

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor and Council	Date: 06-06-14	C.D. No. All	CAO File No.: 0150-08597-0008
Contracting Department/Bureau: Los Angeles Fire Department		Contact: Bill Jones, (213) 978-3461	
Reference: Board of Fire Commissioners report dated May 7, 2014.			
Purpose of Contract: To lease a Helitanker airship to assist in aerial fire suppression activities during the brush fire season.			
Type of Contract: (X) New contract () Amendment		Contract Term Dates: July 1, 2014 through June 30, 2019	
Contract/Amendment Amount: \$18,973,790			
Proposed amount \$ 18,973,790 + Prior award(s) \$ 0 = Total \$ 18,973,790			
Source of funds: Fund 100/38, Account 3040, Contractual Services			
Name of Contractor: Erickson Air-Crane, Inc.			
Address: 5550 SW Macadam Avenue, Suite 200, Portland, OR, 97237			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed			X
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0%			
8. Contractor has complied with:			
a. Equal Employmt. Oppty./Affirm. Action	X		
b. Good Faith Effort Outreach**	X		
c. Equal Benefits Ordinance	X		
d. Contractor Responsibility Ordinance	X		
e. Slavery Disclosure Ordinance	X		
f. Bidder Certification CEC Form 50	X		
*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

On May 6, 2014, the Board of Fire Commissioners approved a five-year agreement with an option to extend for an additional five years with Erickson Air-Crane, Inc. (Erickson) for an amount not to exceed \$18,973,790, to continue to provide Helitanker airship services to the Fire Department (LAFD) during the brush fire season. The contract term covers the five-year period from July 1, 2014 through June 30, 2019.

The terms of the agreement provide for an annual 150-day Performance Period that includes 10 flight-hours. The applicable Performance Period is from August 1, 2014 through December 28, 2014. The 150-day Performance Period in 2014-15 is projected to cost the Department a total of \$3,573,800. Flight-hours in excess of the 10 prepaid hours will be charged at a rate of \$4,880 per hour. The 2014-15 Adopted Budget provides Contractual Services Account funding in the amount of \$2,902,000, with an additional \$500,000 designated in the Unappropriated Balance for a total of \$3,402,000 in available funding. The remaining balance of \$171,800 in required contract funding will be absorbed within the Department's budgeted funds for 2014-15.

A Helitanker is a helicopter airship that can collect, transport and drop approximately 2,000 gallons of water or fire retardant material over a widespread area. The LAFD utilizes this technology to suppress large-scale, high-intensity brush fires. When combined with ground crews, the Helitanker airship

<i>MCD</i>					<i>[Signature]</i>
MCD	Analyst	04140134	Assistant CAO		City Administrative Officer

provides an effective fire suppression capability. The Helitanker was instrumental in combating the October/November 2003 firestorms, the 2007 Griffith Park fire and the 2008 Sayre fire that occurred within the City.

In addition to the Helitanker, the LAFD's aircraft resources include three Bell 412 Type II 350-gallon water-dropping helicopters, two AgustaWestland AW139 water-dropping helicopters with a capacity of 420 gallons and one Bell 206-L command airship (no water-dropping capability). During major brush fire incidents, the Department also utilizes regional aerial resources from the Cal-Fire and the Los Angeles County Fire Department (LACOFD). Additionally, LACOFD leases two super-scooper aircraft and has an aerial fleet of two Firehawks and several smaller water-dropping helicopters similar to the Departments'. Since the availability of regional resources are not guaranteed and are subject to priority, the proposed agreement will provide the LAFD with exclusive use of the Helitanker for the duration of the brush fire season. The LAFD will station the Helitanker and crew at the Van Nuys Airport/Air Operations Facility during the 150-day operational readiness period to ensure immediate availability on major brush fire incidents.

On October 15, 2013 the LAFD issued a Requests for Proposal for aerial firefighting services. Subsequently, on December 19, 2013 the Department received a sole proposal from Erickson, Inc. Erickson was deemed to be responsive based upon an evaluation by a multi-agency grading team consisting of subject matter experts. The LAFD states that the proposed agreement with Erickson is in compliance with the Standard Provisions for City Contracts. The proposed agreement is also consistent with the City's Financial Policies in that the Helitanker services provided by the vendor during 2014-15 will be financed within budgeted funds.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the Fire Chief to execute the attached proposed agreement with Erickson Air-Crane Inc., for Helitanker airship services, for a five year period from July 1, 2014 through June 30, 2019, and for a total contract amount not to exceed \$18,973,790, subject to the review and approval of the City Attorney as to form and legality; and
2. Instruct the Fire Department to monitor and report within its Financial Status Reports, the monthly Helitanker airship services expenditures during Fiscal Year 2014-15.

FISCAL IMPACT STATEMENT

There will be no additional impact to the General Fund. The anticipated cost for Helitanker airship services during 2014-15 will not exceed \$3,573,800 and is funded with \$2,902,000 provided in the Fire Department's 2014-15 Adopted Budget and \$500,000 designated in the Unappropriated Balance. The remaining balance of the contractual agreement totaling \$171,800 will be absorbed within the Department's budgeted funds for 2014-15. Subsequent years contract funding is subject to available funding provided through the annual budget process. This agreement is consistent with the City's Financial Policies in that the services provided will be financed within budgeted funds.

MAS:MCD:04140134

Attachment

LOS ANGELES FIRE COMMISSION

BOARD OF
FIRE COMMISSIONERS

DELIA IBARRA
PRESIDENT

ANDREW GLAZIER
VICE PRESIDENT

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ERIC GARCETTI
Mayor

SUE STENDEL
INDEPENDENT ASSESSOR

EXECUTIVE OFFICE
200 NORTH MAIN STREET, ROOM 1840
LOS ANGELES, CA 90012

(213) 978-3838 PHONE
(213) 978-3814 FAX

May 7, 2014

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Attention: Mandy Morales, Legislative Coordinator

[BFC 14-044] – PROFESSIONAL SERVICES CONTRACT – ERICKSON, INC.

At its meeting of May 6, 2014, the Board of Fire Commissioners approved the Fire Department's report dated April 15, 2014, authorizing the Fire Chief, subject to approval of the Mayor and City Council, to execute the attached Agreement with Erickson, Inc. for aerial firefighting services. The proposed term of the Agreement is five years (July 1, 2014 through June 30, 2019) with an option to extend for an additional five years. The amount for these services is approximately \$3.6M and this Agreement is subject to final approval as to legal form by the City Attorney.

Transmitted herewith for your consideration is the adopted board report. Upon completion of your review, please forward this report to the City Council for approval. Should you need additional information, please contact the Board of Fire Commissioners Office at 213-978-3838.

Sincerely,

Leticia Gómez
Commission Executive Assistant

Attachment

cc: Board of Fire Commissioners
James G. Featherstone, Interim Fire Chief (without attachment)
Mark Davis, Office of the City Administrative Officer (without attachment)

2014 MAY 14 PM 3:48
CITY ADMINISTRATIVE OFFICER

May 6, 2014

5/6/14
 BOARD OF FIRE COMMISSIONERS
James G. Featherstone
LOS ANGELES FIRE DEPARTMENT
 CITY OF LOS ANGELES
 FOUNDED 1911

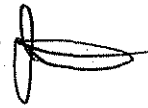
JAMES G. FEATHERSTONE
INTERIM FIRE CHIEF

April 15, 2014

BOARD OF FIRE COMMISSIONERS
FILE NO. 14-044

TO: Board of Fire Commissioners

FROM: James G. Featherstone, Interim Fire Chief



SUBJECT: PROFESSIONAL SERVICES CONTRACT – ERICKSON, INC.
FOR HELITANKER SERVICES

FINAL ACTION:	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Attached for the Board's consideration is an Agreement between the City of Los Angeles (City) and Erickson, Incorporated (Erickson) to secure aerial firefighting services to combat wildfires in densely covered mountainous terrain. The Agreement provides the Los Angeles Fire Department (LAFD) with an aircraft capable of carrying 2000-gallons of water, which augments the LAFD's available air resources for combating wildfires in the Los Angeles area. The proposed term of the Agreement is five years (July 1, 2014 through June 30, 2019) with an option to extend for an additional five years. The annual performance period is a minimum of 150 days, and may increase up to 180 days subject to additional funding approved by the Mayor and City Council, and availability of the Erickson aircraft. Due to current extreme drought conditions, the LAFD requested funding for a performance period of 180 days in FY 2014-15. The Mayor's FY 2014-15 Proposed Budget provides funding amounting to approximately \$3.4M for a performance period of 150 days and up to 10 flight hours. The actual amount for these services is approximately \$3.6M. The Department will absorb the \$200,000 difference in FY 2014-15.

RECOMMENDATIONS

That the Board:

1. Approve contract award for helitanker services to Erickson, Inc.
2. Transmit the Agreement with Erickson, Inc. to the Mayor in accordance with Executive Directive 3.
3. Authorize the Fire Chief to execute the Agreement with Erickson, Inc. for a five year term from July 1, 2014 through June 30, 2019, subject to approval of the Mayor and City Council, and subject to approval as to legal form by the City Attorney.

DISCUSSION

The City has over 135 square miles of densely brush covered mountainous terrain. Many areas limit access for fire engines to take defensible positions to adequately protect residential communities and structures in wind driven brush fires. Contracting for aerial services to drop fire retardant or water to suppress wildfires has become an essential firefighting tool for the LAFD. Table 1 shows the cumulative amounts for the three prior contract periods for such services, with a minimum performance period of 120 days.

Table 1: FY 2001-02 through FY 2013-14

Fiscal Years	Cumulative Amount	Average Cost/Year
2001-04	\$ 3,874,863	\$ 1,291,621
2004-07	7,053,600	2,351,200
2007-14	16,481,200	2,354,457
Total	27,409,663	

On October 15, 2013, the Board of Fire Commissioners authorized the LAFD (BFC File No.13-124) to release a Request for Proposals (No. 2013-38-001) to seek contractors to provide aerial firefighting services for 120 to 180 days. On December 19, 2013, the LAFD received only one proposal, which was from Erickson, Inc.

Erickson's proposed service/cost options are as follows:

Standby-Rates (3% annual increases)

- 120 days - \$24,000
- 150 days - \$23,500
- 180 days - \$23,000

Flight Hours

- \$4,880 per hour

The Agreement provides for a minimum standby performance period of 150 days beginning August 1 of each year, and may increase up to 180 days subject to additional funding approved by the Mayor and City Council, and availability of the Erickson aircraft. With the increasing global demand for such services, the minimum performance period of 150 days, from 120 days in prior contracts, ensures the availability of a critical resource to meet operational and public safety needs for fire suppression in high-density brush fires during peak months with severe weather conditions.

With California experiencing the most severe drought in decades, the LAFD requested funding in the FY 2014-15 Budget for a standby performance period of 180 days. The Mayor's FY 2014-15 Proposed Budget provides funding amounting to approximately \$3.4M for a standby performance period of 150 days and up to 10 flight hours. The actual amount for this level of service is approximately \$3.6M. The Department will absorb the \$200,000 difference in FY 2014-15.

Table 2: Costs for Service Period Options (FY 2014-15 thru FY 2018-19)

Fiscal Year	120 Day	150 Day	180 Day
2014-15	\$ 2,988,800	\$ 3,573,800	\$ 4,188,800
2015-16	\$ 3,078,464	\$ 3,681,014	\$ 4,313,000
2016-17	\$ 3,170,818	\$ 3,791,444	\$ 4,440,926
2017-18	\$ 3,265,942	\$ 3,905,188	\$ 4,572,690
2018-19	\$ 3,363,921	\$ 4,022,343	\$ 4,708,406
Totals	\$ 15,867,945	\$ 18,973,790	\$ 22,223,822
<i>Average Cost/Year over a 5 year period</i>	\$ 3,173,589	\$ 3,794,758	\$ 4,444,764
<i>Available Services</i>	<i>Aerial Firefighting</i>	<i>Aerial Firefighting</i>	<i>Aerial Firefighting Water Cannon Mutli-Purpose Heavy Lift Rock Bucket & Grapple Modular Portable Ops Center Hydro-seeding</i>

FISCAL IMPACT

The Agreement with Erickson, Inc. covers aerial firefighting for a five-year term from July 1, 2014 through June 30, 2019. A 150-day performance period with up to 10 flight hours in FY 2014-15 will amount to approximately \$3.6M. The Mayor's FY 2014-15 Proposed Budget provides funding of approximately \$3.4M for this service. The Department will absorb the \$200,000 difference in FY 2014-15.

Board Report prepared by William Jones, Senior Management Analyst II, Administrative Services Bureau.

Attachment

