



LOS ANGELES FIRE DEPARTMENT

MILLAGE PEAKS
FIRE CHIEF

April 26, 2011

BOARD OF FIRE COMMISSIONERS FILE NO. 11-066

TO: Board of Fire Commissioners

FROM: Millage Peaks, Fire Chief *mill*

SUBJECT: THIRD AMENDMENT TO CONTRACT WITH ERICKSON AIR-CRANE
INCORPORATED

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 Withdrawn 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

1. Approve the third amendment to Agreement No. C-113693 in the amount not to exceed \$2,205,000 for FY2011-12.
2. Direct the Commission Executive Assistant to transmit this amendment to the Mayor and City Council for approval, subject to final approval as to form by the City Attorney.

Summary:

Attached for the Board's consideration is an amendment to Agreement No. C-113693 between the City of Los Angeles and Erickson Air-Crane, Incorporated (Erickson) to secure firefighting helitanker aircraft services.

This amendment provides the Los Angeles Fire Department (LAFD) the services of a helitanker with a 2000-gallon water container capability for 130 days and 10 flight hours during FY2011-12. The helitanker asset augments the LAFD's regular air assets for combating wild land fires in and around the greater Los Angeles area. The attached amendment to Agreement C-113693 extends the contract for one year, and provides for a 130-day performance period including 10 flight hours. The \$2,205,000 cost reflects a decrease of \$397,000, or 15 percent less than the City allocated in FY2010-11. This decrease was achieved by reducing the performance period by 40 days and 60 pre-paid flight hours.

This amendment also provides for the City to extend the performance period of the helitanker, if needed, with the approval of the Mayor and City Council. Flight hours in excess of the 10 prepaid flight hours, will be invoiced at a rate of \$6,000 per hour, an increase of \$200 an hour, a 3.4 percent increase over Fiscal Year (FY) 2010/11.

The City of Los Angeles is often reimbursed for any assistance the helitanker provides outside of the City limits. During the FY 2009/10 performance period, the Erickson helitanker provided firefighting assistance to local agencies, resulting in over \$741,000 in cost recovery / reimbursements to the City's Revenue Fund.

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 provide defensible positions that 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 three Bell 412 Type II water-dropping helicopters with a capacity of 350 gallons, two AW139 Type II water-dropping helicopters with a capacity of 420 gallons and one Bell 206 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 Cal-Fire 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 types and identified the Type I Helitanker (Helitanker) as the most appropriate vehicle to supplement its current fleet of 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, 2011.

The FY 2011/12 Agreement incorporates the same terms and conditions, as the original agreement (C-113693) and all prior amendments. The performance period and prepaid flight hours have been reduced as a cost saving measure to the City. The current amendment includes a performance period that decreases the overall cost of the helitanker in FY2010-11 by \$397,000 (15.3%) from \$2,602,000 to \$2,205,000. Flight hours in excess of the 10 prepaid flight hours, will be invoiced at a rate of \$6,000 per flight-hour, an increase of \$200 (3.4%) an hour over FY 2010/11.

Fiscal Impact:

The Department's FY 2011/12 proposed budget contains sufficient funding for the base performance period of this contract.

Conclusion:

Approval of the amendment to Agreement C-113693 is vital to fire protection and mitigation efforts by the LAFD in what has become a year-around brush fire season. The benefits the helitanker brings to the Los Angeles basin is a crucial, well-proven asset in achieving the optimum level of response undertaken by the Department to ensure fire/life safety throughout the greater Los Angeles area.

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

Attachment

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

THIS Third Amendment 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 a 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 City desires in this Third amendment to exercise a final one-year extension, and extend term of Contract No. C-113693 from July 1, 2011 up to and including June 30, 2012; and

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

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

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

- A. The term of this Agreement will commence on July 1, 2011, and will terminate on June 30, 2012.

SECTION 6.

COMPENSATION AND METHOD OF PAYMENT is hereby amended as follows:

A. Base Price

The City will pay a base price amount not to exceed \$2,205,000 to the Contractor, which includes a specific service period of 18.57 weeks (130 days) and ten (10) flight hours in FY 2011-12; this is subject to funding, if any, provided in the City's FY 2011-12 budget. The City will notify the Contractor in writing if the funding, if any, is appropriated for the FY 2011-12 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 ten (10) 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 \$6,000 per hour if the ten (10) flight hours included in the base has been exceeded. Contractor may not operate beyond the ten (10) flight hours included in the base unless authorized in writing by the Fire Chief of the Los Angeles Fire Department.

C. Service During Term After Base Services Period Ends

1. In the event that the City requires service beyond one hundred and thirty (130) days, the amount to be paid for each weekly (seven-day period) extension will be \$16,500 per day and include no flight hours. Flight hours will be compensated at a rate of \$6,000 per flight hour, in 0.10 increments.

Due to the need for the CONTRACTOR's services to be provided continuously on an ongoing basis, the CONTRACTOR may have provided services prior to the execution of this THIRD AMENDMENT. To the extent that said services were performed in accordance with the terms and conditions of this THIRD AMENDMENT, those services are hereby ratified by the City.

Except as amended by this THIRD AMENDMENT, all other provisions of City Contract C-113693 and its previous amendments 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 executed 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

Los Angeles Fire Department

APPROVED AS TO FORM:

ATTEST:

CARMEN A. TRUTANICH
City Attorney

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-113693-3