

AGENDA



Thursday, September 23, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 79**

Subject: Authorize award and execution of a 12-month requirements supply contract with ATLANTIC AVIATION SERVICES, Austin, TX for the purchase of Jet A fuel for the Austin Police Department in an estimated amount not to exceed \$200,000, with two 12-month extension options in estimated amounts not to exceed \$225,000 for the first extension option, and \$250,000 for the second extension option, for a total estimated contract amount not to exceed \$675,000.

Amount and Source of Funding: Funding in the amount of \$200,000 is available in the Fiscal Year 2010-2011 Operating Budget of the Austin Police Department. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Sydney Ceder, Sr. Buyer, 974-2035

Purchasing Language: Single Source.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the purchase of Jet A fuel for the Austin Police Department's (APD) EC-120 helicopter. Previously, APD's helicopter was housed at a hangar that was leased from the Texas National Guard, but that lease has been terminated. A new lease has been executed for the helicopter to be housed at a hangar located at Atlantic Aviation Services, 4309 General Aviation Avenue. Atlantic Aviation restricts other aviation fuel vendors from gaining access to its property for the purpose of supplying fuel to aircraft. Flying the helicopter to other sources of fuel could cause a delay in aircraft response times to emergency calls. Additionally, the aircraft could incur unnecessary engine cycles and reduced maintenance intervals resulting in an increase in direct operating costs.

The cost of the fuel is based on the Contractor's profit differential added to the weekly price for Jet A fuel as published by Platts index. Platts is the leading global provider of energy and metals information and the world's foremost source of benchmark price assessments in the physical energy markets. Platts publishes news, research, commentary, market data and analysis, and more than 8,500 daily price assessments that are widely used as benchmarks in both physical and futures markets.