



REPORT TO COUNCIL 7

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
April 26, 2007

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

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

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) suspending competitive bidding in the best interest of the City, and 2) authorizing the City Manager to execute a supplemental agreement to City Agreement No. 2006-0971 for helicopter maintenance with San Joaquin Helicopters, Inc. for an additional \$50,000 for a total not to exceed amount of \$175,000 and extend the helicopter maintenance services through July 31, 2007.

Contact: Kianua Norman, Program Specialist, Procurement Services, 808-8749
Bill Beerman, Lieutenant, Police Department, 808-0714

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 from May 2004 to April 2006 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 extension in 2006 could be approved. Thus, Council approved an extension on August 29, 2006 to execute a new contract, which is set to expire on April 27, 2007, containing the provisions of the initial bid. The formal bidding process is not expected to be completed until the first part of next fiscal year. Staff recommends that competitive bidding be suspended, to authorize the City Manager to execute a supplemental agreement with San Joaquin Helicopters, Inc. to extend the existing contract until July 31, 2007 and to increase the not to exceed amount by \$50,000.

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.

Commission/Committee Action: None

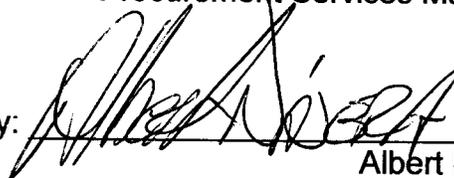
Rationale for Recommendation: Staff believes that it is in the City's best interests to suspend competitive bidding to allow for the extension of Agreement No. 2006-0971 for the next two months, because (1) San Joaquin Helicopters, Inc. was the only responsible bidder when these services were bid in 2004 and has performed well under the previous agreement and (2) it is critical that ongoing maintenance services be continued to keep these helicopters in service.

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.

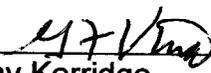
Emerging Small Business Development (ESBD): There are no known Emerging or Small Business Enterprises that provide the highly technical helicopter maintenance services required by the City.

Respectfully Submitted by: 
Bill Beerman, Lieutenant

Approved by: 
Christopher Stewart
Procurement Services Manager

Approved by: 
Albert Nájera
Chief of Police

Recommendation Approved:


Ray Kerridge
City Manager

Ref: COP 4-13

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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 completed. On August 29, 2006, staff requested the approval of a new agreement (Agreement No. 2006-0971) with San Joaquin Helicopters, Inc. that incorporated the provisions of Agreement No. 2004-092 to extend the provisions of that agreement until April 27, 2007. Staff anticipates the bid process to be completed by July 31, 2007; thus, staff is requesting an extension of Agreement No. 2006-0971 until July 31, 2007 and to increase the total not to exceed amount by \$50,000.

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING A SUPPLEMENTAL AGREEMENT FOR HELICOPTER MAINTENANCE

BACKGROUND

- A. The City of Sacramento has ongoing requirements for helicopter maintenance.
- B. This service was provided for the last three years by San Joaquin Helicopters, Inc., under City Agreement No. 2004-092 & 2006-0971. However, because the agreement is set to expire prior to the formal bid process being completed, a supplemental agreement is needed in the interim to continue the provision of helicopter maintenance services. The formal bidding process is anticipated to be completed by July 31, 2007.
- C. It is in the City's best interests to suspend competitive bidding to allow a supplemental 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 and (2) it is critical that ongoing maintenance services be continued to keep these helicopters in service.

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 a supplemental agreement to Agreement No. 2006-0971 with San Joaquin Helicopters, Inc., to extend the helicopter maintenance services through July 31, 2007, and to increase the not to exceed amount by \$50,000 for a total of \$175,000.