



**REVISED**

**CITY COUNCIL**

March 17, 2015

Council Chambers • 777 SW Deschutes Avenue

**COUNCIL MEMBERS**

George Endicott  
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*Councilor*

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*Councilor*

Ginny McPherson  
*Councilor*

Jay Patrick  
*Councilor*

**MARCH 17, 2015**

**SPECIAL MEETING AGENDA**

**6:30 P.M.**

**I. CALL TO ORDER / ESTABLISH A QUORUM**

**II. CONTRACT REVIEW BOARD**

- A. Emergency Procurement Authorizing the Purchase of Aviation Fuel Storage Tanks and Equipment Exhibit 1

**III. EXECUTIVE SESSION**

**Oregon Law permits public bodies to meet in executive session to discuss specific matters which are not open to the public. Final actions or decisions on these matters will be made during regular session.**

- A. Exempt Records – ORS 192.660(2)(f) authorizes executive sessions “to consider information or records that are exempt by law from public inspection.”
- B. Litigation – ORS 192.660(2)(h) authorizing executive sessions “to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.”

**Under the provisions of the Oregon Public Meetings Law, the proceedings of this executive session are for background information only for media attending and not for publication or broadcast.**

**IV. MOTIONS AS A RESULT OF EXECUTIVE SESSION**

**V. OTHER BUSINESS**

**VI. ADJOURN**

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:30 p.m. on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:30 p.m.

Anyone needing accommodation to participate in the meeting must notify the ADA Coordinator at least 48 hours in advance of the meeting at 541-504-3036, or through the Telecommunications Relay Service (TRS) which enables people who have difficulty hearing or speaking in the telephone to communicate to standard voice telephone users. If anyone needs Telecommunications Device for the Deaf (TDD) or Speech To Speech (STS) assistance, please use one of the following TRS numbers: 1-800-735-2900 (voice or text), 1-877-735-7525 (STS English) or 1-800-735-3896 (STS Spanish).

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities



## CITY OF REDMOND

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# STAFF REPORT - REVISED

**DATE:** March 17, 2015  
**TO:** Contract Review Board  
**FROM:** Jeff Tripp, Airport Director  
**THROUGH:** Keith Witcosky, City Manager  
**SUBJECT:** Authorization to purchase aviation fuel storage tanks

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### Addresses Council Goal:

3) Redmond Airport/Roberts Field: Establish Redmond Municipal Airport as the best airport of its size in the country.

A.i. Continue to aggressively pursue physical improvements to airport facilities and enhance customer service in its operations.

### Report in Brief:

Authorize the purchase of aviation fuel storage tanks and equipment to support Fixed Base Operations (FBO) activities.

### Background:

The City of Redmond Airport is operating without an approved FBO on the airfield. Butler Aircraft Services (Butler) applied for an application but failed to submit all of the required documents and did not complete that process. On January 29, 2015, the Airport Director notified them of the deficiencies in their application and required them to provide the information and complete the application by February 13, 2015. That deadline passed without the City or Airport receiving any of our requested information. Redmond City Council subsequently took action February 24, 2015, denying the Butler Aircraft Services' application for an FBO permit.

The Council further determined the City cannot permit operations to continue that violate City Code and are performed by non-permitted entities. As a result, the City Council directed that Butler cease its FBO operations at the airport in 90 days. This 90 day period ends May 26, 2015.

Butler has not submitted a new FBO application as of the date of this staff report. The City remains steadfast that we will only initiate our own FBO services as a last resort. This action does not initiate City fueling services. However, in order to maintain continuity of services at the Airport, staff is now requesting authorization to begin making investments in fuel tanks and related fuel farm equipment necessary to prepare the north end of the Airport for FBO activities.

**Discussion:**

Upon inspection, the fuel storage tanks on the north end of the Airport, formerly operated by Butler Aircraft Company (separate from Butler Aircraft Services), have been deemed unusable due to obsolescence. Therefore, the Airport needs to purchase one 12,000-gallon aviation gasoline (Avgas) storage tank and one 20,000-gallon Jet storage tank (Jet). The combined 32,000 gallons of fuel storage capacity meets the minimum operating standards.

The Airport requested quotes from four (4) aviation storage tank manufacturers (Fuel Tech, Inc.; Garsite, LLC; Mascott Equipment; and Source North America) to determine what equipment is readily available for sale. Aviation fuel storage tanks are typically constructed upon order; once the tanks are delivered additional training, certification and testing needs to occur. Therefore receiving Contract Review Board authorization on March 17, 2015 provides the time needed to ensure tanks are fully operational well in advance of May 26, 2015.

Mascott Equipment provided the lowest responsive quote and is able to provide both a 12,000 gallon Avgas and a 20,000 gallon Jet tank by the end of April.

**Fiscal Impact:**

The airport is requesting the Contract Review Board's authorization to purchase both tanks, including freight costs, for \$343,624.61. Funds are available in the airport contingency fund previously approved by Council.

On June 10, 2014, Council authorized the transfer of \$1,000,000.00 from the airport's Unappropriated Reserve to Contingency to cover the potential need to provide fuel services (start-up costs and operating costs). Pending approval of the purchase contracts by the Contract Review Board, staff will follow-up with a budget adjustment (Resolution or Supplemental Budget) to move funds from Contingency to its proper appropriation category (i.e. capital outlay).

**Alternative Courses of Action:**

1. Approve the requisitions
2. Do not approve the requisitions

**Recommendation/Suggested Motion:**

"I move to authorize staff to purchase aviation fuel storage tanks from Mascott Equipment in the amount of \$343,624.61."

Jeffrey S. Tripp, A.A.E.  
Airport Director

**CITY OF REDMOND  
CONTRACT REVIEW BOARD**

**FINDINGS AND DECISION OF THE CITY OF REDMOND CONTRACT REVIEW BOARD FOR THE EMERGENCY PURCHASE OF AVIATION FUEL STORAGE TANKS AND EQUIPMENT FOR REDMOND MUNICIPAL AIRPORT.**

**RECITALS**

**WHEREAS:** The City of Redmond had reasonably anticipated that it would have a permitted Fixed Based Operator as required under the municipal code who would provide aviation fueling services at the Redmond Airport; and

**WHEREAS:** Despite the City's best efforts, the current fuel provider has not provided a complete application to be permitted as a Fixed Based Operator, appears unwilling to provide a complete application, and as a result has been directed to cease operations effective May 26, 2015; and

**WHEREAS:** The failure to have a permitted Fixed Based Operator at the Redmond Airport creates a substantial risk of loss, damage, interruption of services, and a threat to property, public health, welfare and safety; The date the fuel storage tanks and equipment must be operational is no later than May 26, 2015; and

**WHEREAS:** The timeframe for the purchase, installation, and certification of the aviation fuel storage tanks and equipment is time sensitive; and

**WHEREAS:** Redmond City Code 2.410 and ORS 279B.080 permit the Contract Review Board to approve emergency contracts provided the Board complies with requirements of ORS 279A, 279B, 279C and the Model Rules in making the exemption.

**NOW, THEREFORE, THE CITY OF REDMOND CONTRACT REVIEW BOARD FINDS AS FOLLOWS:**

1. On May 13, 2014, the Redmond City Council updated the minimum standards for Fixed Based Operations (FBO) at the Redmond Airport. Those new code provisions included the process for the permitting of FBO services at the Redmond Airport.
2. Butler Aircraft Services (Butler) was providing FBO services at the Redmond Airport at the time the updated minimum standards were adopted by the City Council. In July, 2014, Butler began the FBO application process under the new code provisions. The City anticipated that Butler would complete the application and be approved as an FBO at the Redmond, Airport.
3. The City continued to work with Butler to provide a complete application during the next seven months. By the end of January, 2015, the Butler application was still incomplete. On January 29, 2015, a letter was sent to Butler identifying the remaining items that needed to be provided or corrected in order to complete the application. The letter required Butler to respond by February 13, 2015. The City expected that Butler would respond to the letter and complete the application.

4. Butler did not provide any additional information to the City and, in fact, provided no response to the City in any manner.
5. On February 24, 2015, the Redmond City Council found the Butler FBO application to be incomplete and denied the application. Following that meeting, the City sent a letter to Butler advising them that their FBO application had been denied because it was incomplete and did not meet the minimum standards, that because they were not a permitted FBO for the Redmond Airport they had 90 days to cease operation on the Redmond Airport, and that they could reapply for an FBO permit application if they desired to do so. The City anticipated Butler would reapply for the FBO permit and would submit a complete application.
6. Butler has not submitted an application to provide FBO services at the Redmond Airport. It further appears that Butler has no intention of submitting an application to provide FBO services at the Redmond Airport or of obtaining a permit to provide such services.
7. The Redmond Airport is operating without an approved FBO on the Redmond Airport contrary to the City Code. In addition, unless Butler submits a complete application and is approved as an FBO for the Redmond Airport, they must cease operations by May 26, 2015.
8. An emergency exists where the Airport may be without aviation fuel services after May 26, 2015, thereby creating a substantial risk of interruption of commercial and general aviation services and a threat to public safety that requires immediate action by the City.
9. In addition, a lack of fuel service capability creates a substantial risk of disruption of aerial firefighting operations by the U.S. Forest Service and scheduled air carrier service at the Redmond Airport.
10. In order to maintain continuity of aviation fuel services, the Airport must purchase appropriate aviation fuel storage tanks and equipment to allow operation by a qualified FBO. This facility must be installed, inspected and operational prior to May 26, 2015.
11. The City will need to purchase one 12,000-gallon aviation gasoline (Avgas) fuel storage tank and equipment and one 20,000-gallon Jet A (Jet) fuel storage tank and equipment. The purchase of aviation fuel storage tanks and equipment is a critical part of this process and requires the prompt execution of a contract to remedy the situation because of the limited availability and the tanks and equipment and the anticipated termination of the current unpermitted FBO services at the Redmond Airport.
12. The Airport contacted four aviation fuel storage tank manufacturers to request quotes for the above identified storage tanks and equipment with a targeted delivery date of not later than April 30, 2015. The City will complete the solicitations within the next three days.

13. The City has already received three quotes from manufacturers. Two manufacturers are able to provide the storage tanks and equipment within the required timeframe. The quotes received are as follows:

<b>Manufacturer</b>	<b>Total Price</b>	<b>Delivery Date</b>
Garsite, LLC	\$ 279,903.00	Approx. 14-16 weeks
Mascott Equipment	\$ 343,624.61	April 24-30
Source North America	\$ 345,768.82	Early April

14. The manufactures who are able to provide the storage tanks and equipment with the required timeframe have advised the City that if the order is not completed immediately that they will not be able to honor the provided delivery dates.

15. The aviation fuel storage tanks and equipment to be acquired are restricted to the scope necessary to adequately deal only with the anticipated risk created by the emergency circumstances. The acquisition of fuel storage tanks and equipment is limited to those required to meet the minimum level of aviation fuel storage infrastructure within a critical timeline to allow for delivery and achieve operational status prior to a deadline on May 26, 2015.

16. Mascott Equipment will manufacture one 12,000-gallon Avgas fuel storage tank and equipment to provide a basic level of aviation fuel storage capacity for aviation gasoline. The Airport’s minimum operating standards require a minimum of 10,000 gallon storage capacity for aviation gasoline. This storage tank will be constructed to provide all of the necessary hardware (such as piping, hoses, filtration system, gauges, sump pump, dispensing equipment, fuel hose, etc.) to provide a complete aviation fuel system to allow for the transfer of aviation fuel from the delivery truck to the storage unit and from the storage unit to the aviation fuel service vehicle.

17. Mascott Equipment will manufacture one 20,000-gallon Jet A fuel storage tank and equipment to provide a basic level of aviation fuel storage capacity for jet fuel. The Airport’s minimum operating standards require a minimum of 20,000 gallon storage capacity for Jet fuel. This storage tank will be constructed to provide all of the necessary hardware (such as piping, hoses, filtration system, gauges, sump pump, dispensing equipment, fuel hose, etc.) to provide a complete aviation fuel system to allow for the storage and transfer of aviation fuel from the delivery truck to the storage unit and from the storage unit to the aviation fuel service vehicle.

18. Both tanks will be constructed to meet applicable industry standards to include National Fire Protection Code (NFPA) 407 Standard for Aircraft Fuel Servicing and Air Transportation Association (ATA) Specification Part 103 Standard for Jet Fuel Quality Control at Airports. All tank equipment is limited to that required for safe storage and transfer of aviation fuels in conformance with industry standards for aviation fuel quality control.

19. It is unlikely that the exemption will encourage will favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts.

**NOW, THEREFORE, BASED ON THE ABOVE RECITALS AND FINDINGS OF FACT, THE CITY OF REDMOND CONTRACT REVIEW BOARD HEREBY APPROVES THE EMERGENCY PROCUREMENT OF AVIATION FUEL STORAGE TANKS FOR REDMOND MUNICIPAL AIRPORT AND AUTHORIZES THE CITY MANAGER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF ONE 12,000-GALLON AVIATION GASOLINE (AVGAS) FUEL STORAGE TANK AND EQUIPMENT AND ONE 20,000 JET A (JET) FUEL STORAGE TANK AND EQUIPMENT FOR A PRICE NOT TO EXCEED \$343,624.61.**

**PASSED** by the City of Redmond Contract Review Board this 17<sup>th</sup> day of March, 2015.

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George Endicott, Mayor

ATTEST:

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City Recorder