



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604

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Consent

August 29, 2006

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Helicopter Maintenance (Requires two-thirds vote)

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) suspending competitive bidding; and 2) authorizing the City Manager to execute an agreement for helicopter maintenance with San Joaquin Helicopters, Inc., on the same terms as City Agreement No. 2004-092, in a total amount not to exceed \$125,000.

Contact: Dennis Kerhulas, Senior Buyer, Procurement Services, 808-6240
Bill Beerman, Lieutenant, Police Department, 433-0714

Presenters: Not applicable

Department: Police Department

Division: Air Operations

Organization No: 2166

Description/Analysis

Issue: The City of Sacramento has ongoing requirements for the maintenance of two Police Department helicopters. This service was provided for the last two years by San Joaquin Helicopters, Inc., under City Agreement No. 2004-092, which had an initial term of one year, with up to two one-year extensions. However, the term of the agreement expired before the last year's extension could be approved. Staff recommends that competitive bidding be suspended, to authorize the City Manager to execute an agreement for the remainder of the contract period with San Joaquin Helicopters, Inc., to continue providing helicopter maintenance on the same terms as City Agreement No. 2004-092.

Policy Considerations: The recommendations in this report are in accordance with provisions of the City Code section 3.56.230(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council, when this is determined to be in the City's best interest.

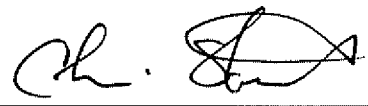
Environmental Considerations: Under Section 15378(b)(2) of the CEQA Guidelines, continuing maintenance activities do not constitute a project that requires environmental review.


Rationale for Recommendation: Staff believes that it is in the City's best interests to suspend competitive bidding to allow for the extension of Agreement No. 2004-092 for the remainder of the contract period, because (1) San Joaquin Helicopters, Inc., was the only responsible bidder when these services were bid in 2004 and has performed well under the previous agreement, (2) it is critical that ongoing maintenance services be continued to keep these helicopters in service, and (3) the new agreement will be subject to the same terms as the previous agreement, which was competitively bid and was intended to allow for up to three years of service. Staff will initiate a new bidding process for these services prior to expiration of the new agreement.

Financial Considerations: Sufficient funds will be coming from a Local Law Enforcement Block Grant (LLEBG) (Fund Line 255-OGR-G609-4241). The Bureau of Justice Assistance (BJA) has awarded funding for the LLEBG to the Sacramento Police Department on an annual basis since 1996. Funding is computed by a formula based on the Uniform Crime Report Part I violent crimes reported to the FBI each year and is allocated to local government to underwrite projects to reduce crime and improve public safety.

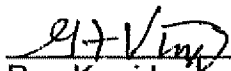
Emerging Small Business Development (ESBD): There are no known Emerging or Small Business Enterprises that provide the highly technical helicopter maintenance services required by the City.

Respectfully Submitted by: 
Bill Beerman, Lieutenant

Approved by: 
Christopher Stewart
Procurement Services Manager

Approved by: 
Albert Nájera, Chief of Police

Recommendation Approved:

for 
Ray Kerridge
City Manager

Ref: COP 8-17

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Attachment 1

Background

On June 1, 2004, the City competitively bid and the City Council approved an agreement (City Agreement No. 2004-092) for maintenance of two Bell OH58 helicopters with San Joaquin Helicopters, Inc., 1407 South Lexington, Delano, CA. These helicopters are used by the Police Department to provide highly effective visual and crime prevention support to ground units. San Joaquin Helicopters, Inc., submitted the only responsible bid for these services.

It is necessary to perform maintenance on the helicopters every 25 hours of flight time. In addition, most parts on the helicopter have to be replaced after a certain number of flight hours are recorded on the part. Such services require highly trained technicians, which are not on City staff. Some maintenance can be performed on site by a licensed City contractor, while other maintenance intervals require more complicated work, which must be performed by the City contractor at their maintenance facility. The vendor performing the maintenance must hold a FAA repair station license. In addition, it is necessary for the vendor to have a mechanic who holds a FAA commercial helicopter rating, in order for the vendor to be able to ferry the helicopter back and forth from the SPD hanger and the City contractor's facility and to perform maintenance test flights. San Joaquin Helicopters, Inc., meets these requirements.

City Agreement No. 2004-092 had an initial term of one year, with up to two one-year extensions. The agreement was extended once, and City staff intended to seek approval to extend the agreement for a final year, but the agreement term expired before that was done.

Staff believes that it is in the City's best interests to suspend competitive bidding to allow a one year agreement to be approved, because (1) San Joaquin Helicopters, Inc., was the only responsible bidder when these services were bid in 2004 and has performed well under the previous agreement, (2) it is critical that ongoing maintenance services be continued to keep these helicopters in service, and (3) the new agreement will be subject to the same terms as the previous agreement, which was competitively bid and was intended to allow for up to three years of service. Staff will initiate a new bidding process for these services prior to expiration of the new agreement.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

AGREEMENT FOR HELICOPTER MAINTENANCE

BACKGROUND

- A. The City of Sacramento has ongoing requirements for helicopter maintenance.
- B. This service was provided for the last two years by San Joaquin Helicopters, Inc., under City Agreement No. 2004-092, which had an initial term of one year, with up to two one year extensions. However, because the agreement expired before the last year's extension could be approved, a new agreement is needed to continue the provision of helicopter maintenance services.
- C. It is in the City's best interests to suspend competitive bidding to allow a one year agreement to be executed with San Joaquin Helicopters, Inc., because (1) San Joaquin Helicopters, Inc., was the only responsible bidder when these services were bid in 2004 and has performed well under the previous agreement, (2) it is critical that ongoing maintenance services be continued to keep these helicopters in service, and (3) the new agreement will be subject to the same terms as City Agreement No. 2004-092, which was competitively bid, and was intended to allow for up to three years.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. In the best interests of the City, competitive bidding is suspended for helicopter maintenance services.
- Section 2. The City Manager is hereby authorized to execute an agreement with San Joaquin Helicopters, Inc., to provide helicopter maintenance services for a term, on the same terms as City Agreement No. 2004-092 (Fund Line 255-OGR-G609-4241), in an amount not to exceed \$125,000.