



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Sean Parker, Airport Director

ITEM DESCRIPTION: Consider adopting a resolution authorizing a five-year contract with Avfuel Corporation of Ann Arbor, Michigan for the supply of aviation bulk fuels and other business support services to operate as the exclusive fuel provider at the Draughton-Miller Central Texas Regional Airport in the estimated annual amount of \$2,281,900.

BACKGROUND: Authorization of this five-year contract with Avfuel Corporation (Avfuel) will provide for the exclusive supply of aviation bulk fuels (Jet A fuel and 100 low lead (LL) fuel) and other business support services at the Draughton-Miller Central Texas Regional Airport.

Request for Proposals #36-01-25 was issued to procure aviation bulk fuels and other related business support services. Four proposals were received from AEG Fuels of Miami, FL; Ascent Aviation Group, Inc. of Parish, NY; Avfuel; and Easter Aviation Fuels, Inc. dba Titan Aviation Fuels of New Bern, NC. An evaluation committee comprised of Airport, City Attorney's Office, and Finance staff reviewed and scored proposals based on the stated evaluation criteria: experience, qualifications, and reputation of supplier; compliance with city's desired wall system specifications and fulfillment with city's training needs; vendor's compliance with order fulfillment specifications; availability of wall system; and pricing proposal. It was determined that Avfuel will provide the best value for the City, as shown in the attached proposal tabulation.

The recommended contract will include the following terms:

- Initial five-year contract term with the option to renew for four additional one-year periods.
- Avfuel will provide a new 1,200-gallon avgas truck at no cost to the City.
- Avfuel will provide a \$50,000 grant to the City for use at the Airport.
- Avfuel will cover the implementation cost of X-1FBO software and up to \$1,250 per month for the cost of the subscription.
- Avfuel will provide Scully overfill protection systems on the City-owned refueler trucks and aviation fuel storage facility.
- Avfuel will repaint both 1,000-gallon 100LL trucks with logo decals and product warning labels.

- Avfuel will provide a grant to the City, intended to assist in the design and construction of an additional 12,000 gallon fuel storage facility, or other aviation purpose at the City's discretion, at a cents-per-gallon fee.
- Avfuel will provide filters, filter changes, and annual meter calibrations for all refueler trucks and the fuel farm at no cost to the City.
- Avfuel will provide loaner refueler trucks as needed for \$0 per month for 90 days.
- Avfuel will provide marketing and advertising at no cost to the City.
- Avfuel will provide an online training system, in-person training, annual inspections, and regional quality assurance and fire safety seminars at no cost to the City.
- Avfuel will cover the City's participation in the National Business Aviation Association (NBAA) Schedulers & Dispatchers Conference annually for the term of the contract at no cost to the City.
- Avfuel will invoice the City for fuel based on a fuel pricing structure that includes the current Platts US Gulf Coast price plus associated taxes and the following fees per gallon:

Fee	Jet A Fuel	100LL (Avgas)
Fuel Differential	\$0.0359	\$0.8130
Freight Expense	\$0.1272	\$0.1068

- Avfuel will charge credit card processing fees for fuel as follows:

Card Type	Rate	Card Type	Rate
Avfuel Pro Card	0% Contract Fuel 0% Retail & Non-Fuel	Discover	3.20%
Avfuel Contract Fuel	0% Fuel 0% Non-Fuel	American Express	3.25%
Avfuel Retail Card	0% Avgas 0% Jet & Non-Fuel	MultiService	3.20%
MasterCard & Visa	2.10% Qualified 2.90% Non-Qualified	Avcard	2.50%
KHI Card	3.25%	Government AIRCard	0.00% Contracted 3.95% Non-Contracted

The initial five-year contract term will end December 31, 2030, with the option to renew the contract for four additional one-year periods.

ALIGNMENT WITH ADOPTED PLANS:

Plan	Comments
Strategic Plan	This item supports the Strategic Plan goal of "Infrastructure, facilities, and systems that support exceptional services and community growth" and the commitment to "Develop a safe, connected, and well-maintained mobility system that incorporates all modes of travel including vehicular, pedestrian, bicycle, transit, and air."

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

BOARDS & COMMISSIONS RECOMMENDATION: On January 13, 2025, the Airport Advisory Board (AAB) met and reviewed this item.

FISCAL IMPACT: For FY 2025, Airport budgeted a total of \$2,281,900 for the purchase of aviation fuels. The budgeted amount includes \$1,900,700 for jet fuel within account 110-3620-560-2710 and \$381,200 for avgas within account 110-3620-560-2711. The anticipated revenue from fuel sales, net of discounts, is \$3,182,050.

In addition to fuel delivery, Avfuel will provide Draughon-Miller Central Texas Regional Airport with capital improvements, technical assistance, employee training, and business support at no additional charge.

ATTACHMENTS:

Resolution

Evaluation Tabulation