



PUBLIC HEARING AGENDA ITEM

DATE OF PUBLIC HEARING: December 5, 2017
SUBJECT: Aviation Fuel (Jet A) and Avgas (100LL)
FROM: Raymond H. Gonzales, County Manager Patti Duncan, Deputy County Manager Benjamin Dahlman, Finance Director Kim Roland, Procurement and Contracts Manager
AGENCY/DEPARTMENT: Front Range Airport
HEARD AT STUDY SESSION ON: N/A
AUTHORIZATION TO MOVE FORWARD: <input type="checkbox"/> YES <input type="checkbox"/> NO
RECOMMENDED ACTION: That the Board of County Commissioners approves Amendment Two to extend the agreement with Ascent Aviation Group d.b.a. World Fuel for four months to provide for Aviation Fuel (Jet A) and Avgas (100LL).

BACKGROUND:

Front Range Airport (FRA) is the County's General Aviation Airport. All aircraft that use the airport are privately owned and operated. FRA provides and maintains runways, airport facilities, storage for aircraft, shuttle bus service to area hotels and to Denver International Airport. Contracted Jet A fuel usage is estimated at 50,985 gallons annually, and the Retail Jet A is estimated at 25,596 gallons, for an estimated total annual usage of 76,581 gallons.

The Board of County Commissioners awarded the original Agreement on December 10, 2015 and approved the renewal on December 13, 2016. Front Range Airport is requesting to extend the agreement for four months with Ascent Aviation Group d.b.a. World Fuel to provide Jet A fuel for jet and turbine aircraft, and Avgas (100LL) for piston aircraft until the new solicitation is awarded. In addition, Ascent Aviation Group will continue to provide marketing efforts, up-to-date training to the line service personnel, fuel quality training, customer service training, signage, lease or purchase opportunities for fuel trucks, uniform support, and Point of Sale (POS) credit card processing, annual inspections, quality assurance assistance, technical support, and parts support as part of their services.

The Ascent Aviation Group d.b.a. World Fuel is paid the market price at the time of delivery and resale, with a margin mark-up per gallon averaging \$2.00 for Jet A and \$1.72 for AvGas. Estimated aviation fuel costs for both Jet A fuel and Avgas (100LL) are included within the FRA expenditure budget. Off-setting revenue estimates are included within the FRA revenue budget.

FRA staff is pleased with the services provided by Ascent Aviation Group d.b.a. World Fuel and is requesting a four month extension of the agreement while a formal solicitation is being processed.

The cost of the four month extension will be in the estimated combined amount of \$304,618.00 for December 2017 – March 2018.

AvGas (100LL) for Piston Aircraft approximately budgeted cost of \$3.52733 per gallon

- 45,000 estimated gallons to be sold multiplied by \$3.52733 = \$158,730.00 (rounded)

Jet A for Jet and Turbine Aircraft approximate budgeted cost of \$1.90499 per gallon

- 76,582 Jet A estimated gallons to be sold multiplied by \$1.90499 per gallon= \$145,888.00 (rounded)

AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:

Front Range Airport

ATTACHED DOCUMENTS:

Resolution

FISCAL IMPACT:

Please check if there is no fiscal impact ☐. If there is fiscal impact, please fully complete the section below.

Fund: 43

Cost Center: 4303

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
100LL Income Dec 2017	6410	01	33,299.00
Self Serve Fuel Income Dec 2017	6410	04	16,977.00
JetA Income Dec 2017	6410	02	27,165.00
Contract Fuel Income Dec 2017	6410	03	20,266.00
100LL Income Jan 2018 – Mar 2018	6410	01	139,890.00
Self Serve Income Jan 2018 – Mar 2018	6410	04	40,177.00
JetA Jan 2018 – Mar 2018	6410	02	67,370.00
Contract Fuel Jan 2018 – Mar 2018	6410	03	116,528.00
Additional Revenue not included in Current Budget:			
Total Revenues:			<u>461,672.00</u>

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure: Fuel - AvGas Dec 2017	7442	01	21,773.00
Fuel – Self Serve Dec 2017	7442	08	12,257.00
Fuel – Jet Fuel Dec 2017	7442	02	37,733.00
Fuel - AvGas Jan 2018 – Mar 2018	7442	01	91,650.00
Fuel – Self Serve Jan 2018 – Mar 2018	7442	08	33,050.00
Fuel – Jet Fuel Jan 2018 – Mar 2018	7442	02	108,155.00
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
Total Expenditures:			<u>304,618.00</u>

New FTEs requested: ☐ YES ☒ NO

Future Amendment Needed: ☐ YES ☒ NO

Additional Note:

Assumes approval of 2018 budget to cover next year's expenses.