

Agenda Report

July 8, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Police Department

SUBJECT: AUTHORIZATION OF ISSUANCE OF A PURCHASE ORDER CONTRACT WITH HELICOPTER ENGINE REPAIR AND OVERHAUL SERVICES, INCORPORATED (HEROS) IN THE AMOUNT OF \$200,000 AND APPROVAL OF A JOURNAL VOUCHER APPROPRIATING \$130,000 FROM THE L.A. IMPACT FUND

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378, as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment;
2. Authorize the issuance of a Purchase Order Contract to Helicopter Engine Repair and Overhaul Services, Incorporated (HEROS) in the amount of \$200,000. Competitive bidding is not required pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services;
3. Grant the proposed Purchase Order Contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served; and
4. Appropriate \$130,000 from the L.A. IMPACT fund to the Police Department's FY14 operating budget account 8101-104-401710.

BACKGROUND:

The City of Pasadena Police Department currently owns and operates one Bell Jet Ranger helicopter equipped with a turbine engine. During fiscal year 2014 the engine

for this helicopter will need overhaul to ensure safety of flight and compliance with Federal Aviation Administration (FAA) regulations.

Helicopter Engine Repair and Overhaul Services, Incorporated (HEROS) is a vendor/contractor for helicopter turbine engine repair and overhaul for other government entities. This company has current contracts with the cities of Burbank and Glendale, CA. They have an outstanding reputation within the airborne community for providing parts and service at a discounted rate and the highest level of customer support. HEROS manufactures FAA approved parts for turbine engines at a cost far below that which is charged by original equipment manufacturers. These savings are passed on to the Air Operations Section with no compromise in flight safety. Each year, the Air Operations Section incurs significant costs associated with the shipping and insuring of turbine engines and parts to vendors for overhaul, some of which are located outside of the United States. These costs are associated with the actual shipping itself and with operational costs which result from delays created due to time in transit. HEROS is a vendor within driving distance of the police heliport. This allows section personnel to reduce shipping costs while at the same time minimizing delays and costs associated with same. In sum, this contract will result in significant savings for the City of Pasadena.

HEROS is allowing the City of Pasadena to use its existing contract with the cities of Glendale and Burbank as the basis of a purchase order in which costs for the City of Pasadena will be identical to those paid by the aforementioned cities. Purchasing guidelines of each city were followed in establishing these contracts.

COUNCIL POLICY CONSIDERATION:

The Police Department's Air Operations Section supports the City Council strategic planning goal of ensuring public safety.

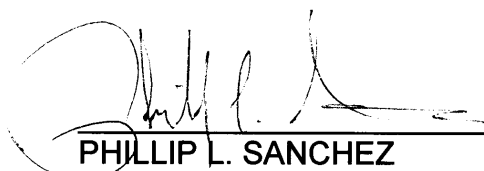
ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. CEQA Guidelines Section 15060 (c)(2) states that an activity is not subject to CEQA if "The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment". For the same reason, the proposed activity is not a CEQA "Project" as defined in State CEQA Guidelines Section 15378 and is, therefore, also not subject to CEQA pursuant to CEQA Guidelines Section 15060 (c)(3).

FISCAL IMPACT:

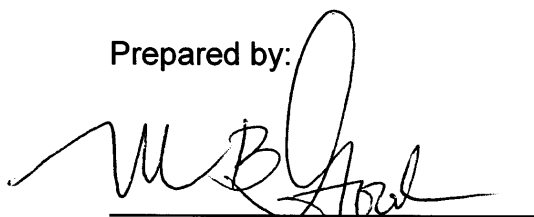
The cost of this action is \$200,000. Funding for this action will be addressed by an increase in appropriations of \$130,000 in L.A. IMPACT account number 8101-104-401710 and utilization of existing budgeted appropriations of \$70,000 in Air Operations account 8101-101-401700. As a result of this action, the L.A. IMPACT fund will have a remaining balance of \$250,481. It is anticipated that all funds will be spent during the current fiscal year with no indirect or support cost requirements.

Respectfully submitted,



PHILLIP L. SANCHEZ
Chief of Police

Prepared by:



Mark B. Goodman
Sergeant

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:
H.E.R.O.S. INC

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

<u>HEROS KAJBEROUNI</u>
<u>ANAHID KAJBEROUNI</u>
<u>MEGHEDI KAJBEROUNI</u>
<u>ARMEN KAJBEROUNI</u>
<u>RAFFI KAJBEROUNI</u>

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

<u>SAME AS ABOVE</u>

Prepared by: RAFFI KAJBEROUNI
Title: CHIEF FINANCIAL OFFICER
Phone: 818-265-9730
Date: 6/12/2013

Living Wage Compliance Certification

This contract is subject to the City of Pasadena's Living Wage Ordinance, Pasadena Municipal Code Chapter 4.11. The Ordinance requires that contractors providing labor or services to the City under contracts in excess of \$25,000:

- ◆ Pay no less than ten dollars and fifty-four cents (\$10.54) per hour plus medical benefits of no less than one dollar and eighty-one cents (\$1.81) per hour, or twelve dollars and thirty-five cents (\$12.35) per hour without medical benefits to all employees who spend any of their time providing labor or delivering services to the City of Pasadena. Additionally, in January 2013 and each January thereafter the Living Wage rate shall be adjusted by the change in the Consumer Price Index, for the Los Angeles-Riverside-Orange County area, for the most recently available 12 month period. Accordingly, current City contractors will be required to adjust wage rates no later than July 1st, to remain in compliance.
- ◆ Notify employees who spend any of their time providing labor or delivering services to the City of Pasadena who make less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit (EITC) under § 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and making available to such employees forms required to secure advance EITC payments.

The selected contractor will be required to evidence compliance with the Living Wage Ordinance by submitting payroll records as requested by the City. Each record shall include the full name of each employee performing labor or providing services under the contract; job classification; rate of pay and benefit rate.

On August 4, 2008, the Pasadena City Council amended the Living Wage Ordinance such that the provisions of the Living Wage Ordinance may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in clear and unambiguous terms. If this provision applies, you must provide a copy of the collective bargaining agreement to the City.

I do hereby certify and declare under penalty of perjury that if awarded the contract for which this bid/proposal is made H.E.R.O.S. INC will comply with the
(Name of Company)

requirements of the Pasadena Living Wage Ordinance, Pasadena Municipal Code Chapter 4.11 and the rules and regulations promulgated thereunder. I understand that failure to comply with the provisions of the Pasadena Living Wage Ordinance may result in termination of the contract as well as other penalties as stated in Pasadena Municipal Code Chapter 4.11.

RAFFI KAJBEROWI
(Name)

CHIEF FINANCIAL OFFICER
(Title)

[Signature]
(Signature)

6/2/2013
(Date)

Please return this form with your bid/proposal. Questions concerning the Living Wage Ordinance should be directed to the Department of Finance – Purchasing Division 626.744.6755.