



COUNTY OF LOS ANGELES FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
www.fire.lacounty.gov

"Proud Protectors of Life, Property, and the Environment"

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

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December 18, 2018

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

51 December 18, 2018

CELIA ZAVALA
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF CONTRACT EXTENSION AND MODIFICATION FOR TOTAL ASSURANCE PROGRAM CONTRACT NO. 78641 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting Board of Supervisors (Board) approval to increase the annual maximum contract sum for the District's sole source contract number 78641 with Helicopter Support, Inc. dba Sikorsky Commercial, Inc. (HSI) for contract year 2019 and to authorize the Fire Chief to extend the contract from January 1, 2020 through December 31, 2023. The current contract with HSI will expire on December 31, 2019. In addition to the extension, the District is also requesting Board delegated authority to amend the contract to add Total Assurance Program (TAP) coverage for its two recently purchased Sikorsky S70i Firehawk helicopters and increase its consignment inventory of helicopter parts.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Approve an increase to the annual maximum contract sum for the District's contract with HSI by \$1,150,926 for contract year 2019 (January 1, 2019 - December 31 2019) including a ten percent contingency of \$104,630 for any unforeseen or emergent expenditures, for a total maximum contract sum of \$5,249,926.
2. Delegate authority to the Fire Chief, or his designee, to extend contract No. 78641 with HSI from January 1, 2020 through December 31, 2023, and to amend the contract with HSI to add coverage for its two new Sikorsky S70i Firehawk helicopters, and increase the consignment inventory of parts currently located at the District's Barton Heliport, pursuant to the following expenditures, which

include a ten percent contingency for any unforeseen or emergent expenditures:

1/1/2020 – 12/31/2020: \$5,645,732 (including a 10% contingency of \$513,248)
1/1/2021 – 12/31/2021: \$5,871,938 (including a 10% contingency of \$533,813)
1/1/2022 – 12/31/2022: \$6,106,815 (including a 10% contingency of \$555,165)
1/1/2023 – 12/31/2023: \$6,351,088 (including a 10% contingency of \$577,372)

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

HSI's TAP is a maintenance support program which consigns a large inventory of parts for the District's Firehawk helicopters. HSI provides replacement parts for the District's Firehawks and the TAP contract establishes a yearly fixed operating cost for parts and components. Consigned parts are stored at the District's Barton Heliport located at 12605 Osborne Street, Pacoima, CA 91331.

The District currently operates three Sikorsky S70a Firehawk helicopters that are supported by the TAP contract. The current TAP contract only covers the District's three S70a Firehawks and will expire December 31, 2019. The current maximum annual Board approved contract sum for 2019 is \$4,099,000. The District recently purchased two new Sikorsky S70i Firehawk helicopters which should be multi-mission capable in 2019. The S70i Firehawks are currently under manufacturer warranty; however, this coverage will expire in 2019. With the addition of the S70i Firehawks to the TAP contract, an increase to the maximum contract sum is necessary to allow for anticipated increased expenditures.

The proposed contract amendment would add both new S70i Firehawks to the current TAP contract coverage in 2019 and extend the contract through December 31, 2023. The price for the coverage for the S70i Firehawks will also be at a firm fixed price per flight hour.

Consigned parts are primarily for use by the District to support operation of its Firehawks; however, consigned parts may be used to support other fire agencies. The reallocation of parts from the District to other agencies will only be required in the event that another agency's aircraft is in an Aircraft on Ground (AOG) condition, meaning that a problem is serious enough to prevent an aircraft from flying. In the event of such reallocation, the District provides a consigned part at HSI's transportation cost. With the additional coverage for the S70i Firehawks, the proposed contract amendment would significantly increase the consignment inventory of parts, from the current approximate six million dollar value to an approximate 18 million dollar value. This increase in inventory will allow for quick access to covered parts that require replacement, thus limiting aircraft downtime for all of the District's Firehawks.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the County's Strategic Plan Goal No. III, Realize Tomorrow's Government Today, Strategy III.3: Pursue Operational Effectiveness, Fiscal Responsibility and Accountability, and Objective III.3.3: Measure Impact and Effectiveness of our Collective Efforts by obtaining these services efficiently, timely, and in a responsive manner that supports and further enhances the District's ability to provide a multi-mission Air Operations Program.

FISCAL IMPACT/FINANCING

The maximum contract expenditure for the District varies annually due to the price escalation in the annual billable flight hour rates. With the firm fixed price per flight hour and at a variable minimum annual usage, HSI provides the District with replacement parts needed to maintain its Sikorsky S70 Firehawk helicopters in serviceable condition. Sufficient funding is available in the District's Fiscal Year 2018-19 Final Adopted Budget for this contract. Funding required for continuity of contract will be budgeted annually. There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

HSI consigns a large inventory of parts for purposes of supporting the District's aircraft through the TAP contract. Since the District does not possess a significant parts inventory of its own, the utilization of this consigned inventory is crucial for mitigating aircraft downtime. The attached contract amendment (Attachment A) has been approved as to form by County Counsel and signed by HSI.

All of the District's Sikorsky Firehawks are powered by GE engines, and as such, GE engine parts coverage is included in the current TAP contract. On April 17, 2018, the District notified your Board of its intentions to enter into contract negotiations with GE for a new sole source contract. Accordingly, the District is currently conducting ongoing negotiations with GE to establish a separate contract for engine parts coverage. If contract negotiations with GE are successful, the current TAP contract would need to be amended to remove coverage for the engines, and this language is included in the proposed contract amendment. If engine coverage is removed from the TAP contract, annual flight hour pricing would be significantly reduced. Pricing for removal of the engine parts coverage is included in the proposed amendment. If a separate contract with GE cannot be successfully negotiated, the engine coverage would remain in the amended TAP contract.

ENVIRONMENTAL DOCUMENTATION

The services provided through this contract will not have a significant effect on the environment and, therefore, is exempt from CEQA, pursuant to Section 15061(b) (3) of the CEQA Guidelines.

CONTRACTING PROCESS

The District's TAP Sole Source contract No. 78641 was approved by your Board on March 21, 2017.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow the District to obtain replacement parts from HSI for all of the District's Sikorsky Firehawk aircraft (three S70a models and two S70i models). There will be no significant impact on current services as there will be no displacement of any District or County employees.

CONCLUSION

Upon approval by your Honorable Board, please instruct the Executive Officer to return the adopted

The Honorable Board of Supervisors

12/18/2018

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stamped copy of the letter to the following office:

Executive Office, Business Operations

Attention: Zuleyda Reyes-Santana, Administrative Services Manager II

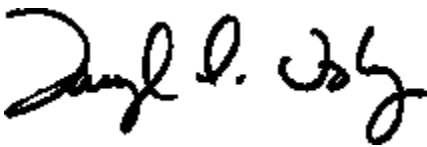
1320 North Eastern Avenue

Los Angeles, CA 90063

Zuleyda.Reyes@fire.lacounty.gov

The District's contact may be reached at (323) 881-6173.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daryl L. Osby". The signature is written in a cursive, flowing style.

DARYL L. OSBY

FIRE CHIEF, FORESTER & FIRE WARDEN

DLO:cs

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

**CONTRACT BY AND BETWEEN
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
AND
HELICOPTER SUPPORT, INC. DBA SIKORSKY COMMERCIAL INC.
FOR A
TOTAL ASSURANCE PROGRAM**

Amendment Number 1

Contract Number 78641

WHEREAS, on March 21, 2017, the County of Los Angeles Board of Supervisors authorized the Consolidated Fire Protection District of Los Angeles County (District) to execute a Contract with Helicopter Support, Inc. DBA Sikorsky Commercial Inc. (Contractor), for a Total Assurance Program; and

WHEREAS, on April 1, 2017, this Contract number 78641 was executed by the District and Contractor; and

WHEREAS, pursuant to Sub-paragraph 8.1.1, of Section 8.0 Standard Terms and Conditions, for any change which affects the scope of work, term, contract sum, payments or any term or condition included under this Contract, an amendment to the Contract shall be prepared and executed by the Contractor and by the Fire Chief or authorized designee; and

WHEREAS, the District and Contractor agree to extend the term of Contract number 78641 in Paragraph 4.0, Term of Contract, Sub-paragraph 4.1 to December 31, 2023; and

WHEREAS, the District and Contractor agree to increase the contract sum for Contract number 78641 in Paragraph 5.0, Contract Sum, Sub-paragraph 5.1.1; and

WHEREAS, District and Contractor hereby agree, pursuant to this Amendment Number 1 to Contract Number 78641, to delete Exhibit A, Statement of Work, in its entirety and replace with Exhibit A1, Statement of Work; and

WHEREAS, any references to "Exhibit A, Statement of Work" in Contract Number 78641 shall be changed to "Exhibit A1, Statement of Work"; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following revisions:

1. Sub-Paragraph 4.1.1 to Paragraph 4.0, Term of Contract, shall be added as follows:

4.1.1 This Contract term shall be extended from January 1, 2020 through December 31, 2023.

2. Sub-Paragraph 5.1.1 of Paragraph 5.0, Contract Sum, is deleted in its entirety and replaced as follows:

5.0 CONTRACT SUM

5.1 Contract Sum

5.1.1 The amount the District shall expend from its own funds during the Contract's term shall not exceed \$38,140,597.55 for the entire Contract term. For the avoidance of doubt, the foregoing is not

intended to limit the Contractor's rights to receive payment in full for TAP coverage provided hereunder.

- 3. Exhibit A, Statement of Work, is deleted in its entirety and replaced with Exhibit A1, Statement of Work, attached hereto and incorporated by reference.
- 4. This amendment is effective when signed by both parties.

EXCEPT AS PROVIDED IN THIS AMENDMENT NUMBER 1, ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT SHALL BE IN FULL FORCE AND EFFECT.

CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY

HELICOPTER SUPPORT, INC.
DBA SIKORSKY COMMERCIAL INC.

By: _____
 Name: _____
 Title: Fire Chief or designee
 Date: _____

By: *Shannon M. Palaia*
 Authorized Signature
 Name: Shannon M. Palaia
 Print Name
 Title: Contracts Negotiator
 Date: December 4, 2018

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: *Chr Angeles*
 Christina Angeles
 Senior Deputy County Counsel