REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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CONSENT

October 10, 2006

Honorable Mayor and
Members of the City Council

Title: Purchase: Police Helicopter Fuel

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** to 1) suspend formal competitive bidding (requires 2/3 vote) and 2) authorize fuel purchases from the 60th Mission Support Branch of the U.S. Air Force in a total amount not to exceed $150,000 per fiscal year for up to five (5) years.

Contact: Bill Beermann, Lieutenant, 433-0714; Jim Maccoun, Lieutenant, 433-0866

Presenters: Not Applicable

Department: Police

Division: Metro

Organization No: 2166

Description/Analysis

Issue: The Sacramento Police Department (SPD) is seeking Council's authorization to purchase fuel for the Department's Air Support Unit from the Support Branch located at Travis Air Force Base. Due to the increase in the price of fuel, it is anticipated that the annual bill for helicopter fuel will exceed $100,000 this fiscal year. A funding level not to exceed $150,000 per year allows the Department to meet increased costs and allows a reserve for unpredicted price or usage increases.

Policy Considerations: The recommendation in this report is in accordance with provisions of the City Code, section 3.56.230(c), which allows for the suspension of competitive bidding by two-thirds vote if it is in the best interests of the City. Additionally, the continued use of the helicopter is vital to officer and community safety by providing an aerial view of crime scenes, pursuits, demonstrations, etc.

Environmental Considerations: This activity is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a "project" as defined in section 15378 of the CEQA Guidelines, and is otherwise exempt pursuant to Sections 15321(b) (law enforcement activities) and 15601(b)(3) (no significant effect on the environment) of the CEQA Guidelines.

Rationale for Recommendation: The authorization of this purchase will allow the SPD to continue to conduct its own fueling operations, granting the Air Support Unit the ability to land, refuel, and provide a timely response to critical incidents. By utilizing the Air Force as the Unit's fuel supplier, the SPD is able to achieve a significant cost savings, compared to the average commercial market pricing, and avoid time delays that often occur when using commercial vendors.

Allowing the SPD to conduct its own fueling operations ensures a quick response to the Air Support Unit's calls for service. The time of response would drastically increase if fueling was achieved via a commercial source. Often, commercial operators are preoccupied servicing large cargo aircraft, such as 737's and 747's, which, in turn, causes delays and negatively affects response times.

Additionally, the yearly cost of operating the SPD's helicopters would significantly increase if fuel was purchased using a commercial vendor. The fuel price per gallon from a commercial entity is approximately twice as expensive as fuel purchased through the Air Force ($4.99/gallon vs. $2.53/gallon).

Financial Considerations: The price of jet fuel from the U.S. Air Force for this fiscal year is $2.53/gallon. It is estimated that the Air Support Unit will use 42,000 gallons of fuel this fiscal year. This amounts to an annual fuel cost of $106,260 for FY 06/07. Authority to purchase up to $150,000 of fuel annually for five years will provide adequate flexibility for both usage and cost fluctuations. Funding for these purchases will be achieved through a combination of existing block grants and asset forfeiture funds. If costs exceed available sources of funding, the Police Department's operating budget will fund the difference within existing resources. Future year financing sources may be considered during the Council's annual budget cycle.

Emerging Small Business Development (ESBD): There are no jet fuel vendors that meet the ESBD criteria in the Sacramento Region.

Respectfully Submitted by: _____
Bill Beermann, Lieutenant

Approved by: _____
for Albert Nájera, Chief of Police

Recommendation Approved:

_____
for Ray Kerridge
City Manager

Ref: COP 9-19

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Attachment 1

Background

The SPD operates two (2) Bell OH58 Helicopters. The Air Support Unit has purchased helicopter fuel from the 60th Mission Support Branch of the U.S. Air Force, located at Travis Air Force Base, for the last four (4) years. Due to recent cost increases, it is expected that helicopter fuel purchases will exceed the $100,000 threshold.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

DATE ADOPTED

AUTHORIZATION TO PURCHASE POLICE HELICOPTER FUEL

BACKGROUND

A. The fuel price per gallon from a commercial entity is approximately twice as expensive as fuel purchased through the Air Force ($4.99/gallon vs. $2.53/gallon).

B. The authorization of this purchase will allow the SPD to continue to conduct its own fueling operations, granting the Air Support Unit the ability to land, refuel, and provide a timely response to critical incidents.

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

Section 1. In the best interest of the City, formal competitive bidding is hereby suspended.

Section 2. The City Manager, or a designated representative, is authorized to issue the necessary purchase orders for the purchase of helicopter fuel from the 60th Mission Support Branch of the U.S. Air Force in a total amount not to exceed $150,000 per fiscal year for up to five (5) years. Expenditures for FY2006/07 will be funded through a combination of existing block grants, and asset forfeiture funds. If costs exceed available sources of funding, the Police Department's operating budget will fund the difference within existing resources. Future year financing sources may be considered during the Council's annual budget cycle.