

June 18, 2013

LOS ANGELES FIRE DEPARTMENT



Revised Report

BRIAN L. CUMMINGS
FIRE CHIEF

June 18, 2013

BOARD OF FIRE COMMISSIONERS
FILE NO. 13-077

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: SIXTH AMENDMENT TO CONTRACT NO. C-113693, EXTENDING THE TERM AND INCREASING MAXIMUM COMPENSATION OF THE AGREEMENT WITH 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 Withdrawn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 Sixth Amendment with Erickson Air-Crane Incorporated, to extend the term of Agreement No. C-113693 from July 1, 2013 through June 30, 2014 and to increase maximum compensation by \$1,900,000, from \$12,263,600 to \$14,163,600.
2. Direct the Commission Executive Assistant II to forward this Sixth Amendment to the Mayor, in accordance with Executive Directive No. 3.
3. Subject to the approval of the Mayor and the City Council, authorize the Fire Chief to execute the Sixth Amendment with Erickson Air-Crane Incorporated.

Summary: Attached for the Board's consideration is an Agreement between the City of Los Angeles and Erickson Air-Crane, Incorporated 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 provides for an 80-day performance period including 10 flight hours in the base agreement. This amendment also provides the Fire Chief to authorize up to an additional 50 flight hours, if needed, to respond to wildfires threatening the City and surrounding areas. The \$1,900,000 cost for these services is below the level of last year, due in part to the reduced performance period. The base stand-by rate of the agreement has been increased to \$20,000 per day; however, the flight hours will be invoiced at the same rate of \$6,000 per hour.

The Department requests approval by the Mayor and City Council for a Sixth Amendment to extend the contract agreement through FY 2013/14, until June 30, 2014, and to increase the maximum compensation by \$1,900,000, from \$12,263,600 to \$14,163,600. The Sixth Amendment has been reviewed and approved as to legality and form by the Office of the City Attorney.

The following table summarizes the contract terms and amounts with Erickson Air-Crane through the Fifth Amendment.

Agreement	Fiscal Year	Contract Amount	Contract to Date
C-113693	FY 2008-09	\$2,482,000	\$2,482,000
First Amendment	FY 2009-10	\$2,601,000	\$5,083,000
Second Amendment	FY 2010-11	\$2,737,000	\$7,820,000
Third Amendment	FY 2011-12	\$2,205,000	\$10,025,000
Fourth Amendment	FY 2012-13	\$2,205,000	\$12,230,000
Fifth Amendment	FY 2012-13	\$33,600	\$12,263,600

Background: The City of Los Angeles has over 135 miles 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 of 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 each with a tank capacity of 350 gallons, two AW139 water-dropping helicopters each with a tank capacity of 420 gallons, and one Bell 206-L command ship with a tank 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 types of aircraft and identified the Type I Helitanker as the appropriate vehicle to supplement its current air assets. The Type I Helitanker has a tank capacity of 2,000 gallons and the ability to replenish its tank in less than 120 seconds from varying water sources such as the 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, 2013. The FY 2013/14 Agreement incorporates the same terms and conditions as the FY 2012/13 Agreement, with the exception that the performance period is reduced to 80 days with 10 prepaid flight hours, and an additional 50 hours of flight time will be available at the discretion of the Fire Chief. The performance period was reduced due to the limitations by the vendor to provide aircraft to the region during the period July 1 to September 30. Aircraft that previously have been made available to the region have been leased to a firm in South America for oil exploration. The earliest the aircraft are available to the City is October 1, 2013.

In the absence of aircraft during the months of July through September 2013, the Department will rely on aircraft from neighboring agencies to provide aerial support to the greater Los Angeles region, if needed. The Department will work with the CAO and Controller to use the remaining funds provided to the Department in the adopted FY 2013-14 budget for the helitanker agreement to compensate these agencies for the use and time of these critical resources.

Fiscal Impact: The Department's FY 2013/14 adopted budget contains full funding for this contract.

Conclusion: Approval of the Sixth Amendment with Erickson Air-Crane Inc., to extend the terms of Agreement No. C-113693, is a vital component of fire protection and mitigation during the ongoing brush fire seasons. Though the Helitanker aircraft are not available during the critical months of July through September, the aircraft will likely be heavily used during the months of October through December. The Helitanker is a crucial, proven tool in achieving aerial fire suppression. The Helitanker agreement undertaken by the Department to ensures fire/life safety throughout the City of Los Angeles.

This board report was prepared by William Jones, Senior Management Analyst II, Bureau of Administrative Services.

Attachment

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

THIS SIXTH 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-113693 for the period of July 18, 2008 through June 30, 2009 for a maximum compensation of \$2,482,000, 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, 2009 through June 30, 2010, with one (1) one-year extension and to increase maximum compensation by \$2,601,000, from \$2,482,000 to \$5,083,000; and

WHEREAS, the City desired in a second amendment to exercise a one-year extension, and extend term of Contract No. C-113693 from July 1, 2010 up to and including June 30, 2011 and to increase maximum compensation by \$2,737,000, from \$5,083,000 to \$7,820,000; and

WHEREAS, the City desired in a third amendment to exercise a one-year extension, and extend term of Contract No. C-113693 from July 1, 2011 up to and including June 30, 2012 and to increase maximum compensation by \$2,205,000, from \$7,820,000 to \$10,025,000; and

WHEREAS, the City desired in a fourth amendment to exercise a one-year extension, and extend term of Contract No. C-113693 from July 1, 2012 up to and including June 30, 2013 and to increase maximum compensation by \$2,205,000, from \$10,025,000 to \$12,230,000; and

WHEREAS, the City desired in a fifth amendment to increase the ceiling of Contract No. C-113693 for FY 2012-13 of \$2,205,000 by \$33,600, to a new maximum compensation of \$12,263,600.00; and

WHEREAS, the City desires in a sixth amendment to exercise a final one-year extension, and extend term of Contract No. C-113693 from July 1, 2013 up to and including June 30, 2014 and to increase maximum compensation by \$1,900,000, from \$12,263,600 to \$14,163,600; 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, 2009, and will terminate on June 30, 2014.

SECTION 6. **COMPENSATION AND METHOD OF PAYMENT** is hereby amended as follows:

A. Compensation

1. The City will pay a base price amount of \$1,600,000 to the Contractor, which includes a specific service period of 11.43 weeks (80 days) and ten (10) flight hours in FY 2013-14; this is subject to funding, if any, provided in the City's FY 2013-14 budget. The City will notify the Contractor in writing if the funding, if any, is appropriated for the FY 2013-14 budget.
2. The applicable performance period for the eighty (80) days is October 1, 2013 to December 20, 2013.
3. In the event that the City requires service beyond the ten (10) flight hours included in the base price amount under this Agreement, the Fire Chief will have sole discretion to extend the base price flight hours up to an additional fifty (50) flight hours, a total cost of up to \$300,000. The Contractor will bill the Fire Department for each additional flight hour at a rate of \$6,000 per hour, in 0.10 hour increments.
4. In the event that the City requires further service beyond the (10) flight hours included in the base price amount, and the additional fifty (50) flight hours authorized by the Fire Chief, thereby exceeding the total compensation amount of \$1,900,000 under this Agreement, or if the performance period beyond 80 days is required, then Mayor and Council approval and funding will be required.

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 the (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 a 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 Prior to or After Base Services Period Ends

1. In the event that the City requires service prior to the start of the eighty (80) day performance period; and, the Contractor is able to provide aerial helitanker services during this period, the amount to be paid for each weekly (seven-day period) will be \$20,000 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.
2. In the event that the City requires service beyond eighty (80) days, the amount to be paid for each weekly (seven-day period) extension will be \$20,000 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.

Except as amended by this SIXTH AMENDMENT, all other provisions of City Contract C-113693 and its previous amendments shall remain in full force and effect. This amendment includes two (2) 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: _____
BRIAN L. CUMMINGS
Fire Chief
Los Angeles Fire Department

APPROVED AS TO FORM:

CARMEN A. TRUTANICH
City Attorney

ATTEST:

JUNE LAGMAY
City Clerk

BY: _____
Anthony-Paul Diaz
Deputy City Attorney

BY: _____
Deputy City Clerk

DATE: _____

DATE: _____

City Business License Number:

162768-85

Internal Revenue Service ID Number:

93-1307561/JHG-97-844221

Agreement Number:

C-113693-6