



COUNCIL DECISION REQUEST

SUBJECT: Airport Fueling Fixed Base Operator Lease

MEETING DATE: 10-03-13

SUBMITTED BY: LaRon Garrett, Asst. Town Mgr. 

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

AMOUNT BUDGETED: \$0

EXPENDITURE REQUIRED: \$0

EXHIBITS (If Applicable, To Be Attached): Airport Advisory Commission Information

POSSIBLE MOTION

I move to direct staff to negotiate a lease with David and Margie Oldenkamp for aircraft refueling services based on the proposal received August 23, 2013 and authorize the Town Manager to sign such lease.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

In 1993 the Town of Payson negotiated a land lease with a Fixed Base Operator at the Payson Airport to provide aircraft refueling services. The term of the original lease was ten years with two 5-year extensions. The current lease expires November 30, 2013.

At the July 11, 2013 Town Council Meeting staff was directed to issue a Request for Proposals for a Aviation Fueling Supplier at the Payson Airport. That Request for Proposals was advertised on the Town's website and in the Payson Roundup beginning July 30, 2013. The due date for respondents to submit their proposal was by 4:00 PM, Friday, August 23, 2013.

Two proposals were received.

One proposal from the existing airport fueling operator, Payson Aviation, proposed continuing the current full service fueling operation. However, that proposal lacked the required information of how much they would pay the Town for the land lease and fuel flowage fees.

The second proposal, received from David and Margie Oldenkamp, proposes to install a 'self-fueling' operation at the airport. Full service aircraft fueling may or may not be available in the future. This proposal was complete and included all of the required information.

The Airport Advisory Commission reviewed the attached information at their meeting on September 9, 2013. After discussion, the Commission voted 4-2 to recommend that the Town Council award this airport fueling operation lease to David and Margie Oldenkamp.

This fueling lease is non-exclusive and in the future the Town could exercise the option to lease additional space to another airport fueling operation.

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COUNCIL DECISION REQUEST

PROS:

Having a fueling operation at the airport

CONS:

The recommended proposal will limit, at least for the time being, the airport fueling operation to self-service.

FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

FM: _____ Date: _____



Town of Payson
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MEMORANDUM

DATE: August 30, 2013

TO: Airport Advisory Commission

FROM: Dick Garmon, Airport Advisory Commission Member; Ray Law, Airport Coordinator; and LaRon Garrett, Assistant Town Manager

SUBJECT: Airport Fuel FBO Proposals

As you are aware, the existing Fueling FBO Lease expires at midnight on November 30, 2013. A Request for Proposals for a Fueling FBO Operator was advertised on the Town's website and Payson Roundup beginning July 30, 2013. The due date for respondents to submit their proposal was by 4:00 PM, Friday, August 23, 2013.

The Town Clerk's office received proposals from the following:

David & Marjorie Oldenkamp
CAVU Aviation LLC, dba Payson Aviation

In accordance with the Request for Proposals, the submitted documents were reviewed by Dick Garmon, a member of the Airport Advisory Commission, Ray Law, Airport Coordinator, and LaRon Garrett, Assistant Town Manager. The proposals were initially reviewed and ranked individually, and then collectively.

The final ranking is as follows:

<u>Name</u>	<u>Points</u>
1. David & Marjorie Oldenkamp	39
2. CAVU Aviation LLC, dba Payson Aviation	35

Payson Municipal Airport
Fuel FBO RFP Responses

Respondent	Past Airport Experience	References (3 Requested)	Proposed Services	Fee Proposal*	Estimated Monthly Town Income
CAVU Aviation dba Payson Aviation	Current Fuel FBO since May 1, 2004	2 Provided	Fuel Sales, Pilot & Aircraft Supplies, Snacks, Refreshments, WIFI, phone, computer, pilot briefing and lounge area, air taxi service, scenic flights, unicom audio on internet, security	Not Filled Out - TBD Only	Unable to Determine
David and Margie Oldenkamp	14 years as an FBO operator at Van Nuys, CA	3 Provided	Complete self fueling operation, including necessary upgrades, taxi lanes, and signage. Also grade a path to the restrooms near the west T-Hangars	\$0.36 per sq. ft. of leased property plus \$0.05 per gallon flowage fee	Based on 4,000 sf of leased area and the base of 7,083 gallons per month = \$498.15

Respondent	Future Services	Airport Improvements	Submittal Announcements
CAVU Aviation dba Payson Aviation	None Specified	None Specified	Did not provide any fee schedule to include in the evaluation process. Indicated that fees would need to be lower than today's fees
David and Margie Oldenkamp	Self Serve oil dispensing machine, Airport courtesy vehicle, partnership with restaurant on joint purchases, and have a spare pump motor on hand.	Construct necessary pad and taxiways for self service fuel, Town will own self-fueling system at the end of the lease	Request the lease be 20 year with two 5 year extensions.**

*Based on the same criteria, the current average monthly fees paid to the Town is \$262.49

** This RFP modification was reviewed by the Town Attorney with the recommendation that the lease could be 10 years with 2-10 year