

MAR 16 2010

LOS ANGELES FIRE DEPARTMENT



MILLAGE PEAKS
FIRE CHIEF

March 8, 2010

BOARD OF FIRE COMMISSIONERS
FILE NO. 10-022

TO: Board of Fire Commissioners

FROM: Millage Peaks, Fire Chief *mlp*

SUBJECT: FIREFIGHTING HELITANKER AIRCRAFT PROFESSIONAL SERVICES
AGREEMENT – ERICKSON AIR-CRANE INCORPORATED

| | | | |
|---------------|-----------------------------------|---|------------------------------------|
| 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 Withdrawn |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 |

Recommendations: That the Board:

1. Approve the attached Professional Services Agreement (Agreement) in the amount not to exceed \$2,737,000.
2. Direct the Commission Executive Assistant to transmit the Agreement to the Mayor for approval, subject to approval to form by the City Attorney.

Summary:

Attached for the Board's consideration is an Agreement between the City of Los Angeles and Erickson Air-Crane, Incorporated (Erickson) to secure firefighting helitanker aircraft services. The Agreement provides the Fire Department (Department) a helitanker with a 2000-gallon water container capability to augment the Department's air resources for combating wildfires. The Agreement is for one year, and terms provide for a 170-day performance period including 70 flight hours. The \$2,737,000 cost reflects an increase of \$136,000 (5%) over last year. Also, flight hours in excess of the 70 prepaid flight hours, will be invoiced at a rate of \$5,800 per hour, an increase of \$300 an hour over Fiscal Year (FY) 2009/10.

During the FY 2009/10 performance period, the Helitanker provided firefighting assistance to local agencies, resulting in over \$741,000 in cost recovery (reimbursements) to the City's General Reserve Fund.

Subject to the Office of the City Attorney's approval.

Background:

The City of Los Angeles has over 135 square miles of densely brush-covered mountainous terrain. Many areas provide limited access for fire engines to take defensible positions to adequately protect residential communities and structures in wind-driven brush fires. During October and November 2003, Southern California was ravaged by one of the worst set of firestorms in the state's history. In 2008, major brushfires erupted within the City of Los Angeles, which again threatened lives, structures and property. Aerial assault resources were critical in the successful efforts employed, bringing the firestorms and brush fires under control. The Southern California brush fire season traditionally extends from July through February each year. Current ongoing drought conditions have fire agencies throughout the region assessing and evaluating incident preparedness.

The Department's aircraft resources include four Bell 412 Type II water-dropping helicopters with a capacity of 350 gallons, two AW139 water-dropping helicopters with a capacity of 420 gallons and one Bell 206-L command ship with a capacity of 100 gallons. Regional resources, which may be available to assist the Department in the event of a major brush fire, include two leased Type I Helitankers, one by California Department of Forestry and the other by 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 Department's. However, regional resources are not guaranteed, as they are subject to conflicting priorities, deployment issues, and periodic grounding for service and maintenance at the time of the request.

In 2000, the City of Los Angeles became the first large, urban city in the United States to contract for firefighting aircraft services to augment its air attack assets. The Department evaluated numerous aircraft typings and identified the Type I Helitanker (Helitanker) as the appropriate vehicle to supplement its current air assets. The Helitanker has a 2,000-gallon tank capacity and the ability to replenish its tanks in less than 120 seconds from a variety of water sources, such as ocean, reservoirs, and swimming pools. It provides a formidable asset during the critical early stages of wind-driven brush fire control and mitigation.

In 2007, the Department entered into an Agreement with Erickson Air-Crane, Inc., for firefighting helitanker aircraft services for a one-year period and with the ability for the Department to request one-year extensions. The current Agreement term expires June 30, 2010. The FY 2010/11 Agreement incorporates the same terms and conditions, including performance period and prepaid flight hours as the current Agreement, with the exception of cost, which increases \$136,000 to \$2,737,000. Also, flight hours in excess of the 70 prepaid flight hours, will be invoiced at a rate of \$5,800 per flight-hour, an increase of \$300 an hour over FY 2009/10.

The Department's FY 2010/11 proposed budget contains full funding for this contract.

Conclusion:

Approval of the contract is a vital component of fire protection and mitigation during the ongoing brush fire seasons. The Helitanker is a crucial, proven tool in achieving the optimum commitment plan undertaken by the Department to ensure fire/life safety throughout the City of Los Angeles.

Board report prepared by Michael L. Prendergast, Senior Management Analyst,
Emergency Services Bureau.

Attachment

**SECOND AMENDMENT TO AGREEMENT NO. C-113693
BETWEEN
THE CITY OF LOS ANGELES
AND
ERICKSON AIR-CRANE INCORPORATED**

THIS Agreement between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through the Los Angeles Fire Department (hereinafter referred to as the "Fire Department"), and Erickson Air-Crane Incorporated, a Delaware corporation (hereinafter referred to as the "Contractor"), is entered into with reference to the following:

WHEREAS, the City contracts the services of a qualified company to provide Fire Fighting Helitanker Aircraft Services (hereinafter referred to as "helitanker") during the City's annual brush fire season to augment the air attack assets the Fire Department could bring to bear on a brush fire incident; and

WHEREAS, the parties entered into Agreement C-111921 for the period of July 18, 2007 through June 30, 2008, and said Agreement provided for two (2) one-year extensions; and

WHEREAS, the parties exercised the first one-year extension and entered into Agreement C-113693 for the period of July 1, 2008 through June 30, 2009, with one (1) one-year extension; and

WHEREAS, the City desires in this second amendment to exercise the one-year extension, and extend term of Contract No. C-113693 from July 1, 2010 up to and including June 30, 2011; and

WHEREAS, the compensation amounts to Contractor will be increasing, and the parties desire in this first amendment to adjust the figures to the agreed upon amounts; and

NOW, THEREFORE, in consideration of the above premises, and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 2. **TERMS OF THE AGREEMENT** is hereby amended in its entirety as follows:

- A. The term of this Agreement will commence on July 1, 2010, and will terminate on June 30, 2011.

Erickson Air-Crane Incorporated
Fire Fighting Helitanker Aircraft Services
Los Angeles Fire Department

SECTION 6.

COMPENSATION AND METHOD OF PAYMENT is hereby amended in its entirety as follows:

A. Base Price

The City will pay a base price amount not to exceed \$2,737,000 to the Contractor, which includes a specific service period of 24.29 weeks (170 days) and seventy (70) flight hours in FY 2010-11; this is subject to funding, if any, provided in the City's FY 2010-11 budget. The City will notify the Contractor in writing if the funding, if any, is appropriated for the FY 2010-11 budget.

B. Normal Staging Hours and Hourly Flight Rate

1. Under the base price, the Contractor will provide the helitanker, pilots, mechanical support, and other support functions for a minimum of ten (10) hours per day. Emergency operations may be conducted from dawn to dusk. Extended-phase fires may require operations during daylight hours that extend beyond the ten (10) hour staging time. Flight hours extending beyond the ten (10) hour staging period will be deducted from the seventy (70) flight hours provided for in the base price amount under this Amendment, and the Contractor will bill the Fire Department at the hourly flight rate of \$5,800 per hour if the seventy (70) flight hours included in the base has been exceeded.

C. Service During Term After Base Services Period Ends

1. In the event that the City requires service beyond one hundred and seventy (170) days, the amount to be paid for each weekly (seven-day period) extension will be \$112,700 and include 2.90 flight hours or for a daily extension rate of \$16,100 per day including 0.41 flight hours.

Except as amended by this SECOND AMENDMENT, all other provisions of City Contract C-113693 shall remain in full force and effect. This amendment includes three (3) pages, and constitutes the complete understanding and agreement between the parties. This amendment is executed in four (4) copies, each of which is deemed to be an original.

[Signature page to follow.]

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

ERICKSON AIR-CRANE INCORPORATED

DATE: _____

BY: _____
Name: _____
Title: _____

DATE: _____

BY: _____
Name: _____
Title: _____

THE CITY OF LOS ANGELES

DATE: _____

BY: _____
MILLAGE PEAKS
Fire Chief

APPROVED AS TO FORM:

CARMEN A. TRUTANICH
City Attorney

ATTEST:

JUNE LAGMAY
City Clerk

BY: _____
LAUREL L. LIGHTNER
Assistant City Attorney

BY: _____
Deputy City Clerk

DATE: _____

DATE: _____

City Business License Number:

162768-85

Internal Revenue Service ID Number:

93-1307561/JGH-97-844221

Agreement Number:

C-113693-2

**BOARD OF FIRE
COMMISSIONERS**

GENETHIA HUDLEY-HAYES
PRESIDENT

CASIMIRO U. TOLENTINO
VICE PRESIDENT

DIANA M. BONTÁ
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JILL FURILLO

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EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

FIRE DEPARTMENT

MILLAGE PEAKS
FIRE CHIEF

200 NORTH MAIN STREET
LOS ANGELES, CA 90012

(213) 978-3800
FAX: (213) 978-3815

<http://www.lafd.org>

February 23, 2010

Erickson Air-Crane, Incorporated
3100 Willow Springs Road
Central Point, Oregon 97502

Attention: Tracy Weaver, Director of Aerial Services

**SECOND AMENDMENT TO AGREEMENT NO. C-113693 BETWEEN THE
CITY OF LOS ANGELES AND ERICKSON AIR-CRANE INCORPORATED**

Dear Ms. Weaver:

The Fire Department has reviewed the proposed Helitanker pricing for Fiscal Years (FY) 2010/11 and 2011/12 pursuant to Agreement No.C-113693.

As discussed in correspondence dated December 2, 2009, the City of Los Angeles is facing a \$200 million deficit in the current FY 2009/10 and an additional \$400+ million in FY 2010/11. The City is taking strong measures to bridge the budget gap and asks vendors to provide a 10% discount on current Agreements.

The Fire Department and Erickson Air-Crane (Erickson), Incorporated, have both benefited from our long-term, professional relationship. With trust and anticipation, we hope Erickson will revise previously issued Helitanker costs and partner with the City in a true shared sacrifice that will see both parties beyond current difficulties.

Thank you for Erickson's nine years of service to Los Angeles and we look forward to continuing this public safety partnership.

Very truly yours,

MILLAGE PEAKS
Fire Chief