

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

721



SUBMITTAL DATE:
03/13/14

FROM: Sheriff-Coroner-PA

SUBJECT: Approval of Turbomeca USA as the Sole Source Provider for Helicopter Engine Parts and Maintenance for the Sheriff's Department American Eurocopters, All Districts. [\$2,500,000 – Department Budget]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Purchasing Agent to purchase replacement helicopter engine parts, engine inspections, maintenance and repair services, Ariel 2B/2B1 engine overhauls and Ariel 2B series engine rentals from Turbomeca U.S.A. until December 31, 2018, at a cost not to exceed \$500,000 annually, without securing competitive bids, in accordance with Ordinance 459.4.

Stanley L. Sniff Jr.
Stanley L. Sniff Jr.
Sheriff-Coroner-PA
Will Taylor, Dir. of Administration

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 500,000	\$ 500,000	\$ 2,500,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 500,000	\$ 500,000	\$ 2,500,000	\$ 0	

SOURCE OF FUNDS: General Fund Budget Adjustment: No
For Fiscal Year: 13/14

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: *Elizabeth J. Olson*
Elizabeth J. Olson

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *[Signature]* 3/13/14

Departmental Concurrence

Purchasing: *[Signature]*
Mark Seiler, Assistant Director

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 11/18/08 3.55 | District: All | Agenda Number:

3 - 12

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Turbomeca USA as the Sole Source Provider for Helicopter Engine Parts and Maintenance for the Sheriff's Department American Eurocopters, All Districts. [\$2,500,000 – Department Budget]

DATE: 03/13/14

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BACKGROUND:

Summary

Sheriff's Aviation's primary fleet consists of four American Eurocopter AS350B-3 helicopters that require parts, repairs and maintenance service at specific time intervals. When the Eurocopters' Arriel 2B/2B1 engines have reached their required engine rebuild service hour intervals, a complete engine overhaul is needed. Turbomeca USA is the only Federal Aeronautics Administration (FAA) and factory authorized Arriel 2B/2B1 engine rebuilder and parts manufacturer in the United States, and the sole source authorized overhaul center for the Arriel 2B & 2B1 hydro mechanical unit in North America.

As the parts manufacturer, the vendor offers time before overhaul (TBO) extension concessions at its discretion on components and parts. In other words, Turbomeca can extend the TBO by 10% to coincide with the upcoming replacement of components and parts. The timing of overhauls with parts replacements reduces the aircraft downtime. In addition, if it discovers a design or functionality problem with a part during testing or after an "incident", it will replace the part or upgrade at no cost or at a reduced price.

Turbomeca maintains a supply of rental engines that it offers to customers while their engine is being worked on. So while our engine is undergoing an overhaul, we can install the rental engine, which again reduces aircraft downtime.

As a result of staff's search for alternative vendors that might be able to provide the same or comparable service, it located Vector Aerospace's repair and overhaul facility, located in Vancouver, Canada. However, Vector Aerospace cannot repair the hydro mechanical unit, and would have to send the unit to Turbomeca USA for that repair. Also of note, Vector Aerospace does not offer rental engines.

Contract History and Price Reasonableness

Turbomeca has maintained the helicopter engines for the department since it purchased its first American Eurocopter. The Board has approved this firm as a sole source provider of helicopter parts and an engine rebuilder twice prior to this present request (4/19/05 3.20 & 11/18/08 3.55). The department has budgeted sufficient funds in the present fiscal year for this service agreement and has proposed an equal amount in its FY 14-15 Patrol budget.

Turbomeca's pricing structure is consistent with pricing they provide to other municipalities/ government agencies. Currently the vendor is charging the Department \$115 an hour for labor; whereas they are charging Orange County Sheriff \$119 an hour for labor. The estimated cost for each completed engine overhaul is \$400,000.

Impact on Citizens and Businesses

Aircraft engines require regular maintenance, and after a specific time of use require inspection and overhaul by the engine manufacturer. Although expensive, these safety requirements allow the department to keep the aircraft flying and available for law enforcement and search and rescue missions, thus enhancing our ability to provide service to the residents and communities of Riverside County.

Date: March 10, 2014
From: Will Taylor, Chief of Administration Department/Agency: Sheriff/Aviation
To: Board of Supervisors
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Turbomeca USA Parts and Services

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

1. **Supply/Service being requested:** Request for engine replacement parts, inspections, on-going repairs/maintenance service, and engine overhaul and rentals for the Arriel 2B series aircraft.
2. **Supplier being requested:** Turbomeca USA, Vendor #11659
3. **Alternative suppliers that can or might be able to provide supply/service:** Vector Aerospace, Walnut CA.
4. **Extent of market search conducted:** Staff conducted an internet search for approved service providers for the Arriel 2B series, level 4 engine repair and service centers. Staff contacted Vector Aerospace and confirmed it is unable to perform a complete overhaul on the hydro mechanical unit.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Sheriff's Aviation's primary fleet consists of four American Eurocopter AS350B-3 helicopters that require pairs, repair and maintenance service. When a helicopter engine reaches its required engine rebuild service hour interval, a complete engine overhaul is needed. Turbomeca USA is the only Federal Aeronautics Administration (FAA) and factory authorized Arriel 2B/2B1 engine rebuilder and parts manufacturer in the United States, and the sole source authorized overhaul center for the Arriel 2B & 2B1 hydro mechanical unit (HMU) in North America.

As the parts manufacturer, Turbomeca offers time before overhaul (TBO) extension concessions, at its discretion, on components and parts. If requested, it also offers specific commercial concessions related to the embodiment of specific engine upgrades related to the Arriel 2B & 2B1. Turbomeca maintains a supply of rental engines that they offer to customers while their engine is in repair.

Vector Aerospace's repair and overhaul facility is located in Vancouver, Canada. The location in Walnut, CA is a sales office. Vector Aerospace cannot repair the hydro mechanical unit (HMU) and would have to send the unit to Turbomeca for that repair. Further, Vector Aerospace does not offer rental engines.


6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Turbomeca has maintained the engines since the department purchased the helicopters. It consistently maintains a robust stock of parts and rental engines for their customers. The Board has approved this firm as a sole source provider of helicopter parts and an engine rebuilder twice prior to this present request (4/19/05 3.20 & 11/18/08 3.55).

Aircraft engines require regular maintenance and after a specific time of use require inspection by the engine manufacturer. Having access to rental engines allows the department to keep the aircraft flying and available for law enforcement and search and rescue missions thus enhancing our ability to provide service to the residents and communities of Riverside County.

7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** Turbomeca's pricing structure is consistent with pricing they provide to other municipalities / government agencies. Currently the vendor is charging the Department \$115 an hour for labor; whereas they are charging Orange County Sheriff \$119 an hour for labor. The estimated cost for each completed engine overhaul is \$400,000.
8. **Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain).** No
9. **Period of Performance:** Staff is requesting a one-year service contract agreement with the option to renew annually for four (4) additional years at a cost not to exceed \$500,000 annually.

Chief Deputy Signature

Date



Department Head Signature

3/12/14

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 500,000

One time

Annual Amount through 6-30-2019



Purchasing Agent

3/13/14

Date

14-395

Approval Number
(Reference on Purchasing Documents)