



The City of San Diego

Staff Report

DATE ISSUED: October 3, 2019

TO: City Council

FROM: Police Department

SUBJECT: Authorization to Enter into an Agreement with Airbus Helicopters, Inc. for a Helicopter with Mission Configuration Installation

Primary Contact: Captain Stephanie Rose Phone: (619) 531-2407

Secondary Contact: Sergeant Craig Evans Phone: (619) 573-5078

Council District(s): Citywide

OVERVIEW:

The City seeks to enter into a five (5) year agreement with Airbus Helicopters, Inc. for the purchase of one (1) helicopter with mission configuration installation to replace existing aircraft fleet, with the option to purchase up to three (3) additional replacement aircraft contingent upon City approval and funding availability.

PROPOSED ACTIONS:

1. Approve a Resolution authorizing the Mayor, or his designee, to enter into an agreement with Airbus Helicopters, Inc. for one (1) year with four (4) additional one (1) year options for a total term of five (5) years to purchase one (1) helicopter with mission configuration installation for an amount not to exceed \$4,573,266. The agreement will also provide the City the option to purchase up to three (3) additional helicopters for \$5,500,000 per helicopter for an additional amount of \$16,500,000. Authorization from City Council for the purchase of each additional helicopter shall be required.
2. Approve a Resolution authorizing the Chief Financial Officer to appropriate and expend an amount not to exceed \$4,573,266 from Seized Assets Fund 200223 to purchase one (1) helicopter with mission configuration installation contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

DISCUSSION OF ITEM:

The Police Department's Air Support Unit (ABLE) operates a fleet of four (4) Airbus AS350B3 single engine gas turbine helicopters. These helicopters are utilized for law enforcement applications to maximize officer and public safety. ABLE flies a variety of missions, both day and night, with the primary objective to support ground personnel by improving safety. Missions can include assistance with foot and vehicle pursuits, missing person searches, vehicle recovery, surveillance, and first-at-scene support.

The Air Support Unit's four (4) helicopters were purchased in 2004 and 2005, and each have approximately 10,000 hours of flight time. The Police Department Air Support Unit averages over 3,100 flight hours per year.

In June 2016, the City entered into an agreement with Conklin & de Decker Associates, Inc. (C&D) to conduct an aircraft fleet analysis of the City's current helicopter fleet to make more informed decisions on the purchase, operation, maintenance, and disposition of aircraft by providing objective and impartial information.

Conklin & de Decker completed their report on March 3, 2017. In the report, C&D analyzed three options for current fleet replacement for the Police Department which were to retain current fleet, replace current fleet at the same time, and replace current fleet in phases. According to the C&D report, the option to retain the current fleet is not likely due to increasing maintenance costs and extended out of service time. The option to replace the current fleet at the same time would financially impact maintenance costs if major maintenance work is required and at the same time, jeopardize the availability of the helicopters. Additionally, the analysis for this second option does not take funding availability into consideration. The last option to replace current fleet in phases addresses the major maintenance work and helicopter availability concerns by smoothing out maintenance costs, providing better aircraft availability due to maintenance schedules, and allowing purchasing when funding is identified and approved. The Police Department supports the suggested replacement of its fleet in phases. The C&D report recommends disposition and replacement of the existing helicopters in phases between August 2018 and August 2023 based on the fleet's age, maintenance costs, and resale value.

A Request for Proposal (RFP) #10089562-20-K was issued on August 1, 2019 for the purchase of a helicopter with mission configuration installation. The RFP required acceptance of trade-in of aircraft, and for prospective contractors to address how future aircraft pricing would be decided and managed to derive the best value for the City.

Based on the results of the competitive bid process, Airbus Helicopters, Inc. (Airbus) was awarded the contract. Airbus' proposal addressed all RFP items at a competitive market price. Airbus will provide the airframe and manage the completion of the aircraft which will be performed by Hangar One Avionics & Maintenance, accept the trade-in of existing aircraft, and provide the option and pricing for the term of this contract to purchase the same make and model helicopter when the City chooses to make any additional purchases.

The staff recommendation is to approve the Resolution.

City Strategic Plan Goal(s)/Objective(s):

Goal #1: Provide high quality public service.

Objective #2: Improve external and internal coordination and communication.

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective #1: Protect lives, property, and the environment through timely and effective response in all communities

Objective #2: Reduce and prevent crime

Objective #4: Foster services that improve quality of life

Fiscal Considerations:

This action seeks expenditure authority not to exceed \$4,573,266 for one (1) helicopter with mission configuration installation. The agreement with Airbus Helicopters, Inc. is for replacement of one (1) aircraft within the first year of this agreement with an option to purchase up to three (3) additional replacement helicopters over the five-year term of the agreement for up to \$5,500,000 per helicopter for an additional amount of \$16,500,000. The first replacement purchase is not to exceed \$4,573,266 for the Police Department, Business Area 1914, Seized Assets Fund (200223).

The trade-in of an existing aircraft for this purchase is currently estimated at \$831,316, and is contingent upon trade-in acceptance conditions. The trade-in will occur on or before the delivery date of the new replacement aircraft in approximately 11 months. Since conditions of the trade-in aircraft could unexpectedly change over those months, the not to exceed amount for this purchase does not include the trade-in value.

Replacement of up to three (3) additional aircraft within the next four (4) years is contingent upon City Council approval, funding availability, adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer. Subsequent replacement purchases are not anticipated to exceed \$5.5 M per aircraft.

Charter Section 225 Disclosure of Business Interests:

N/A - there are no individuals who own more than 10% of Airbus who are contracting with the City or who will receive more than 10% of the contracted amount.

Environmental Impact:

This agreement to purchase a helicopter is not a project pursuant to CEQA Guidelines Section 15378(b)(2), which covers purchases of supplies that will not result in a direct or reasonably foreseeable indirect physical change in the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Equal Opportunity Contracting Information (if applicable):

This agreement is subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

This item will be presented at the Public Safety and Livable Neighborhoods Committee prior to Council.

Key Stakeholders and Community Outreach Efforts:

All City Departments, City of San Diego residents, businesses, and visitors.

David Nisleit

Kris Michell

Chief of Police

Chief Operating Officer

