

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



ITEM
3.34
(ID # 6600)

MEETING DATE:

Tuesday, April 24, 2018

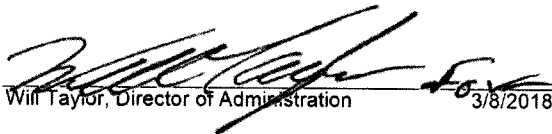
FROM : SHERIFF-CORONER-PA:

SUBJECT: SHERIFF- CORONER-PA: Approve Purchasing Agent to Issue Purchase Orders to Safran for Helicopter Engine Parts, and Engine Related Services for Department Owned Helicopters Without Seeking Competitive Bids for Five (5) Years, [All Districts], [Total Cost \$3,750,000]; [\$750,000 Annual Cost]; 100% General Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and Authorize the Purchasing Agent to issue purchase orders to Safran for Arriel 2B/2B1, 2D1 replacement helicopter engine parts, and services relating to engine inspection, overhaul, rental, maintenance and repair without securing competitive bid for an aggregate amount of \$750,000 annually for five years in accordance with Ordinance No. 459.

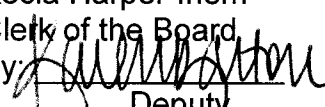
ACTION: Policy


Will Taylor, Director of Administration 3/8/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: April 24, 2018
xc: Sheriff, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$ 750,000 | \$ 750,000 | \$ 3,750,000 | \$ 0 |
| NET COUNTY COST | \$ 750,000 | \$ 750,000 | \$ 3,750,000 | \$ 0 |
| SOURCE OF FUNDS: 100% General Fund | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | 18/19- 22/23 |

C.E.O. RECOMMENDATION: Approve

BR #18-050

Prior Agenda 3.12 03/25/14

BACKGROUND:

Summary

Sheriff's Aviation's primary fleet consist of three (3) Airbus AS350B-3 and two (2) Airbus H125 helicopter, in which the engines are manufactured with Safran Arriel 2B, 2B1, and 2D series. These helicopter engines require on going repair and maintenance services at specific time intervals. The 2B and 2B1 require overhaul at 3850 hours and the 2D model must be overhauled at 4000 hours. When helicopter engines reach a maximum allowable run time set by manufacturer, a complete engine overhaul is required. The current estimated engine overhaul cost is between \$550,000 to \$600,000. The overhaul includes an intensive inspection, maintenance and repair of all aircraft components as well as all labor and parts needed.

Other vendors such as Vector Aerospace, located in Vancouver Canada, Eurotec Vertical Flight Solutions, located in Eudora Kansas, Advanced Helicopter Services located in Woodland California, and Keystone Turbine Services, located in Coatesville, Pennsylvania are repair facilities approved to perform level III engine overhaul services, but they can't perform all the necessary overhaul service in-house. Safran has proprietary rights for the Arriel 2B, 2B1, and 2D engine's Hydro Mechanical Unit (HMU) and is the only authorized service provider for the HMU in the United States. The HMU is a critical component that regulates the amount of fuel burned by the engine.

As the parts manufacturer, Safran offers Time Before Overhaul (TBO) extension concessions at its discretion on components and parts. Safran can extend the TBO by 10% to coincide with the upcoming replacement of components and parts. The timing of the overhauls with parts replacement reduces the aircraft downtime. In addition, if it is discovered 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 reduced price.

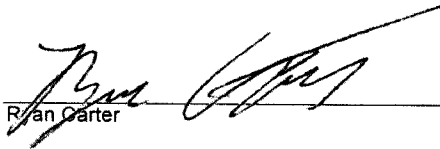
Impact on Citizens and Businesses

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Regular aircraft maintenance is required to allow the Department to keep the aircraft flying and available for law enforcement and search and rescues missions, thus enhancing our ability to provide services to the residents and communities of Riverside County.

Contract History and Price Reasonableness

Safran offers the County the same pricing structure offered to other municipalities/government agencies. In 2016 when San Bernardino County completed their engine overhaul, the total cost was approximately \$401,000, which didn't include the HMU component of \$50,000. On June 2016, the Department also completed an engine overhaul to include the HMU component, and the total cost was \$459,708. The Department currently estimates the engine overhaul cost to be between \$550,000.00 to \$600,000. This estimate is higher to account for unforeseen part replacement and services once the vendor provides a thorough assessment of the repair. In addition, Safran is charging the Department \$136 per hour for labor, which is the same pricing they charge San Bernardino County for labor. For each overhaul, the vendor offers a warranty of 1,000 flight time or two years warranty on parts. Purchasing and Fleet Services will issue a professional service agreement, as approved by County Counsel, before any major repairs are completed.


Ryan Carter

4/17/2018


Mistry Wang, Supervising Accountant

3/8/2018


Teresa Summers, Director of Purchasing

4/5/2018

RIVERSIDE COUNTY

STANLEY SNIFF, SHERIFF-
CORONER



Sheriff

ACCOUNTING & FINANCEE P.O. BOX 512 □ RIVERSIDE, CALIFORNIA
92502 □ (951) 955-2700 FAX (951) 955-2720

Date: March 1, 2018
From: Will Taylor, Director of Administration
To: Board of Supervisors
Via: Sgt. Curtis Bright, Sheriff's Aviation Unit, 951-925-9591
Subject: Sole Source Procurement; Request for engine replacement parts,
engine inspection, overhaul, rental and maintenance 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 or single source.)*

1. Supplier being requested: Safran Helicopter Engine USA Inc.
2. Vendor ID: 208879
3. Single Source Sole Source
(Single Source - is a purchase of a commodity or service without obtaining competitive bids although more than one source is available)

(Sole Source - is a purchase of a commodity or service that is proprietary, or no other vendor is qualified or willing to meet the county specified requirements)

4. Supply/Service being requested:
(If this request is for professional services, attach the service agreement to this sole source request. The Purchasing Agent, or designee, is the signing authority for agreements unless the service is exempted by Ordinance 459, Board delegated authority or by State law. All insurance requirements must be met prior to work commencement. See the Risk Management website for vendor insurance requirements.)

Request for engine replacement parts, inspections, repairs, and rental services for the Safran's Arriel 2B, 2B1 and 2D series aircraft engines.

5. Unique features of the supply/service being requested from this supplier. *(If this sole source request is due to proprietary software or machinery, or hardware, provide a supporting letter from the manufacturer. If this is a single source request provide an explanation of how this provides the best value for the County by selecting this vendor.)*

Since 2001, Sheriff's Aviation has been operating Airbus helicopters for patrol, surveillance, and search and rescue operations. The Department currently owns three Airbus AS350B-3 and two Airbus H125 helicopters. Per the Federal Aviation Administration (FAA), the aircraft

manufacturer must certify replacement parts for aircraft. Airbus is the Original Equipment Manufacturer (OEM) of the aircraft airframe and uses Safran series engines to power their aircraft. Safran is the only FAA certified level IV maintenance provider for the Arriel 2B, 2B1 and 2D series engines in the United States. Safran's level IV rating means they can inspect, repair, overhaul and manufacture the engines per FAA and OEM standards.

Safran is the sole authorized overhaul center for Hydro Mechanical Unit (HMU) and Fuel Control Unit (FCU) installed on the Arriel 2B, 2B1 and 2D engines. The HMU and FCU are proprietary components of Safran. Safran, as the engine manufacturer, is authorized to offer time before overhaul (TBO) extension concessions on engine components and parts. Safran offers specific commercial concessions related to the Arriel 2B, 2B1 and 2D engines upon request (manual updates, service bulletins, etc.) Safran maintains a supply of rental engines that they offer to their customers at a pay by the hour rate while the customer's engine is being serviced.

6. **Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:** Safran has maintained the Department's helicopter engines since the helicopters were purchased. Safran maintains a thorough inventory of parts and engines for their customers. Aircraft engines require regular maintenance and after a specific time of use, require an inspection by the engine manufacturer. Having access to rental engines allows the Department to continue their flight operations while the engines are being inspected. Maintaining a thorough parts inventory ensures parts are received by the Department in a timely manner after an order is made.

7. **Period of Performance:** From: July 1, 2018 to June 30, 2023
(total number of years)

Is this an annually renewable contract? No Yes
Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

8. **Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)**

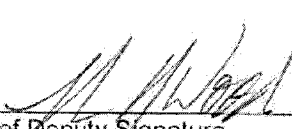
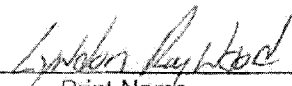


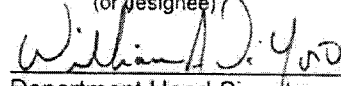
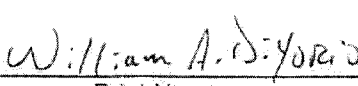
| Description: | FY18/19 | FY19/20 | FY20/21 | FY21/22 | FY22/23 | Total |
|--|---------|---------|---------|---------|---------|-------------|
| One-time Costs: | | | | | | |
| <i>(Insert description)</i> | | | | | | |
| Ongoing Costs: Parts and engine inspection, repair, overhaul and rental services | \$750K | \$750K | \$750K | \$750K | \$750K | \$3,750,000 |
| Total Costs | \$750K | \$750K | \$750K | \$750K | \$750K | \$3,750,000 |

Note: Insert additional rows as needed

Sheriff's Aviation requests \$750,000 per year to be dispersed aggregately over a five-year contract for engine replacement parts, inspections, repairs and rentals for the Department's Arriel 2B, 2B1 and 2D engines.

9. **Price Reasonableness:** *(Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)*
 Safran's pricing structure is consistent with pricing they provide to other municipalities / government agencies. In 2016 when San Bernardino County completed their engine overhaul, the total cost was approximately \$401,000, which didn't include the HMU component of \$50,000. On June 2016, the Department also completed an engine overhaul to include the HMU component, and the total cost was \$459,708. The Department currently estimates the engine overhaul cost to be between \$550,000.00 to \$600,000. This estimate is higher to account for unforeseen part replacement and services once the vendor provides a thorough assessment of the repair. The San Bernardino County Sheriff's Department is charged the equivalent labor rate by Safran.


10. **Projected Board of Supervisor Date** (if applicable): March 27, 2018
(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

| | | |
|--|---|---------------------------------|
|  _____ Chief Deputy Signature (or designee) |  _____ Print Name | <u>3/13/18</u> _____ Date |
|  _____ Assistant Sheriff Signature (or designee) |  _____ Print Name | <u>3/14/18</u> _____ Date |
|  _____ Department Head Signature (or designee) |  _____ Print Name | <u>3/14/18</u> _____ Date |

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Not to exceed: \$ 750,000 One-time Annual Amount through 6/30/23
 (Date)



 Purchasing Agent Date 3/23/18 Approval Number 18-155
 (Reference on Purchasing Documents)

List Attachments:



Oct. 25th 2017

Mr. Luis Morales
Riverside County Sheriff Department
4850 W. Stetson Ave.
Hemet, CA 92545

Dear Mr. Morales,

Established in 1938, Safran Helicopter Engines USA, Inc. (Safran HE) specializes in design, production, sale and support of low to medium gas power turbine engines for helicopters. The Airbus H125, H130, & AS350 helicopters operated by the Riverside County Sheriff's Department were manufactured with the Arriel 1 and Arriel 2 family of Safran HE engines.

With respect to this family of engines, there are no FAA-authorized Repair Centers other than Safran HE within the United States today that can repair and/or overhaul both the Hydro-Mechanical Unit (HMU) and Fuel Control Unit (FCU). Accordingly, currently all repairs and overhauls of Arriel 1 & Arriel 2 engines performed in the United States are accomplished at our authorized Repair Centers.

If you have further questions with regards to this letter, please contact our legal counsel at:

SAFRAN USA, Inc.
Attn: General Counsel
2201 W Royal Ln #150
Irving, TX 75063

Best Regards,

Thierry Derrien
Chief Executive Officer

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