

0150-08597-0005

**TRANSMITTAL**

TO The Council	DATE JUL 19 2012	COUNCIL FILE NO. 10-1310
FROM The Mayor		COUNCIL DISTRICT --

**Fourth Amendment to the Contract with Erickson Air-Crane, Inc.  
for Helitanker Fire Suppression Services**

Transmitted for your consideration.  
See the City Administrative Officer report attached.

  
MAYOR

MAS:MCD:04130001ct

Report From  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 07-16-12	C.D. No. All	CAO File No.: 0150-08597-0005				
Contracting Department/Bureau: Los Angeles Fire Department		Contact: Bill Jones, (213) 978-3461					
Reference: Board of Fire Commissioners report dated May 25, 2012.							
Purpose of Contract: To lease a Helitanker airship to assist in aerial fire suppression activities during the 2012-13 brush fire season.							
Type of Contract: ( ) New contract (X) Amendment		Contract Term Dates: July 1, 2012 through June 30, 2013					
Contract/Amendment Amount: \$2,205,000							
Proposed amount \$ 2,205,000 + Prior award(s) \$ 10,025,000 = Total \$ 12,230,000							
Source of funds: Fund 100/38, Account 3040, Contractual Services							
Name of Contractor: Erickson Air-Crane, Incorporated							
Address: 3100 Willow Springs Road, Central Point, OR, 97502							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed			X	c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: 0%				*N/A = not applicable ** Contracts over \$100,000			

**COMMENTS**

On June 19, 2012, the Board of Fire Commissioners approved the Fourth Amendment, a one-year extension to the agreement (C-113693) with Erickson Air-Crane, Inc. (Erickson) for an amount not to exceed \$2,205,000, to continue to provide Helitanker services to the Fire Department (LAFD) during the 2012-13 brush fire season. In 2008, the Department entered into an agreement with Erickson Air-Crane, Inc., for firefighting Helitanker aircraft services for a one-year period and to provide two one-year extensions. Last year, the Third Amendment extended the term of this contract for one year. Accordingly, the Fourth Amendment extends the Helitanker contract by one additional year. The terms continue to provide for a 130-day performance period that includes 10 flight-hours. Flight-hours in excess of the 10 prepaid hours will be charged at a rate of \$6,000 per hour. Funding for this agreement is provided in the Department's 2012-13 Adopted Budget.

The LAFD selected Erickson based upon the issuance of a Request for Proposals for aerial fire suppression services in December 2006 and entered into a contract (C-111921) for the one-year term from July 1, 2007 through June 30, 2008. Erickson was the sole respondent and was deemed to be responsive based upon an evaluation by a multi-agency grading team consisting of subject matter experts.

A Helitanker is a helicopter airship that can collect, transport and drop approximately 2,000 gallons of water or fire retardant material over a widespread area. The LAFD utilizes this technology to suppress

		
MCD	Analyst	04130001
Assistant CAO		City Administrative Officer

large-scale, high-intensity brush fires. When combined with ground crews, the Helitanker provides for a formidable fire suppression capability. The Helitanker was instrumental in combating the October/November 2003 firestorms, the 2007 Griffith Park fire and the 2008 Sayre fire that occurred within the City.

In addition to the Helitanker, the LAFD's aircraft resources include three Bell 412 Type II 350-gallon water-dropping helicopters, two AgustaWestland AW139 water-dropping helicopters with a capacity of 420 gallons and one Bell 206-L command airship (no water-dropping capability). During major brush fire incidents, the Department also utilizes regional aerial resources from the Cal-Fire and the 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 Departments'. Since the availability of regional resources are not guaranteed and are subject to priority, the proposed agreement will provide the LAFD with exclusive use of the Helitanker for the duration of the brush fire season. The LAFD will station the Helitanker and crew at the Van Nuys Airport/Air Operations Facility during the 130-day operational readiness period to ensure immediate availability on major brush fire incidents.

Although the agreement provides for the exclusive availability of the Helitanker through June 2013, the total flight-hours are limited to 10. Should the LAFD utilize the Helitanker in excess of the 10 flight-hours, the Department would be billed at a rate of \$6,000 per hour. The Department should closely monitor the agreement expenditures and report any potential Contractual Services account impacts through the Financial Status Report process.

The LAFD states that the proposed agreement with Erickson is in compliance with the Standard Provisions for City Contracts. The proposed agreement is also consistent with the City's Financial Policies in that the Helitanker services provided by the vendor during 2012-13 will be financed with funds already budgeted for this purpose. The Department intends to prepare and issue a new Request for Proposals for Helitanker services later this year.

## **RECOMMENDATIONS**

That the City Council, subject to the approval of the Mayor:

1. Authorize the Fire Chief to execute the attached proposed amendment with Erickson Air-Crane, Incorporated, for Helitanker services, for a one-year term through June 30, 2013, and for an amount not to exceed \$2,205,000 in 2012-13, subject to the review and approval of the City Attorney as to form and legality; and
2. Instruct the Fire Department to monitor and report monthly Helitanker services expenditures during 2012-13 as part of the Financial Status Report process.

## **FISCAL IMPACT STATEMENT**

There will be no additional impact to the General Fund. The anticipated cost for Helitanker services during 2012-13 will not exceed \$2,205,000 and is funded in the Fire Department's 2012-13 Adopted Budget. This agreement is consistent with the City's Financial Policies in that the services provided will be financed with funds already budgeted for this purpose.

Attachment

June 19, 2012



**LOS ANGELES FIRE DEPARTMENT**

BRIAN L. CUMMINGS  
FIRE CHIEF

May 25, 2012

BOARD OF FIRE COMMISSIONERS FILE NO. 12-093
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TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief 

SUBJECT: FOURTH AMENDMENT TO CONTRACT NO. C-113693, EXTENDING THE TERM 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 fourth amendment with Erickson Air-Crane Incorporated to extend the term of Agreement No. C-113693 from July 1, 2012 through June 30, 2013.
2. Direct the Commission Executive Assistant to forward this fourth amendment to the City Council, for approval in accordance with Section 10.5 of the Los Angeles Administrative Code.
3. Direct the Commission Executive Assistant to forward this fourth amendment to the Mayor, in accordance with Executive Directive No. 3.
4. Subject to the approval of the Mayor and the City Council, authorize the Fire Chief to execute the fourth 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 terms provide for a 130-day performance period including 10 flight hours. The \$2,205,000 cost remains the same as last year. Also, flight hours in excess of the 10 prepaid flight hours will be invoiced at a rate of \$6,000 per hour.

The Department had a one-year agreement with Erickson Air-Crane spanning from July 1, 2008 through June 30, 2009, for firefighting Helitanker aircraft services. The first amendment was to extend the contract through FY 2009-10. The second amendment was to extend the contract through FY 2010-11. And the third amendment was to extend the contract through FY 2011-12. The Department requests approval by the Mayor and City Council for a fourth amendment to extend the contract agreement through FY 2012-13 or until June 30, 2013. The fourth amendment has been reviewed and approved as to legality and form by the Office of the City Attorney.

**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 aircrafts 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, Incorporated 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, 2012. The FY 2012-13 Agreement incorporates the same terms and conditions, including performance period and prepaid flight hours, as the FY 2011-12 agreement.

**Fiscal Impact:** The Department's FY 2012-13 proposed budget contains full funding, \$2,205,000, for this contract.

**Conclusion:** Approval of the fourth amendment with Erickson Air-Crane Incorporated to extend the terms of Agreement No. C-113693, 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 Stewart Young, Management Analyst II, Administrative Services Bureau.

Attachment

# DRAFT

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

**THIS FOURTH** 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 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

**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

**WHEREAS**, the City desires in this fourth amendment to exercise a final one-year extension, and extend term of Contract No. C-113693 from July 1, 2012 up to and including June 30, 2013; and

**WHEREAS**, the compensation amounts to Contractor will be decreasing, and the parties desire in this fourth 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:

# DRAFT

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

- A.        The term of this Agreement will commence on July 1, 2012, and will terminate on June 30, 2013.

**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 2012-13; this is subject to funding, if any, provided in the City's FY 2012-13 budget. The City will notify the Contractor in writing if the funding, if any, is appropriated for the FY 2012-13 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 FOURTH AMENDMENT. To the extent that said services were performed in accordance with the terms and conditions of this FOURTH AMENDMENT, those services are hereby ratified by the City.

# DRAFT

Except as amended by this FOURTH 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.]

# DRAFT

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-113693-4