachments, and one electronic complete copy of proposal document and all attachments.

* + 1. Point Scoring of Proposals

The evaluation of proposals will involve the point scoring of each proposal into four (4) areas. A maximum of one hundred (100) points will be available for each proposal as follows:

* Hangar construction and operation plan (including hangar size, number, and type of aircraft) – **40 points**.
* Financial background of Offeror and proposed financing – **20 points**.
* Business and/or Aviation Experience (including commitment of at least one appropriate aircraft) – **30 points**.
* Estimated fuel purchases per month and/or annually – **10 points**.

The proposal(s) receiving the highest point total will be awarded the contracts. Up to three leases may be awarded, one for each of the three parcels.

**PROPOSALS SHALL BE RECEIVED BY NANCY BROWNLEE PRIOR TO DECEMBER 4, 2024 NO LATER THAN 2:00 P.M. EST**

**Nancy Brownlee, Department for Facilities and Support Services**

**Division of Real Properties**

**Finance and Administration Cabinet**

**Third Floor – Bush Building**

**403 Wapping Street**

**Frankfort, KY 40601**

**THIS SECTION MUST BE FILLED OUT, SIGNED, AND RETURNED WITH OFFEROR’S BID PROPOSAL:**

**My proposal is for:**

**\_\_\_\_\_\_\_\_ Parcel #1, which encompasses 0.95 acres of leased land, accommodating a minimum total hangar area of 18,000 square feet.**

**\_\_\_\_\_\_\_\_ Parcels #2, which encompasses 0.23 acres of leased land, with a minimum potential hangar size of 3,600 square feet.**

**\_\_\_\_\_\_\_\_ Parcel #3, which encompasses 0.23 acres of leased land, with a minimum potential hangar size of 3,600 square feet.**

**The Offeror agrees to pay as rental $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ per year to the Commonwealth of Kentucky for the term of the resulting lease agreement, including any renewal options, for Parcel #\_\_\_\_\_\_\_\_\_\_\_.**

**Offeror’s estimated fuel purchases per month and/or annually \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **Per month? or Year?**

**SIGNED:**

**TITLE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**ADDRESS:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**