

Agenda Report

To: City Council

September 28, 1998

From: City Manager

Subject: INCREASE PURCHASE ORDER 2778 WITH THE ENSTROM HELICOPTER CORPORATION FOR THE PURCHASE OF COMPONENTS, PARTS, AND REPAIRS FOR CITY OWNED ENSTROM HELICOPTERS AND GRANT AUTHORIZATION TO ISSUE PURCHASE ORDERS IN SUBSEQUENT YEARS.

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the Purchasing Administrator to increase Purchase Order 2778 with the Enstrom Helicopter Corporation in the amount of \$46,000 for a new total of \$70,000, and,
2. Authorize the City Manager to enter into purchase orders with the Enstrom Helicopter Corporation for up to five additional fiscal years, at the City Manager's discretion, for amounts not to exceed \$70,000 per fiscal year. The proposed purchase orders are exempt from competitive bidding pursuant to City Charter Section 1002 (C) contracts for labor, materials, supplies or services available from a sole source.

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 pursuant to Section 4.09.060(B)(1) contract for labor, materials supplies or services available from a sole source.

BACKGROUND

The Police Department currently operates three Enstrom Helicopters. The continued safe operation of these aircraft requires ongoing maintenance and repair. As components reach their specified time-in-service limits or wear beyond acceptable limits they must be replaced.

Federal Aviation Regulations require that major components and specific parts must be manufactured, repaired, and/or inspected by the aircraft manufacturer prior to use on an aircraft. For this reason a majority of the parts for the aircraft must be obtained from the aircraft manufacturer. It is because of this that the Enstrom Helicopter Corporation is a sole source supplier for these parts and components.

In March 1995, the City Council authorized the City Manager to enter into annual purchase orders with the Enstrom Helicopter Corporation for a period of up to three years. These purchase orders were granted a partial exemption from the Affirmative Action in Contracting Ordinance and exempted from competitive bidding based on sole source status.

The authorization for the series of purchase orders has expired and this request is to authorize another series of purchase orders. This action ensures the availability of needed parts and equipment 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.

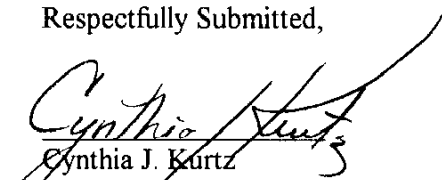
The requested increase in the existing purchase order is necessary to provide for the purchase of needed parts and equipment for the remainder of the current fiscal year.

The Enstrom Helicopter Corporation has submitted the required Affirmative Action Forms.


FISCAL IMPACT

Sufficient funds for the requested Purchase Order increase are provided for in Budget Account 402400, Police Heliport.

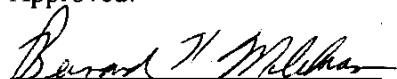
Respectfully Submitted,


Cynthia J. Kurtz
Acting City Manager

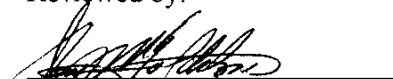
Prepared by:


Tom Oldfield, Lieutenant
Helicopter Section

Approved:


Bernard K. Melekian
Chief of Police

Reviewed by:


Jay M. Goldstone
Director of Finance