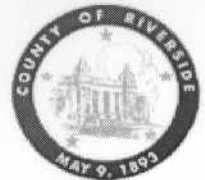


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

583



FROM: Bob Doyle, Sheriff-Coroner-PA

SUBMITTAL DATE:
10/07/03

SUBJECT: Cost and Feasibility Report on Above Ground
Fueling Systems for the Sheriff's Aviation Unit

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Receive and file the attached report on helicopter fueling systems.
2. Approve the Sheriff's recommended motions submitted for action on 09/09/03 (3.63).

BACKGROUND:

(Continued on Page 2)
BR 04-027

William Lee
for Bob Doyle, Sheriff-Coroner-PA

Departmental Concurrence

FINANCIAL DATA	Current F.Y. Total Cost:	\$ -0-	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	FY 2003-04

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: Approve motions 1,2 and 4 of 9/9/03, item 3.63; and, direct the Purchasing Agent to report to the Board the results of the bids for the purchase of an above ground aircraft fuel tank prior to award.

County Executive Office Signature *Sally A. Deanan*

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 09/09/03 3.63 | **District:** All | **Agenda Number:**

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.53 a

In continuance of this matter from the 9/9/03 agenda, the Board requested additional information regarding the estimated cost savings the Sheriff's Department would realize if it dealt directly with a fuel sales jobber and the full costs of installation of an above ground fueling system for the Sheriff's Department Aviation Unit.

As is detailed in the table below, Air Petro, a Chevron Aviation Fuel sales jobber, has offered to sell aviation grade Jet A fuel for \$0.05 above the Oil Price Index Service (OPIS) for the Los Angeles market (Attachment A). As of 9/9/2003 that price was \$0.9611 per gallon, so our adjusted cost based on that OPIS price would be \$1.0111 per gallon. Adding the required taxes and fees, our cost for fuel would be \$1.188/gallon. This cost includes a flowage fee of 2.5% of the net cost of the fuel, per our lease agreement with the Economic Development Agency (Attachment B). This net cost is defined as the total delivered price, excluding taxes. By comparison, the most recent price the Sheriff's Aviation Unit paid for fuel from Hangar One, our local supplier, is \$2.18 + sales tax for a total of \$2.34895/gallon. Therefore, by purchasing fuel at the OPIS price, our cost savings would be \$1.161 per gallon. Annually, based on fuel usage figures from FY 2002-03, our cost savings would be \$52,554.

FUEL COST COMPARISON		
	VENDOR'S COST	OUR COST
BASE PRICE	\$2.18	\$1.0111
FEDERAL EXCISE TAX*		County Exempt
CALIF. M.J. TAX*		0.02
STATE PREPAID SALES TAX*		0.045
SPILL FEE*		0.00119
EDA FLOWAGE FEE*		0.0252775
SALES TAX (7.75%)	0.16895	0.051974975
TOTAL COST PER GAL.	\$2.34895	\$1.188
SAVINGS PER GAL.	\$1.16	
ANNUAL ESTIMATED COST SAVINGS: \$52,554		
* These fees are included in the vendor's base price.		

In preparation for the submission of the proposal to install an above ground fueling system, Sheriff's Aviation staff contacted personnel from Air Petro Corporation, to assist us in preparing a set of specifications and contacting several contractors that specialize in installing aviation fueling systems. (Attachment C).

The specifications were for an above ground fueling system capable of handling Jet A grade aviation fuel. The system must meet all applicable permitting, fire and safety standards for above ground fueling systems in Riverside County. The system must be acceptable to aviation fuel delivery company requirements to receive fuel.

The specifications were circulated to five contractors identified by Air Petro Corporation. The contractors were responsible for researching the required equipment, permits and approvals required for the complete installation of the fueling system. As a result, the Department received two responses for the system. Those responses have been filed with the Purchasing Agent, so as not to prejudice any future process, should the Board approve this matter.

One response was at \$97,613. This proposal is comprised of two separate bids: the tank and the installation of the tank.

The second proposal was at \$64,140 for both the equipment and installation. The two proposals include all the required items from the original specifications (tank, electrical, guard posts, concrete slab, and permits and approvals).

Life expectancy of the tank is estimated to be at least twenty years. Air Petro is qualified to conduct the periodic inspections and the annual certification is conducted at no charge to us. Expected annual maintenance costs for scheduled maintenance is approximately \$100.

Utilizing the \$52,554 in annual cost savings, the Department would recoup its \$64,140 capital investment for the tank in a year and two months.

We request that the Board direct the Purchasing Agent to proceed to solicit bids using our proposal as a model, in compliance with all applicable regulations, permitting, and licensing requirements.