



AMENDED

TOWN OF TAOS SOLE SOURCE REQUEST AND DETERMINATION FORM

A sole source *determination* is not effective until the *sole source request for determination* has been posted for thirty (30) calendar days without challenge, and subsequently approved in writing by the Procurement Officer. The foregoing is a requirement under NMSA 13-1-126 – 13-1-126.1 as amended by Laws 2013, ch. 40 § 6 effective June 14, 2013.

I. Name of Entity: TOWN OF TAOS

Procurement Agent: Sharon Voigt, svoigt@taosgov.com

Telephone Number: 575-751-2025

II. Name of prospective Contractor: TSVA Holdings, Inc

Address of prospective Contractor: 116 Sutton Place, Taos Ski Valley, NM 87525

Amount of prospective contract: \$550,000 + \$400,000 (Marketing, Public Relations & Advertising)

Term of prospective contract: 1 year

III. Please thoroughly list the services (scope of work), construction or items of tangible personal property of the prospective contract:

Direct air services from Taos, New Mexico to Austin and Dallas, Texas during the summer months with at least 6 round trips per week.

AMENDED to include the following services: Marketing, Public Relations & Advertising Services pursuant to exemption in the Procurement Code Section 13-1-98 V. purchases in advertising in all media, including radio, television, print or electronic. As per meeting on April 17, 2019, use of exemption approved by Steve Ross, Town Attorney.

IV. Provide an explanation of: the criteria developed and specified by the department.

Currently, TSVA Holdings, Inc provides winter air service from Taos Regional Airport to Austin and Dallas, Texas. The Town wants to expand the same service to the summer months. The schedule would be the same as the winter schedule that has proven to be a successful model for scheduled flights to/from Taos. Flights would run Thursdays, Saturdays and Sundays for no

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less than 13 weeks between June and September. Pricing is competitive with commercial airlines. If air service does not exceed 70% load occupancy for summer air service, TSVA Holdings, Inc is willing to take the loss.

- V. Provide a detailed, sufficient explanation of the reasons, qualifications, proprietary rights or unique capabilities of the prospective contractor that makes the prospective contractor *the one source* capable of providing the required professional service, service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”)

The Contractor is providing the only air service available in Taos and a public-private partnership between the Town and the Contractor exists to provide winter service. TSVA Holdings, Inc owns the 30 passenger Dornier 328 jet and they are offering the Town use of the plane for summer service.

- VI. Provide a detailed, sufficient explanation of how the professional service, service, construction or item(s) of tangible personal property is/are *unique and how this uniqueness is substantially related to the intended purpose of the contract*.

The Town of Taos sees this as an economic driver for Taos County and Northern New Mexico. Expanded utilization of Taos Regional Airport opens the door to the film, technology and tourism industries. As mentioned earlier, the air service being provided is the only air service available in Taos.

In February 2019 Southwest Planning & Marketing conducted an Economic/Fiscal Impact & Marketing Analysis of Taos Air fliers originating travel in Texas and the total estimated economic impact of spending in the study area and during the study period of \$1,139,932. An addendum to the study provided data for the entire winter service program with projected economic impact spending at \$2.1 million.

- VII. Explain why other similar professional services, services, construction or item(s) of tangible personal property *cannot* meet the intended purpose of the contract.

Currently, there are no other charter services providing direct service from Taos Regional Airport.

- VIII. Provide a narrative description of the agency’s due diligence in determining the basis for the procurement, including procedures used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; reviewing telephone books and other advertisements; contacting similar service providers; and reviewing the State Purchasing Agent’s vendor list. Include a list of businesses contacted (*do not state that no other businesses were contacted*), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

The Town has entered into a Memorandum of Agreement with Taos Ski Valley, Inc. and its affiliate TSVA Holdings, Inc and Taos Air in developing air service and marketing. Taos Ski Valley

Inc. has provided a significant amount of funding to support air service, including the purchase of a 30 passenger Dornier jet, payment for professional engineering services for the development of air service, matching funds for a marketing grant and overall increasing the passenger use and success of the Taos Regional Airport. Because of these unique services, use of the plane and benefits to the Town of Taos and the Enchanted Circle region, we are requesting to continue working with TSVA Holdings, Inc. They will subsidize the operations for the 13 week summer service. The Town of Taos pays the opportunity costs that Taos Air would have made if they included the plane in to charter service for that same time period.


We are not aware of any other organization that can provide support to the airport or have willingness to enter into such a relationship on behalf of the Taos Regional Airport.

See attached Memorandum of Agreement, Air Service Grant Agreement with New Mexico Department of Transportation and Taos Air Economic Impact Report.

Certified by:

Department Approval by:

Date: 4/25/19



Department Head

If this sole source relates to a procurement of general services:

- 1) Signature of the Town Procurement Officer on this form certifies the sole source has been posted for thirty (30) calendar days and has received no challenges.
- 2) Sole source is granted as of the date of signature by the Procurement Officer.
- 3) Signature of the Procurement Officer on this form is the final signature required for this sole source procurement.

If this sole source relates to a procurement of professional services:

- 1) Signature of the Procurement Officer on this form certifies the sole source has been posted for thirty (30) calendar days and has received no challenge(s).
- 2) Signature of the Procurement Officer (below) is required; and
- 3) Sole source is granted as of the date of signature by the Procurement Officer.

APPROVED:

Date: 4/26/2019

Town of Taos Procurement Officer

Challenges
