

Agenda Report

To: City Council September 14, 1998

From: City Manager

Subject: INCREASE PURCHASE ORDER 2940 TO AIRWORK FOR REPAIR/OVERHAUL OF HELICOPTER TURBINE ENGINES AND GRANT AUTHORIZATION TO ISSUE PURCHASE ORDERS IN SUBSEQUENT FISCAL YEARS

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the Purchasing Administrator to increase Purchase Order 2940 with Airwork in the amount of \$27,000, for a new total of \$50,000, and
2. Authorize the City Manager to enter into Purchase Orders with Airwork for up to five additional fiscal years, at the City Manager's discretion, for amounts not to exceed \$60,000 per year.

The proposed purchase order is exempt from competitive bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services.

It is further recommended that the proposed purchase orders be granted a partial exemption (vendor outreach) from the Affirmative Action in Contracting Ordinance P.M.C. 4.09.060(C), contracts for which the City's best interests are served.

BACKGROUND

The Police Department currently operates two Bell helicopters powered by Allison 250-C-20B turbine engines. As a result of normal operation these turbine engines require periodic maintenance and repair. These repairs must be performed by a facility licensed by the Federal Aviation Administration for this type of work.

In June of 1998, the City of Burbank undertook a competitive bidding process for the inspection and overhaul of Allison Gas Turbine Series 250 engines and accessories. As a result of the bid process, Burbank awarded a contract to Airwork. Airwork has offered to

extend the same contract pricing to the City of Pasadena. Were the city to undertake a competitive bidding process it is highly unlikely that we would be able to obtain a better package of discounts and services.

Joining this contract with Airwork would be in the City's best interest for several reasons. Under this contract, Airwork will provide rental engines at a reduced rate and on site service for minor repairs and evaluation of turbine engines. The contract includes a fixed shop rate of \$55.00 per hour with a guarantee that the labor rate will not increase over 5% in three years. There will be a 25% discount for parts installed by Airwork and a discount of 10% for over-the-counter parts, modules, or a new engine. Airwork will provide engine shipping to and from the overhaul facility at no charge. Training for pilots and mechanics will be provided at no cost to the city.

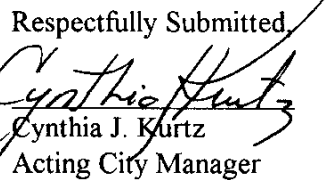
The requested increase in the existing purchase order is necessary to provide for the purchase of parts and repairs which may be needed during the remainder of the current fiscal year.

This action ensures the availability of needed parts and repairs as well as eliminating the need for staff having to return to the City Council each year to seek authorization for an annual purchase order. It also guarantees the labor rates and discounts that are available through joining the Burbank contract.

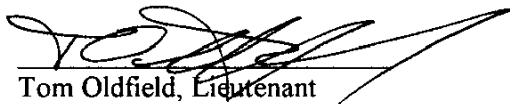
Airwork has submitted the required Affirmative Action forms.

FISCAL IMPACT

Sufficient funds are provided for in Budget Account 402400, Police Heliport, and Special Project Account 402410, LA IMPACT.

Respectfully Submitted,

Cynthia J. Kurtz
Acting City Manager

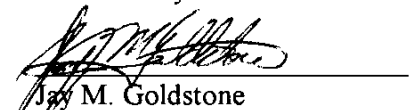
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