



August 12, 2004 City Council Meeting Agenda Item Submittal Request

Agenda Item #:

Department: Community Development

Resolution / Ordinance #

Agenda Title: Consider New Fuel Sales System for the Taylor Municipal Airport

1. INTRODUCTION/PURPOSE

The purpose of this agenda item is to consider authorizing the City Manager to sign an agreement with Fuel Master to replace the fuel sales system at the airport.

2. DESCRIPTION/ JUSTIFICATION

Background

The new system will replace the current AutoGas system. As you know, back in October of 2003, the company notified the City that they will no longer support the system's hardware as of March 2004 and the software as of the end of December 2004. They did offer an upgrade, but after repeated attempts to contact the vendor, and receiving no response, we decided to explore alternative options.

Issues and Analysis

Staff is proposing one of two systems: Applied Technology, Inc and Fuel Master. They are comparably priced and, for the most part, offer the same amenities.

Attached is a comparative spreadsheet for the Council's consideration.

3. FINANCIAL/BUDGET

The estimated cost of the Fuel Master system is \$13,725. Staff recommends that the cost of the new system come from the airport fund's fund balance.

4. RECOMMENDATION

Staff recommends Fuel Master System for the following reasons:

1. Competitive pricing
2. Reasonable annual costs
3. Local technical service (Dallas - versus Boulder, CO.)
4. Smart Cards (which are similar to our "blue-cards")
5. The "block" is self-imposed. In other words, the pilot can choose how much the system would pre-approve for purchase.

The Airport Board forwarded a recommendation to purchase the Fuel Master system during their last regular meeting on July 27, 2004.

Please let me know if you have any questions or concerns by calling me at 512-352-5990 x 16 or contact me via email at bob.vantil@ci.taylor.tx.us.

APPROVED FOR SUBMITTAL	
DEPARTMENT HEAD: <u>(ss) R.W. VAN TIL</u>	DATE: <u>8/3/04</u>
CITY MANAGER: _____	DATE: _____

FINANCING OPTIONS

ASENT AVIATION

This company **does not** offer a 24/7 card operating data terminal that is needed. They offer a system which works with an attendant at point of sale. They do represent Phillips 66 as a reseller (middle-man). They have offered to pay \$5,000 toward a fuel system and loan the City \$6,000 toward the purchase of system.

Monthly Payment Option:

3 year term at 6.5 % interest a monthly payment of \$183.89 or \$6,620.04.
5 year term at 7.5 % interest, a monthly payment of \$120.23 or \$7,213.80.
7 year term at 8.5 % interest, a monthly payment of \$92.03 or \$7,730.52.

MUST SELL PHILLIPS AVIATION FUEL!

Cents per gallon:

3 years at 6.5 % or \$0.029 per gallon based on 75,000 gallons or \$2,175 X 3 = \$6,525.
5 years at 7.5 % or \$0.019 per gallon based on 75,000 gallons or \$1,425 X 5 = \$7,124.
7 years at 8.5 % or \$0.015 per gallon based on 75000 gallons or \$1,125 X 7 = \$7,875.

Av Fuel

AvFuel will offer 60 month financing on either of the two systems!

FUEL SYSTEM SURVEY

taken February 2004

Fuel Master Lago Vista and Hearne Airport.

Applied Technologies Lakeway, Smithville and Lockhart.

Fayette Aero at La Grange Airport has Applied Technologies, is not happy after first year. Might change to Fuel master.

Applied Tech client list:

Lakeway Airpark
Killteen Municipal
Caldwell Municipal
Fayette Regional

Fuel Masters client list:

Tim Fousfe 830-931-0234, Castroville.
Georgetown Texas
Gainsville Texas, Mat Quick 940-668-4565

New M3000 systems:

Dublin Municipal
Jackson County Airport in Edna
Aransas County Airport in Rockport
Lampassas Airport

To accept this offer all you need to do is print it out and sign it and fax it back to me at 970-884-2489. If you have any questions please do not hesitate to contact me toll free at 866-551-3183
Regards,

Penelope Ellis
Aviation Sales Manager
Syn-Tech Systems Inc.

Sample # 1: Aviation Site With Smart Cards & Credit Cards

SmartCard/Credit Card Master (Controls 2 hoses w/ modem & surge protection)	\$7,496.00
Pedestal	
Receipt Printer	\$1,895.00
FUELMASTER® PLUS Windows Software (For PC)	\$1,595.00
SmartCard Encoder	\$450.00
10 SmartCards (White)	\$42.00
Quick Stop Button	\$160.00
On-site Serial Transaction Printer	\$595.00
Shipping and Handling	\$100.00
Total Price	\$ 12,333.00

Your price with the Avfuel Discount \$9,000.00
Cost for start-up and training 1,800.00
Total cost \$10,800.00

Pricing for the system, startup and training is based on the conduit being installed from the self-serve to a power supply (15amp) and to a voice grade analog telephone connection. Conduit should also be installed from the self-serve each dispenser that it will control. The FUELMASTER should be mounted over the above mentioned conduit runs with the wire pulled. The factory technician will complete the wiring, initialize the system and provide training on the card reader and the windows software.

Accepted by: _____

Frank Salvato, City Manager
City of Taylor, Texas