



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: September 13, 2006

Approved

Ray Wines

Date

9/21/06

COUNCIL DISTRICT: City-Wide

**SUBJECT: AWARD OF CONTRACT FOR MAINTENANCE AND REPAIR OF
POLICE HELICOPTER**

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute a one-year agreement with Aris Helicopters Ltd., for the maintenance of the Police Department's helicopter, Model EC120B Eurocopter, for a total cost of \$183,000; and
2. Execute four one-year periods subject to annual appropriations.

OUTCOME

With a Maintenance Service Contract Agreement in place the Police Department's Air Support Division can continue to provide existing security service levels.

BACKGROUND

On June 14, 2000, the City Council approved the purchase of the Eurocopter Model EC120B for the Police Department's Air Support Unit. At the time of purchase there were four (4) authorized maintenance facilities in Northern California able to service the Eurocopter Model EC120B. Six years later, there are two (2) authorized maintenance facilities: Aris Helicopters Ltd. (Mountain View, CA) and Big Valley Aviation (Stockton, CA).

ANALYSIS

In accordance with Municipal Code Section 4.13.040, it is not practicable to compete the contract for maintenance of the Police Helicopter, which includes scheduled and unscheduled maintenance and related parts. The Police Department requested a contract with Aris Helicopters for helicopter maintenance services. Based on information provided by Police and confirmed by Finance, staff determined that it would not be practicable or cost effective to transport the Police Helicopter outside Santa Clara County for maintenance services.

Scheduled maintenance must be performed every 100 hours of flight time. The helicopter flies approximately 1,000 hours per year, thus the scheduled maintenance will occur approximately 10 times per year. A cost analysis on routine maintenance services over a one year period between the two companies concluded that it is most advantageous for the City to contract for maintenance with Aris Helicopters. Specifically, although Big Valley's hourly labor rates are approximately 18% less, when including the cost of personnel to fly the helicopter back and forth to Stockton, the overall cost to the City is significantly higher. Based on the scheduled maintenance and the additional labor hours required to fly the helicopter to Stockton, the overall cost avoidance by using Aris Helicopter is calculated at approximately 41% annually.

Further, the local maintenance contract allows for on site service without extra cost to the City for the mechanic's travel time, reduced down time of the helicopter, and quick access to a mechanic during after hours.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

September 13, 2006

Subject: Award of Contract for Maintenance and Repair of Police Helicopter

Page 3

While this agreement does not meet any of the above criteria, this memorandum is posted on the City's website for the October 3, 2006 Council Agenda.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

This Council item is consistent with the Council approved General Budget Principle "We must focus on protecting our vital core city services for both the short-and long-term".

COST SUMMARY/IMPLICATIONS

The Police Department's 2006-2007 General Fund non-personal/equipment budget included funding of \$183,000 for helicopter maintenance.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Contract	2006-2007 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
001	0502	Police Non-personal and Equipment	\$18,764,586	\$183,000	VIII-100	#27801, 06/27/06

CEQA

Not a project.


SCOTT P JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.