



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: September 13, 2016

Subject: AUTH POs for Purchase of Aviation Fuel; APPROVE Fuel Supply & Branding Agrmts & Credit Card Processing Fee Schedule between County & Ascent Aviation

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Purchasing Agent to execute purchase orders with Ascent Aviation Group, Inc. for the purchase of aviation fuel for resale at Byron Airport in an amount not to exceed \$1,000,000.00 per year for the period October 1, 2016 through September 30, 2026.

APPROVE and AUTHORIZE the Director of Airports, or designee, to execute a Fuel Supply Agreement, a Branding Agreement, and a Credit Card Processing Fee Schedule Agreement between the County and Ascent Aviation Group, Inc. for the purchase and resale of branded aviation fuel at Byron Airport. Byron Area

FISCAL IMPACT:

The Airport Enterprise Fund will cover the purchase costs and the Airport will then resell the fuel to Byron tenants and other users to generate income.

BACKGROUND:

Contra Costa County Airports is responsible for an aircraft fueling facility at Byron Airport that provides 100 low lead (LL) aviation fuel for its tenants and visiting aircraft.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/13/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 13, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Beth Lee, (925)
681-4200

cc:

BACKGROUND: (CONT'D)

Byron Airport has had steadily increasing fuel sales year over year. Sales to date for 2016 (January to June) are 50% higher than the same period in 2015 due in part to more competitive pricing.

Ascent Aviation Group, Inc. (Ascent) is the current supplier of aviation fuel to the County for resale at Byron Airport under a contract that ends on October 31, 2016. In anticipation of the contract ending, the Airport Division undertook a Request for Proposal (RFP) process through the BidSync system. The RFP had a deadline of June 16, 2016. Two proposals were received in response to the RFP. Based on the selection requirements, Ascent was selected to supply branded aviation fuel to Byron airport.

The brand of aviation fuel supplied by Ascent is Phillips 66. In order to purchase branded fuel from Ascent, Ascent requires the County to enter into the following: (i) a Fuel Supply Agreement, under which the County is agreeing to purchase fuel from Ascent for a 5-year term (October 1, 2016 through September 30, 2021), with one 5-year renewal option; (ii) a Branding Agreement, under which the County is agreeing to sell only Phillips 66 aviation fuel at Byron Airport and to purchase the fuel from Ascent, and (iii) a credit card processing fee schedule agreement, which summarizes the pricing and payment process associated with fuel purchases made by credit card. Each of these agreements is attached for your review.

The fuel will be purchased by the Purchasing Agent through purchase orders, in an amount not to exceed \$1,000,000.00 per year. This authority level is intended to reflect steadily increasing fuel sales at Byron Airport and the variability in fuel pricing.

The attached agreements supersede the agreements dated September 1, 2014 between the County and Seller.

CONSEQUENCE OF NEGATIVE ACTION:

If the agreements required by Ascent are not approved and if the Purchasing Agent is not authorized to purchase aviation fuel from Ascent, the County will no longer be able to buy Phillips 66-brand aviation fuel, which will result in a disruption of needed aviation fuel service at Byron Airport for tenants and customers.

ATTACHMENTS

Ascent FSA Signed

Ascent Branding Agreement Signed

Merchant Fees