TO: James L. App, City Manager

FROM: Doug Monn, Public Works Director

SUBJECT: Airport Fuel Equipment Replacement

DATE: December 06, 2011

NEEDS: For the City Council to consider replacing airport fuel handling equipment and authorizing a sole source vendor for said services and installation.

FACTS:

1. On June 15, 2011, the City entered into an Airport Fixed Base Operator Lease and Concession Agreement with Aviation Consultants, Inc. (ACI) to provide fuel services at the Municipal Airport.

2. A condition of that agreement requires the City to replace certain City-owned aviation fuel pumping equipment (referred to as 'fuel skid') in order to improve fueling performance and conformance with new fuel handling standards (ATA 103).

3. The need for improvement of airport fueling was discussed as part of the selection process to secure a new Fixed Base Operator.

4. The new Fixed Base Operator (ACI) provided the City with scope of work and materials list it had secured from Bassco Company (a subcontractor to its fuel vender) specializing in aircraft fueling equipment for replacement of the City existing equipment.

5. As all current and proposed fueling equipment is the property of the City, its procurement must meet the requirements of the Public Contract Code and is subject to prevailing wage. As such it was determined the City could not allow the Fixed Base Operator to secure bids for its replacement.

6. A Request for Proposals outlining the required work was prepared and made available through normal distribution channels.

7. Local fuel suppliers were contacted in an attempt to locate viable firms to provide the necessary labor and equipment. Eight (8) different firms were identified in public listings.

8. Four (4) firms contacted the City, however, after additional dialogue it was found that the firms' experience was limited to commercial auto and truck fueling not aircraft, and all declined to submit a proposal. As a result, Bassco Services, Inc. is the single vendor willing to perform the required equipment replacement work.

9. The City's Procurement Policy expressly authorizes purchases from sole source vendors under certain circumstances: "when the required materials, supplies, equipment or services are of a proprietary nature, or are otherwise of such specific design or construction as to be available from only one source. The City's purchasing authority or his designee may waive the minimum requirement for quotes, bids or proposals after receiving evidence that reasonable efforts have been made to find alternative vendors." The City has endeavored to secure bids for the needed equipment/service and has been unable to do so. Staff did provide the bid specifications and results to the City's Construction Attorney and it is her opinion

the City did perform its due diligence and would be justified in awarding a sole source contract to Bassco Services, Inc. for installation of the fueling equipment at the airport.

ANALYSIS & CONCLUSION: The work required to replace the fueling equipment is a specialized and unique task that is not usually performed by standard automotive service station repair firms. The proposed work scope, initially prepared by the Bassco firm has been reviewed by others knowledgeable in the field and determined to be reasonable and appropriate to bring this City-owned facility into compliance with current requirements.

POLICY REFERENCE: City Purchasing Procedures

FISCAL IMPACT: The cost to install the fuel equipment is $185,000 (an estimated cost summery is attached) and its life expectancy before major overhaul or replacement is ten (10) years. The City has not funded depreciation of Airport Equipment in the past, therefore the full cost of the fuel skid must be appropriated from Airport Reserves.

The newly-adopted Airport User Fee Schedule includes a "Fuel Facilities Development Fee" of 2½¢ per gallon of fuel sold. Revenues from the fuel facilities charge are intended to be allocated to offset depreciation of fuel equipment. The calculated contribution to annual depreciation of the new fuel equipment is $20,000 over ten years.

Based on current fuel sales of 400,000 gallons per year the fuel charge will generate $10,000 or 50% of the depreciation (replacement) of the fuel skid. The balance of depreciation will require Council to allocate 2½¢ per gallon (an additional $10,000 annually) from fuel revenues.

OPTIONS:

A. Adopt Resolution No. 11-xx, approving the sole source vendor and fund appropriations.

B. Amend, modify, or reject the above option.

Attachments (3):

Resolution
Equipment Summary
Project Cost Estimate

RESOLUTION NO. 11-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES APPROVING A SOLE SOURCE VENDOR FOR THE PURCHASE AND INSTALLATION OF AIRPORT FUEL PUMPING EQUIPMENT.

WHEREAS, the City of Paso Robles entered into an Airport Fixed Base Operator Lease and Concession Agreement with Aviation Consultants, Inc., on June 15, 2011; and

WHEREAS, a condition of said lease requires the City to provide for the replacement of certain fuel pumping equipment at the Airport; and

WHEREAS, after a diligent search and proposal request process to locate qualified contractors to perform the required installation work yielded only one qualified response;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Paso Robles, does hereby:

1. Approve the use of a sole source vendor to provide the required airport fueling pumping equipment replacement and installation.
2. Authorize the negotiation of a standard service contract with Bassco Services, Inc., Dallas, TX. in an amount not to exceed $130,000.00 with peripheral project expenditures to not exceed an additional $55,000.
3. Authorize the execution of contract documents and agreements as required.
4. Authorize a budget appropriation in the amount of $185,000, from the Airport Enterprise Fund reserves to account number 602-910-5452-394.
5. Establish that the Airport Enterprise fund shall be repaid at a rate of five cents per gallon of fuel sold using a combination of Fuel Facilities Development and Flowage Fees.

PASSED AND ADOPTED by the City Council of the City of Paso Robles, this 6th day of December 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Duane Picanco, Mayor

ATTEST:

_____
Caryn Jackson, Deputy City Clerk

PASO ROBLES AIRPORT
PROPOSED Fuel Island Pump Replacement

The City of Paso Robles proposes to replace the existing pumping and filter equipment in operation at the self-serve fuel island at the airport. The current island includes three (3) 12,000-gallon underground tanks with submersible pumps on floating suctions. Associated piping and filters carry the fuel to the dispenser and also load the aircraft refueler trucks used on the airport.

The City requests proposals from qualified firms to provide the necessary equipment and installation of same, in accordance with the scope outlined below. While much of the fabrication of the pumping equipment (skid) can be fabricated off site, the installation work on site will be paid at prevailing wage.

Scope of Work:

Remove existing filter vessels from the fueling island, and modify piping to accept fuel from the new pumping skids.

Replace piping on the island with black steel piping as required.

Install two new filter vessels, one for each dispenser, with the appropriate filter element. Water protection will be provided by the main skid. Install stainless steel piping after this filter.

Install a 200 gallon per minute JetA fuel pumping skid for loading refueler trucks, and pump fuel to the existing dispenser system. Install a 150 gallon per minute pumping skid for Avgas 100LL to load refuelers, and pump fuel to the existing dispenser.

Install new piping to the tanks from the skid for both off-loading fuel and pulling fuel from the tanks. Install floating suction in all three tanks.

Tank Details:

In each tank install:

Stainless steel piping for the sump line
Stainless steel or aluminum down tube for the fill line
OPW 3” floating suction

JetA skid details:

All materials shall be as listed. Equals may be submitted along with supportive documentation demonstrating it is equal. Frame shall contain:

Pomeco 15 gallon spill containment box
Morrison 3” flanged strainer
Morrison 3” flanged check valve
Blackmer GX-3E 3” Positive displacement pump
Blackmer 3.4:1 gear reducer
Baldor 10HP explosion proof motor (460/230V, 3 phase)
Facet 243 gallon/minute filter vessel w/ elements
Armstrong 11AV Air eliminator
Taylor pressure relief valve
Gammon differential pressure gauge
Gammon Millipore test fittings
Gems water slug switch with safepack

¾" SS spring return drain on sump
LC M15C2 meter
OCV rate-of-flow valve in line to dispenser
OPW swivel
2" X 15' aviation hose
Single Point nozzle
Hannay HGR-50-50 Grounding Reel

All piping prior to filtration will be black carbon steel.

Piping after the filter will be stainless steel.

The skid will be pre-wired by a licensed electrician, certified to meet State of California Electrical Code and ready for field connections.

The entire skid will be primed and finished painted with a quality marine enamel.

Avgas Skid Details:

All materials shall be as listed. Equals may be submitted along with supportive documentation demonstrating it is equal. Frame shall contain:

Pomeco 15 gallon spill containment box
Morrison 3" flanged strainer
Morrison 3" flanged check valve
Blackmer GX-3E 3" Positive displacement pump
Blackmer 4.19:1 gear reducer
Baldor 10HP explosion proof motor (460/230V, 3 phase)
Facet 157 gallon/minute filter vessel w/ elements
Armstrong 11AV Air eliminator
Taylor pressure relief valve
Gammon differential pressure gauge
Gammon Millipore test fittings
Gems water slug switch with safepack
¾" SS spring return drain on sump
LC M15C2 meter
OCV rate-of-flow control valve in line to dispenser
OPW swivel
2" X 15' aviation hose
Single Point dry-break connector
Hannay HGR-50-50 Grounding Reel

All piping prior to filtration will be black carbon steel.

Piping after the filter will be stainless steel.

The skid will be pre-wired by a licensed electrician, certified to meet State of California Electrical Code and ready for field connections.

The entire skid will be painted with a quality marine enamel.

October 15, 2011

Project Cost Estimate
FUEL SKID

Cost Breakdown

Fuel skids – basic price…. (Quoted)		$128,500
Basic Price (above) does NOT include:		
• Dirt or concrete work		
• New bollard installation		
• On site Electrical		$19,500
• Taxes		
• Permits		
• Bonds		
Options:		
• Veeder-Root (tank quantity measuring equipment)		$14,794
• Sump Separators	2 @ $2,750=	$ 5,500
New Dispenser		(incl.)
Dispenser installation		(incl.)
Contingency (10%)		$15,000
TOTAL		$183,295