



Agenda Report

September 21, 2015

TO: Honorable Mayor and City Council

FROM: Police Department

SUBJECT: AUTHORIZATION TO ISSUANCE OF A PURCHASE ORDER CONTRACT TO HELICOPTER ENGINE REPAIR AND OVERHAUL SERVICES, INCORPORATED (H.E.R.O.S.) IN THE AMOUNT OF \$252,987

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 (H.E.R.O.S.) in an amount not to exceed \$252,987. 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.

BACKGROUND:

The City of Pasadena Police Department currently owns and operates one MD-500E helicopter equipped with a turbine engine. During fiscal year 2016 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 (H.E.R.O.S.) is a vendor/contractor for helicopter turbine engine repair and overhaul for other government entities. H.E.R.O.S. serves customers from a variety of industries including local and state law enforcement agencies, air ambulance and organ transport, agriculture, tourism, flight training, timber and wildlife management, firefighting, construction, electrical contracting and more.

H.E.R.O.S. presents operators from all sectors the unique opportunity to enjoy one-on-one, customized, quality engine repair & overhaul services for the Model 250-C18, C20 & C30 series turbo-shaft engines & accessories. Since 1988, both single as well as multi-ship operators have grown to depend upon their outstanding reputation, quality workmanship, competitive pricing & attention to customer service. They provide experienced Field Support Technicians 24/7 as part of their customer service package. In addition, H.E.R.O.S is one of the few facilities that have an on-site test cell, which allows them to conduct Non-Destructive Testing (NDT) that is FAA certified.

H.E.R.O.S. 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. H.E.R.O.S. is located in the City of Valencia, which is 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.

H.E.R.O.S. 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. City of Pasadena has had a working relationship with H.E.R.O.S. since July 2011. City of Pasadena currently has an open Purchase Order #116032-00 in the amount of \$74,999 with H.E.R.O.S for repair and parts for Rolls-Royce 250 engine.

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 estimated cost of this action is \$210,823, however with such a major component repair, a twenty percent (\$42,164) buffer for unanticipated cost has been added bringing the projected cost to \$252,987. Once the turbine engine is opened it is not uncommon to find additional repairs, which increases the initial price quote. In our experience, a twenty percent buffer will cover any unforeseen costs. Funding for this action will be addressed by utilization of existing budgeted appropriations of \$252,987 in Air Operations account 10132006-850400. 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:



Chris Sharma
Sergeant

Approved by:



MICHAEL J. BECK
City Manager