



Legislation Text

File #: 23-1732, **Version:** 1

Planning and Building Department, Airports Division, recommending the Board:

- 1) Award Request for Proposals 23-405-064 for the purchase of aviation fuel and related support services to the low qualified proposer, CityServiceValcon, LLC, in Kalispell, Montana; and,
- 2) Approve and authorize the Chair to sign Agreement for Services 8387 with CityServiceValcon, LLC, for a five-year term with five additional one-year term extensions for a not-to-exceed amount of \$3,500,000.

FUNDING: Placerville and Georgetown Airport Enterprise Funds.

DISCUSSION / BACKGROUND

The County of El Dorado is the owner and operator of two public airports, one located at 3501 Airport Road in Placerville, the Placerville Airport, and the other at 6245 Aerodrome Way in Georgetown, the Georgetown Airport, with operations and maintenance of these two airports administered by the County's Planning and Building Department (Planning and Building). The Airports are equipped to sell fuel to airport-based and itinerant pilots and fuel sales provide income to support the operation of the Airports.

The County currently has an agreement with EPIC Aviation, LLC (EPIC) to provide fuel and associated services for the Placerville and Georgetown Airports; this agreement expires on February 19, 2024. In anticipation of the expiration of the EPIC agreement, Planning and Building submitted a request to the Procurement and Contracts Division of the County's Chief Administrative Office (County Procurement) for a Request for Proposals (RFP) for delivery of aviation fuel to the Placerville and Georgetown Airports, as well as product identification, credit card programs, point of sale and credit card imprinter equipment programs, product integrity programs, training and manuals, self-serve equipment, software improvements and updates, and other considerations and incentives. County Procurement issued RFP 23-405-064 on June 15, 2023; three (3) qualified responses were received. The RFP closed on July 14, 2023, and CityServiceValcon, LLC (CSV) was the apparent low proposer. No local vendors provide this service. A summary of the RFP evaluation results of the qualified responses is attached (Attachment C).

The effective date for the CSV agreement allows a short overlap between the EPIC and CSV agreements to provide time to transition fuel services from EPIC to CSV, and for a settlement period for credit card transactions through EPIC.

ALTERNATIVES

The Board could choose not to award the RFP to CSV, or to award the RFP to another proposer, or not to approve the CSV agreement, recognizing that any of these actions will result in a lengthy lapse in fuel sales and related support services at both airports until a new agreement can be put in place.

PRIOR BOARD ACTION

None

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Procurement, County Counsel, and Risk Management.

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Based on actuals from prior years, it is anticipated that revenue from the sale of fuel will provide sufficient funds to support fueling operations at the Placerville Airport. Actuals from prior years indicate that revenue from the sale of fuel at the Georgetown Airport will likely not provide sufficient funds to support fueling operations. Fuel costs are very volatile, and we see a greater profit when we have more fuel sales. Fuel sales at the Georgetown airport are significantly less than at Placerville and if prices are too high, there is a risk of selling even less fuel resulting in less revenue to cover the fuel and other associated expenses such as tank inspections and maintenance. On average over the past three years, Georgetown fuel expenses have exceeded revenue by approximately \$4,600 annually.

Neither the Placerville Airport nor the Georgetown Airport are projected to be sustainable in the future without General Fund contributions. The Department will continue to explore opportunities to increase revenue or reduce expenses. Sufficient funds have been budgeted in the Placerville and Georgetown Airport Enterprise Fund budgets for Fiscal Year 2023-24 and will be included in the Fiscal Year 2024-25 budgets, and in succeeding budgets, to provide for fuel and related service costs associated with this agreement.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Obtain the Chair's signature on the two (2) original copies of Agreement 8387; and,
- 2) Return one (1) fully executed original copy of Agreement 8387 to Planning and Building, Airports Division, to the attention of Sherrie Busby, for transmittal to CSV.

STRATEGIC PLAN COMPONENT

Public Safety, Good Governance

CONTACT

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