



RALPH M. TERRAZAS  
FIRE CHIEF

DATE: December 13, 2017

BOARD OF FIRE COMMISSIONERS  
FILE NO. 17-135

TO: Board of Fire Commissioners

FROM: *RMT* Ralph M. Terrazas, Fire Chief

SUBJECT: SECOND AMENDMENT TO AGREEMENT C-124273 WITH ERICKSON  
INCORPORATED FOR AERIAL FIREFIGHTING HELITANKER  
SERVICES

FINAL ACTION:	<input 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 Withdrawn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

Since 2000, the Los Angeles Fire Department (LAFD) has contracted with Erickson Incorporated (C-111921, C-113693) for a Type I Helitanker to augment the LAFD's aerial firefighting resources and assist in suppressing large-scale, high intensity wildfires in densely covered mountainous terrain. The Type I Helitanker is an aircraft that can collect, transport and drop 2,600 gallons of water or fire retardant material over a widespread area and can replenish its tanks in less than 120 seconds from a variety of sources. This aircraft was instrumental in combating the 2003 firestorms, 2007 Griffith Park fire, 2008 Sayre fire and various wildfires during 2017 (La Tuna Canyon, Mt. Wilson, Creek and Skirball).

In 2013, the Board of Fire Commissioners approved the Request for Proposals for dedicated aerial firefighting services and determined Erickson Incorporated had the best value and availability of requested services. On July 24, 2014, upon City Council approval (C.F. 14-0750), the LAFD entered into a five-year Agreement (C-124273) with Erickson Incorporated for an estimated total compensation of \$18,973,790 with an option to extend the term for an additional five years.

In accordance with the terms of the current five-year Agreement, Erickson Incorporated provides LAFD with 150 days of stand-by service and 10 flight hours beginning in August of each year. As of August 2017 to date, deployment of the Helitanker has totaled 47 flight hours through its engagement at various wildfires, including La Tuna Canyon (24 hours), Mt. Wilson (6 hours), Creek (6 hours), and Skirball (8 hours).

It must be noted that the extensive deployment of the Erickson helitanker during FY 2017-18 stems from the region experiencing significant adverse fire weather during the summer months and unprecedented Santa Ana winds in the month of December. Humidity values were in the single digits for several weeks in some areas, and live fuel (plant) moisture readings and measurements have been at historic lows in many areas. In reviewing the projected weather pattern through April 2018, periodic dangerous Santa Ana winds are expected to persist. A La Nina weather pattern is predicted which could prevent the amount of rain needed (around 3-4 inches) that would allow fuel (plant) recovery. These factors indicate great risk for additional brush fires beyond those experienced this calendar year.

The Erickson helitanker provides the LAFD with significant water dropping capability at 2,600 gallons per drop versus 475 gallons per drop with our Augusta AW 139 medium helicopters. Its substantial value as a fire suppression resource has been clearly demonstrated. Because of the fire risk factors cited above, the Department recommends extending the Erickson contract for 30 days through January 27, 2018 to ensure its availability for public safety in protecting lives and property.

The Second Amendment to Agreement C-124273 with Erickson Incorporated increases the FY2017-18 contract ceiling from \$3,905,188 to \$4,883,136 to reflect the deployment of 37 flight hours in excess of the 10 hour base service, the extension of the contract term for an additional 30 days through January 27, 2018, and the additional five reserve flight hours to cover the remainder of the FY2017-18 brush fire season. The Amendment has been reviewed and approved by the City Attorney as to form and legality.

The additional contract amount of \$977,948 will be absorbed within the FY2017-18 LAFD Budget. The Department is pursuing eligible federal reimbursements to recover costs of wildfire responses to recent declared emergencies (e.g., La Tuna, Creek and Skirball). We will work with the Office of the City Administrative Officer to address any budgetary shortfall in the Financial Status Report.

## **RECOMMENDATION**

That the Board:

1. Approve and authorize the Fire Chief to execute the Second Amendment with Erickson Incorporated (Agreement C-124273) to increase the contract ceiling to \$4,883,136, reflecting the additional 37 flight hours responding to recent wildfires, extending the contract term by 30 days through January 27, 2018, and providing five additional flight hours for the FY2017-18 performance period.
2. Transmit the Second Amendment to Agreement C-124273 to the Mayor's Office, in accordance with Executive Directive No. 3, and to City Council for approval.
3. Request the City Council, subject to approval of the Mayor:

- (a) Instruct the Controller to transfer \$977,948 from Fund 100/38 Account 1012 to Account 3040.
- (b) Authorize the Fire Chief to amend the agreement for future years if needed, to reflect ceiling adjustments resulting from increases in flight hours or stand-by days, subject to available funding in the Adopted City Budget and approval by the Board of Fire Commissioners.

**FISCAL IMPACT**

The increase to the contract ceiling in the amount of \$977,948 will be absorbed within the Fire Department's budgeted funds for FY2017-18. The Department is pursuing eligible federal reimbursements to recover costs of wildfire responses to declared emergencies (e.g., La Tuna, Creek and Skirball). Any budgetary shortfall will be addressed in the Financial Status Report.

Board Report prepared by Alicia Katano, Management Analyst, Administrative Services Bureau.

Attachment

**SECOND AMENDMENT TO AGREEMENT C-124273  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
ERICKSON INCORPORATED**

**THIS SECOND AMENDMENT** to AGREEMENT C-124273 between the City of Los Angeles (hereinafter referred to as "CITY"), a municipal corporation, acting by and through the Los Angeles Fire Department (hereinafter referred to as "LAFD"), and Erickson Incorporated (hereinafter referred to as "CONTRACTOR"), a Delaware corporation, is entered into with reference to the following:

**WHEREAS**, in 2013, the LAFD issued a Request for Proposal (RFP No. 2013-38-001) for qualified CONTRACTORS that could provide dedicated aerial firefighting services (hereinafter referred to as "helitanker") during the CITY's annual brush fire season to augment the LAFD's aerial firefighting assets to combat major brush fire incidents; and

**WHEREAS**, the CITY evaluated the CONTRACTOR's proposal and selected the CONTRACTOR because they provided the best-value and availability of the desired helitanker services; and

**WHEREAS**, upon approval by the City Council (CF 14-0750), the CITY entered into AGREEMENT C-124273, on July 24, 2014 wherein the CONTRACTOR agreed to provide aerial helitanker services for a five (5) year term covering the 2014-15 through 2018-19 fiscal years and corresponding fire seasons; and

**WHEREAS**, between September and December 2017, the LAFD deployed the helitanker for a total of forty seven (47) hours to combat various wildfires, including La Tuna Canyon, Mt. Wilson, Creek and Skirball; and

**WHEREAS**, the Agreement provides for a base service of ten (10) flight hours at the FY 2017-18 rate of \$5,332.51 per hour; and

**WHEREAS**, for the FY 2017-18, thirty seven (37) flight hours were in excess of the base service of ten (10) flight hours; and

**WHEREAS**, the LAFD desires to add five (5) additional flight hours on top of the overages noted herein in order to cover the remainder of FY2017-18 brush season; and

**WHEREAS**, the Agreement provides for a stand-by rate based on 150 days in the amount of \$25,679 per day for FY2017-18, and said time period runs from August 2017 to December 2017; and

**WHEREAS**, the Agreement also provides for a stand-by rate based on 180 days in the amount of \$25,132.72 per day for FY2017-18; and

**WHEREAS**, the LAFD originally opted for the 150 day stand-by rate for August through December and now due to the on-going brush fire season, desires to extend the Agreement for an additional 30 days, but will do so at the 180 day stand-by rate of \$25,132.72 per day for an additional total of \$753,981.60; and

**WHEREAS**, the LAFD desires in this Second Amendment to adjust the FY2017-18 grand total payable under this Agreement from \$3,905,188 to \$4,883,136 to reflect the costs to cover the forty-two (42) additional flight hours and the 30-day contract extension through January 27, 2018; and

**WHEREAS**, the LAFD also desires in this Second Amendment to incorporate the newly revised Standard Provisions for City Contracts; and

**NOW, THEREFORE**, in consideration of the premises, representations, covenants and AGREEMENTs set forth herein, the Parties represent, covenant and agree to amend AGREEMENT C-124273 as follows:

**Section 6, COMPENSATION AND METHOD OF PAYMENT**, Paragraphs A, B, and D are hereby amended in their entirety to read as follows:

**A. Daily Stand-by Rate for Aircraft Only**

This amount is based on a stand-by rate for a specific performance period of a minimum of one hundred fifty (150) days per year at \$25,679.08 per day, and a maximum of one hundred eighty (180) days per year at \$25,132.72 per day for FY2017-18.

For August 2017 through December, 2017, the CITY will pay the stand-by rate based on 150 days in the amount of \$3,851,863 for FY2017-18, as outlined in ATTACHMENT B-Projected Annual Costs attached herein.

In consideration of the City extending the Agreement for 30 days after the 150 day initial performance period, for December 2017 through January 2018, the City will pay the stand-by rate based on the 180 day daily rate of \$25,132.72. Therefore, the City will pay a total additional amount of \$753,981.60 for the extra 30 days, for a grand total of \$4,605,845 for FY2017-18.

These standby rates do not include flight hours or extensions to the base period. The daily stand-by rates are subject to a 3% increase each year beyond FY2014-15 as reflected in TABLE 1 below.

**TABLE 1: ESTIMATED STAND-BY COSTS WITH 3% ANNUAL INCREASE**

Fiscal Year	150 – day Option Daily Rate	150–day Option Annual Cost	180 – day Option Daily Rate	180–day Option Annual Cost
2014-15	\$ 23,500.00	\$ 3,525,000.00	\$ 23,000.00	\$ 4,140,000.00
2015-16	\$ 24,205.00	\$ 3,630,750.00	\$ 23,690.00	\$ 4,264,200.00
2016-17	\$ 24,931.15	\$ 3,739,672.50	\$ 24,400.70	\$ 4,392,126.00
2017-18	\$ 25,679.08	\$ 3,851,862.68	\$ 25,132.72	\$ 4,523,889.78
2018-19	\$ 26,449.46	\$ 3,967,418.56	\$ 25,886.70	\$ 4,659,606.47
<b>Estimated 5-year Total:</b>		<b>\$ 18,714,703.74</b>		<b>\$ 21,979,822.25</b>

**B. Flight Hour Rate**

Flight hours will be billed as a separate line item at \$5,332.51 per flight hour, in one-tenth hour increments for FY2017-18. Flight hours are actual flight hours operating the aircraft in an aerial firefighting capacity. The CITY will pay up to ten (10) flight hours in the amount of \$53,325 to the CONTRACTOR for FY2017-18 as outlined in ATTACHMENT B-Projected Annual Costs. Any additional flight hours will be billed at the hourly rate reflected in TABLE 2 below.

Flight hours do not include pilot orientation, proficiency, or training flight time. Additional flight hours may be authorized subject to the availability of funding in the Adopted City Budget. The flight-hour rate is subject to a 3% increase each year beyond FY2014-15 as reflected in TABLE 2 below.

**TABLE 2: ESTIMATED FLIGHT HOUR COSTS WITH 3% ANNUAL INCREASE**

Fiscal Year	Flight Hour Rate	Flight Hour (10) Annual Cost
2014-15	\$ 4,880.00	\$ 48,800.00
2015-16	\$ 5,026.40	\$ 50,264.00
2016-17	\$ 5,177.19	\$ 51,771.92
2017-18	\$ 5,332.51	\$ 53,325.08
2018-19	\$ 5,492.48	\$ 54,924.83
<b>Estimated 5-year Total:</b>		<b>\$ 259,085.83</b>

**D. Additional Stand-by Service Before and After Base Services Period**

In the event that the CITY requires additional service before or after the base performance period, the terms and amount to be paid for each day and flight hour will be the same as during the contracted performance period.

The LAFD will notify the CONTRACTOR when the CITY determines that services are needed. The CONTRACTOR will assess its schedule and confirm the aircraft is available. If the aircraft is available, the CONTRACTOR will provide the services needed. If the call is before noon, a full day of daily rate will be paid by the CITY. If the call is after noon, one (1) half day of the daily rate will be paid by the CITY. All flight time will be subject to the current flight time rate. In the event that CONTRACTOR provides fuel from CONTRACTOR's fuel inventory, CITY will be billed for fuel usage at then current prevailing fuel rates plus 5%.

The request by the CITY will be on a day-by-day basis, at the CITY's discretion, and will not activate the base performance period.

Any request by the LAFD will be subject to the CONTRACTOR's schedules and availability of an aircraft, and CONTRACTOR reserves the right to decline any request.

In the case of a holdover after the base performance period, the LAFD will endeavor to notify the CONTRACTOR at least fourteen (14) days prior to departure, if the aircraft is needed to be held over. The CONTRACTOR will assess its schedule and confirm the aircraft is still available. Any holdover is subject to the availability of additional funds by the Mayor and CITY Council and will be subject to the CONTRACTOR's schedule and availability of an aircraft.

**Section 6, COMPENSATION AND METHOD OF PAYMENT, Paragraphs E** is hereby added to read as follows:

**E. Compensation for Additional Services Beyond Base Periods**

In the event the CITY requires additional stand-by days beyond the 150-day base period or additional flight hours above the 10 hour base period, total compensation will be adjusted according to the rates outlined in Section 6A and 6B and ATTACHMENT B, subject to authorization by the Board of Fire Commissioners and availability of funding in the Adopted City Budget.

**Section 11, STANDARD PROVISIONS FOR CITY CONTRACTS** of the AGREEMENT is hereby amended to read as follows:

The CONTRACTOR will comply with the Standard Provisions for City Contracts (Rev. 10/17)[v.2], attached hereto as Attachment A and hereby incorporated into and made a part of this AGREEMENT.

**ATTACHMENT A** – STANDARD PROVISIONS FOR CITY CONTRACTS (10/17)[v.2], is hereby added in its entirety and attached herein.

**ATTACHMENT B** – FY 2014-15 – FY 2018-19 PROJECTED ANNUAL COSTS, are hereby added in their entirety and attached herein.

Except as amended by this Second Amendment, all other provisions of AGREEMENT C-124273 shall remain unchanged and in full force and effect.

(Signature Page to Follow)



**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**THE CITY OF LOS ANGELES**

**ERICKSON INCORPORATED**, a  
Delaware Company

By: \_\_\_\_\_  
Ralph M. Terrazas  
Fire Chief  
Los Angeles Fire Department

By\*: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**APPROVED AS TO FORM:**  
MICHAEL N. FEUER, City Attorney

By\*\*: \_\_\_\_\_

By: \_\_\_\_\_  
Catrina M. Archuleta  
Deputy City Attorney

Name: \_\_\_\_\_

Title: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

NOTE: If Contractor is a corporation, two signatures are required.

**ATTEST:**  
HOLLY L. WOLCOTT, City Clerk

\* The signature of President, Chairman of the Board, or Vice President is required here; and  
\*\* an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

By: \_\_\_\_\_

DATE: \_\_\_\_\_

City Agreement Number: C-124273-2

City Business Tax Registration Certificate Number: 0000162768

Internal Revenue Service Taxpayers I.D. Number: 260493001

**ATTACHMENT A**

**STANDARD PROVISION FOR CITY CONTRACTS (10-17)[v.2]**

**ESTIMATED ANNUAL COSTS**

**150-day Stand-by Service Period Option  
(FY2014-15 thru FY2018-19)**

Fiscal Year	150-day Option Daily Rate*	150-day Option Annual Cost	Flight Hour Rate*	Flight Hour (10) Annual Cost	Total Estimated Annual Cost**
2014-15	\$ 23,500.00	\$ 3,525,000.00	\$ 4,880.00	\$ 48,800.00	\$ 3,573,800.00
2015-16	\$ 24,205.00	\$ 3,630,750.00	\$ 5,026.40	\$ 50,264.00	\$ 3,681,014.00
2016-17	\$ 24,931.15	\$ 3,739,672.50	\$ 5,177.19	\$ 51,771.92	\$ 3,791,444.42
2017-18	\$ 25,679.08	\$ 3,851,862.68	\$ 5,332.51	\$ 53,325.08	\$ 3,905,187.75
2018-19	\$ 26,449.46	\$ 3,967,418.56	\$ 5,492.48	\$ 54,924.83	\$ 4,022,343.39
5-year Estimated Totals:					\$ 18,714,703.74
					\$ 259,085.83
					\$ 18,973,789.57

**180-day Stand-by Service Period Option  
(FY2014-15 thru FY2018-19)**

Fiscal Year	180-day Option Daily Rate*	180-day Option Annual Cost	Flight Hour Rate*	Flight Hour (10) Annual Cost	Total Estimated Annual Cost**
2014-15	\$ 23,000.00	\$ 4,140,000.00	\$ 4,880.00	\$ 48,800.00	\$ 4,188,800.00
2015-16	\$ 23,690.00	\$ 4,264,200.00	\$ 5,026.40	\$ 50,264.00	\$ 4,314,464.00
2016-17	\$ 24,400.70	\$ 4,392,126.00	\$ 5,177.19	\$ 51,771.92	\$ 4,443,897.92
2017-18	\$ 25,132.72	\$ 4,523,889.78	\$ 5,332.51	\$ 53,325.08	\$ 4,577,214.86
2018-19	\$ 25,886.70	\$ 4,659,606.47	\$ 5,492.48	\$ 54,924.83	\$ 4,714,531.30
5-year Estimated Totals:					\$ 21,979,822.25
					\$ 259,085.83
					\$ 22,238,908.08

\* Rates subject to an annual 3% increase.

\*\* Estimated Annual Totals do not reflect additional stand-by days or flight hours added during the performance period.