

# Memorandum

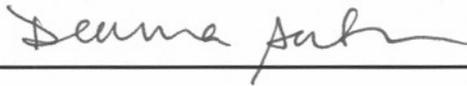
**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT:** SEE BELOW

**DATE:** March 21, 2006

Approved



Date

3/21/06

**SUBJECT: AMENDMENT TO EXTEND THE AGREEMENT WITH ARIS  
HELICOPTERS, LTD.**

## RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to execute an amendment of the agreement with Aris Helicopters, Ltd., located in San Jose CA, for maintenance and repair services, increasing compensation by \$91,500, from \$183,000 to a not to exceed amount of \$274,500, and extending the term of the agreement from March 31, 2006 to September 30, 2006.

## OUTCOME

To ensure that the Police Helicopter is adequately maintained during the next six months and to allow sufficient time for a competitive solicitation process for this requirement.

## BACKGROUND

On March 6, 2001, City Council adopted agenda item 2.2 authorizing the Director of General Services to exercise a one-year agreement with four additional one-year extensions for maintenance and repair services for the San Jose Police Department helicopter, Model #EC120B Eurocopter, with a total first year compensation not to exceed \$183,000. All four options were exercised, with all four option years having a not to exceed compensation of \$183,000 at the same rate per each year.

## ANALYSIS

Finance and Police staff recommend a contract extension through September 30, 2006, with the same pricing schedule, terms and conditions. The contract extension is necessary to allow sufficient time for a competitive solicitation process. The competitive process was not initiated sooner, since staff was not aware of the imminent expiration date of the current contract. To remedy these situations, Finance is exploring options to acquire a contract management system. The termination notification period for this extension period shall be a seven (7) day written notice per the agreement. The termination notification will allow the City to transition to the new contract more expeditiously.

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The contractor has met the requirements as stipulated by the contract and their performance has been satisfactory. The company has provided efficient maintenance and repair services and has kept the police helicopter at a high state of readiness meeting FAA standards. Through continuing the Agreement, the police department will benefit from the company's maintenance and repair services.

During the contract extension period, staff will have adequate time to conduct a comprehensive and competitive Request for Proposal (RFP) process for Helicopter maintenance and repairs.

**PUBLIC OUTREACH**

Not applicable.

**COORDINATION**

This memorandum has been coordinated with the San Jose Police Department, the City Manager's Budget Office, and the City Attorney's Office.

**COST IMPLICATIONS**

Compensation for the extension period requested, which is at the same rate as the existing contract, results in a cost of \$91,500 (\$15,250 per month).

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2005-2006 Proposed Operating Budget	Last Budget Action (Date, Ord. No.)
Gen. Fund 001	0502	Police Non-Personal & Equipment	001-50000583-4052	\$18,992,295 as of 10/18/05	\$91,500	Page VIII-112 2005/2006	#27580 10/18/05

**CEQA**

Not applicable.

  
SCOTT P. JOHNSON  
Director of Finance