



Legislation Text

File #: 20-0770, **Version:** 1

Chief Administrative Office, Airports Division, recommending the Board take the following actions:

- 1) Approve and authorize the Chief Administrative Office to reallocate funds from the Placerville Airport Enterprise Fund balance to Fixed Assets, as outlined in Attachment A, for Fiscal Year (FY) 2020-21 to enable the purchase of a M4000 Self-Serve Fuel Terminal to replace the current M3000 Self-Serve Fuel Terminal at the Placerville Airport, add the item to the approved fixed asset list for the FY 20-2021 budget, and authorize the Department to purchase the Fixed Asset prior to adoption of the Final Budget;
- 2) Find that, in accordance with County Procurement Policy Section 5.9 (b) that the unique nature of the property or services required precludes competitive bidding;
- 3) Find that, in accordance with County Procurement Policy Section 5.9 (c) that competitive bidding would produce no economic benefit to the County;
- 4) Approve a Property Transfer Request to allow the M3000 Self-Serve Fuel Terminal to be used as a trade-in for the new M4000 Self-Serve Fuel Terminal;
- 5) Approve the initiation of a perpetual subscription service agreement with QTPod, LLC, and authorize the Chair to sign the agreement;
- 6) Approve the initiation of a perpetual agreement (Gateway Agreement for Government Entities) with U.S. Bank National Association and authorize the Chair to sign the agreement; and
- 7) Authorize the Purchasing Agent to establish change orders in FENIX to add funds to the subscription service agreement with QTPod, LLC as necessary to process associated payments for FY 2020-21.

FUNDING: Placerville Airport Enterprise Fund.

DISCUSSION / BACKGROUND

The Placerville Airport dual-pump fueling island was designed to operate both fuel pumps from one credit card processing terminal unit, making it unique and more efficient than fuel islands at other airports. However, this design limits the County's options for replacing the single credit card processing terminal unit. The M4000 is the only option available to the County unless significant alterations to the fuel island are constructed.

Due to old technology, QTPod, Placerville Airport's credit card processing contractor, will no longer support M3000 Fuel Terminals, and replacement parts and software updates will not be available after June 30, 2020. QTPod is selling new M4000 units to replace the older units.

QTPod does not have third party dealers for its products and services but is offering the County a \$3,495 trade-in credit on the purchase of a new M4000. In addition, the County's contracted fuel supplier, Epic Fuels, is offering a contract incentive of a \$5,000 reimbursement for this equipment. The current cost of a M4000 is \$14,195, but the incentive reduces this cost to \$9,195. After June 30, 2020, the cost will increase to \$17,690. Because we are initiating this purchase prior to June 30, 2020, QTPod is willing to offer the County the M4000 at \$14,195 with the understanding that the Purchase Order will not be issued until Fiscal Year (FY) 2020/2021.

A budget revision of \$14,195.00 from the Placerville Airport Enterprise Fund Balance to Fixed Assets (6040) is necessary to appropriate funds to cover the cost of purchasing a M4000 Self-Serve Fuel Terminal during FY 2020-21. This budget revision is within the Fund's existing available funds and does not involve any retroactive contracts. In order to ensure the purchase of the fixed asset before the Adopted Budget is finalized in September, the Chief Administrative Office will include the budget revision in the posting of the budget for FY 2020-21, if the item is approved.

The perpetual subscription service agreement with QTPod, LLC is required for the M4000 self-serve fueling system to function. The perpetual agreement (Gateway Agreement for Government Entities) with U.S. Bank National Association is required because the County will be connecting directly to its systems for processing and transmitting data for authorization and settlement of payment credit card transactions for fuel sales at the Placerville Airport.

Board of Supervisors Policy C-17, Section 4.5, Contract Term, requires departments to obtain authorization from the Board of Supervisors, initially, and on an annual basis, to use any contract that does not have a stated agreement term. The QTPod and U.S. Bank agreements include termination provisions.

In the past, departments recommended the Board authorize the Purchasing Agent to execute a blanket purchase order for each perpetual agreement, to ensure availability of funding for payments. Since the implementation of FENIX, each perpetual agreement must have a change order executed to allocate funding for payments in the upcoming fiscal year. This matter is intended to apprise the Board of the perpetual agreements (Attachments D and F), and authorize the Purchasing Agent to post a change order for each ongoing perpetual agreement to ensure availability of funding in FY 2020-21.

ALTERNATIVES

The Board could choose not to approve the budget transfer, the Property Transfer Form, or either or both of the perpetual agreements. As each item facilitates an important service required to facilitate credit card processing for fuel sales at the Placerville Airport, alternative methods to deliver these services would need to be identified. These alternative methods would result in significantly increased associated costs, and well as disruption to fuel sales at the Placerville Airport, including fuel sales for aircraft providing emergency services such as life-flights and firefighting services.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel and Risk Management

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Approval of this item would reallocate the Placerville Airport Enterprise fund balance by \$14,195 to Fixed Assets in the FY 2020-21 budget. Subsequently, the fund balance will increase by \$5,000 after the Epic Fuels contract incentive reimbursement is received. There is no impact to the General

Fund, and there is no Net County Cost associated with this item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on two (2) perpetual agreements, one with QTPod and one with U.S. Bank.
- 2) The Clerk of the Board will return one (1) copy of each of the perpetual agreements to the CAO, Airports Division, to the attention of Sherrie Busby, Building C of the County Government Center, for further processing.
- 3) The Clerk of the Board will obtain the Chair's signature on the Property Transfer Form and will forward the form to Procurement and Contracts for further processing.

STRATEGIC PLAN COMPONENT

Public Safety, Good Governance

CONTACT

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