

578



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

FROM: Sheriff-Coroner-PA and County Executive Office

SUBMITTAL DATE:
12/01/14

SUBJECT: Approval of the Single Source Purchase of Two Helicopters from Airbus Helicopters, All Districts. [\$11,500,000 - 83% General Fund & 17% Insurance Payout]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Purchasing Agent to purchase two AS350-B3 helicopters from Airbus Helicopters for a cost not to exceed \$11,500,000 without securing competitive bids, in accordance with Ordinance 459.4.
2. Authorize the Purchasing Agent to sign the finance amendment to the Master Line of Credit with Bank of America to fund this purchase; and to execute documents to comply with the Federal Aviation Administration regulations pertaining to these assets.

(Continued on Page 2)

William A. DiYorio

Stan Sniff
Sheriff-Coroner-PA
William DiYorio, UnderSheriff

PURCHASING & FLEET SERVICES
Lisa Brandl
Lisa Brandl, Director

Department of Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 11,500,000	\$ 0	\$ 11,500,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 9,540,000	\$ 0	\$ 9,540,000	\$ 0	

SOURCE OF FUNDS: 83% General Fund & 17% Insurance Payout

Budget Adjustment: No

For Fiscal Year: 14/15

C.E.O. RECOMMENDATION: APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 08/15/06 3.24 | District: All | Agenda Number:

3-42

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

FORM 11: Approval of the Single Source Purchase of Two Helicopters from Airbus Helicopters, All Districts. [\$11,500,000 - 83% General Fund & 17% Insurance Payout]

DATE: 12/01/14

PAGE: 2 of 3 (BR 15-050)

BACKGROUND:

Summary

The Sheriff's Aviation Unit has a current operational fleet consisting of five aircraft: one Bell OH58A helicopter, three Airbus AS350-B3 helicopters and one Cessna 182P fixed wing airplane. A sixth aircraft crashed during a routine training exercise and is inoperable.

The Bell OH58A helicopter was built in 1969. It was acquired from the military under the 1208 program and is now limited in function due to its age (45 years old). The Bell helicopter cannot be used for search and rescue operations because it is not designed for, nor equipped with, a rescue hoist. The aircraft is limited to daytime patrol only because it does not have the provision for night vision goggle use or a Night Sun. Additionally, Federal Law and the FAA regulations limit the use of the Bell helicopter restricting the Department's ability to support varied missions. The Bell OH58A was scheduled to be taken out of service five years ago but the Sheriff intentionally held off on replacing the helicopter for budget savings.

Recently a Sheriff's Airbus helicopter crashed during a routine training exercise. The helicopter sustained extensive damage and is not salvageable. The insurance company has determined the helicopter to be a total loss and will payout \$2 million less the \$40 thousand deductible. The balance of \$1,960,000 will be used towards the purchase of the new helicopter. This helicopter will be replaced by the second helicopter purchased.

During the fiscal year 2014/2015 budget impact hearings, on September 8th, the County Executive Officer asked the Sheriff's Department to work with CEO staff to purchase two replacement helicopters. The Bell OH58A will eventually be retired and the crashed helicopter will be replaced. As agreed upon by the Sheriff and the County Executive Office, all financed payments for this purchase will come from the General Fund. The First year payment will be covered by the insurance payout, and starting with FY 15/16, NCC will be increased to cover the amortized payments.

Justification of Single Source Purchase

In order to maintain continuity of use, the Sheriff's Department is again requesting to purchase the Airbus AS350-B3 helicopters. This would eliminate the need for duplicate certified training and practical experience for the pilots and maintenance personnel. The Department has also invested significantly in tooling equipment, replacement parts inventory and training of both flight crew and maintenance personnel to ensure the safe operation of these helicopters. Airbus Helicopters will subcontract Hangar One Avionics to manage the project from start to delivery. Hangar One is located locally in Carlsbad California which would save downtime and money for repairs and delivery.

Another option for purchasing the helicopters would be to piggyback onto the CHP State contract. This solution would require the County to pay the State a management fee of \$632,366 and a surcharge fee of \$81,382. Department personnel would also have to manage the project which would be located in Texas, adding a considerable amount of travel and lodging costs. Staff has determined this option would be more expensive and a less favorable choice.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of the Single Source Purchase of Two Helicopters from Airbus Helicopters, All Districts. [\$11,500,000 - 83% General Fund & 17% Insurance Payout]

DATE: 12/01/14

PAGE: 3 of 3 (BR 15-050)

Price Reasonableness

A comparison of the Departments configuration and essential components needed to support daily operations was conducted and revealed that buying directly from Airbus Helicopters resulted in the overall best price. The current price is dependent on the Department's ability to commit to the purchase before 1/1/15. As of that date, a component change to the gas tank will increase the total purchase price by \$180,000. The Aviation Unit has determined the design change is not significant to their operation.

Impact on Citizens and Businesses

The Aviation Unit provides helicopter support for Patrol operations and search and rescue incidents. Utilizing an aerial view is integral to the safety of deputies and the public alike.

Date: December 1, 2014

From: Will Taylor, Director of Administration

Department/Agency: Sheriff

To: Board of Supervisors

Via: Purchasing Agent

Subject: Single Source Procurement; Request for the purchase of two Airbus AS350-B3 helicopters.

The below information is provided in support of my Department requesting approval for a single 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:** The Department is requesting the purchase of two Airbus AS350-B3 helicopters to replace a helicopter that crashed during a routine training exercise and the Bell OH58A (built in 1969) that is limited to daytime patrol due to age. The two new helicopters will support the daily operation and mission of the Sheriff's Department.
2. **Supplier being requested:** Airbus Helicopter
3. **Alternative suppliers that can or might be able to provide supply/service:** Airbus Helicopter and California Highway Patrol (CHP) State contract.
4. **Extent of market search conducted:** In order to maintain continuity of use, maintenance and training with the Sheriff's existing fleet of aircrafts, the Sheriff's Department is requesting approval to purchase two Airbus AS350-B3 aircrafts from Airbus Helicopter, formerly known as American Eurocopter. The Airbus AS350-B3 aircraft is preferred over any other, because the Department has invested tremendously in tooling equipment, inventory of parts and training of personnel for this specific helicopter. The Department conducted research to determine the most cost effective options in purchasing the helicopters from this vendor. The Department can buy directly from the vendor or piggyback off the California Highway Patrol (CHP) State contract. A comparison of the Department's configuration and essential components needed to support daily operation was conducted and buying directly from Airbus Helicopter versus utilizing the CHP State contract proved to yield the overall best price.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Sheriff's Aviation has a current operational fleet of three Airbus AS350-B3 aircrafts. A fourth Airbus was recently totaled during a routine training exercise. The request is to purchase two Airbus AS350-B3 helicopters to replace the crashed helicopter and the outdated Bell OH58A. The two Airbus AS350-B3 aircrafts will streamline our operation and eliminate duplication of certified training, experience requirements for both pilots and maintenance personnel. In addition, the Department has invested significantly in tools, inventory, training of both flight crews and maintenance staff, all to assure the safe operation and continued airworthiness of the helicopter.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Recently a Sheriff's helicopter crashed during a training exercise. The helicopter sustained extensive damage, and is unsalvageable. The collision reduced the availability of aviation resources responding to emergencies. Currently, the Department has three Airbus helicopters and one Bell OH58A helicopter in its fleet. The Bell aircraft is not used for search and rescue operations since it is not designed for, nor equipped with, a rescue hoist. This aircraft is limited in function and used for daytime patrol only since it does not have the provisions for night vision goggle use or a night sun. Additionally, Federal Law and the FAA regulations limit the use of the Bell helicopter, and therefore being down a helicopter limits the Sheriff's ability to support varied missions. The Sheriff's fleet is also aging and requiring more maintenance. Adding the additional aircrafts will ensure availability of aircraft to meet operational needs.

7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The Department would like to commit to the purchase of two helicopters before January 2015. After January 2015, the purchase will increase by \$90,000 each (\$180,000 for two aircraft), due to a design change to the gas tank. The Aviation Unit has determined that the change in the design will not impact their operation.



There are significant costs saving by utilizing Airbus Helicopter for the purchase of the AS350-B3 helicopters. If the Department utilizes the CHP State contract, we would have to pay a management fee of \$632,366 and a 1% surcharge fee of \$81,382 for a total of \$713,748 to use the State contract. Further, Sheriff's staff would have to act as project managers to oversee the completion of the projects. Department personnel would have to fly to Texas to inspect and pick up the helicopters and then deliver them to another vendor for configuration and installation of specialized equipment. A project of this size and specialization will require several staff members from Aviation to manage it, and will require numerous trips to the vendor's location in Texas. The time spent on the project and traveling to and from Texas would remove those precious resources from service.

If purchased directly from Airbus Helicopter, they would subcontract with Hangar One Avionics to manage the projects from start to delivery. This will allow the Department to rely on their expertise, which will minimize our liability. Hangar One Avionics is located in Carlsbad, California, which will also provide additional cost savings by minimizing down time during aircraft repairs and delivery.

The total purchase cost for two aircrafts from Airbus Helicopter is \$11,064,288. However, the Sheriff's Department is recommending a total cost of \$11,500,000, to account for all cost contingencies.

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 single source?** No


9. **Period of Performance:** One time financed purchases to be handled by the Executive Office.

	12/02/14
Chief Deputy Signature	Date
	12/2/14
Department Head Signature	Date

Purchasing Department Comments:

Approve
 Approve with Condition/s
 Disapprove

Not to exceed: \$ 11,500,000.00 One time Annual Amount through _____

	12/3/14	15-322
Purchasing Agent	Date	Approval Number
(Reference on Purchasing Documents)		