



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 13, 2008 REPORT NO: 08-011
ATTENTION: Council President and City Council
Docket of February 19, 2008
SUBJECT: Fire/Rescue Helicopter Acquisition
REFERENCE:

REQUESTED ACTION:

Approve the recommendations.

STAFF RECOMMENDATIONS:

1. Authorize the Mayor or his designee to approve the sole-source lease-purchase of a new Bell 412EP medium-lift helicopter manufactured by Bell Textron Helicopter, to provide a second fire-rescue helicopter.
2. Authorize the Mayor or his designee to approve the financing of the new helicopter to be spread over a long-term (15-year) tax-exempt municipal lease/purchase agreement.

SUMMARY:

In July 2005, the City of San Diego purchased a refurbished 1980 Bell 212 medium-lift fire-rescue helicopter. Copter 1, the City's first and only fire-rescue helicopter, is primarily dedicated to operations within the City of San Diego, but is also called upon to respond to emergencies throughout the region.

During its two years of operation, Copter 1 has proven itself to be an indispensable resource to the City and region. It has served as a considerable force multiplier during fire emergencies and as an essential platform for complicated vertical rescue operations and rapid transportation of emergency medical patients. During the October 2007 wildfire, it was the only aerial firefighting resource available to operate within the City during the critical first two days of the fire.

A previously performed independent study by Conklin & de Decker reflected that Bell 212/412 helicopters are taken out of service 9-10% of the time annually for maintenance inspections. It was anticipated that as Copter 1 aged there would be an increase in scheduled and unscheduled maintenance, resulting in less availability of the aircraft. The data in the table on the next page reflects that Copter 1's actual out-of-service time is following the trend cited in the study.

	FY 2006	FY 2007
Out-of-Service %	9.7%	13.6%
Out-of-Service Days	35.3 days	49.6 days

With increasing demand for emergency responses both inside and outside the City of San Diego, our citizens and visitors are more likely to experience delayed or unavailable medium-lift helicopter fire, rescue, and emergency medical services due to maintenance down time. In addition, the operation of a single fire-rescue helicopter has resulted in an inability to respond to multiple, concurrent emergency incidents and to provide additional needed helicopter support to large scale incidents like the wildfires experienced in 2003 and 2007.

As a result of these challenges, the acquisition and staffing of a second fire-rescue helicopter is essential to ensuring Fire-Rescue's ability to maintain at least one operational helicopter at all times and to provide additional aerial capability to respond to multiple, concurrent and large-scale emergency incidents. The availability of a second medium-lift helicopter would ensure the citizens of San Diego have access to immediate and continuous aerial fire suppression, rescue, and emergency medical services, as was envisioned when Copter 1 was approved for purchase.

If approved, funding for this acquisition would be via a 15-year lease-purchase agreement. Sales tax and lease-purchase payments in FYs 2009-2011 would be made from funds currently on deposit in the helicopter special revenue account and/or scheduled annual deposits into that account from an established corporate sponsorship and an allocation from Service Authority for Freeway Emergencies (SAFE). The General Fund would be required to begin making payments for the lease-purchase in FY 2012.

Staffing for the second fire-rescue helicopter would be provided in the same manner as currently provided for Copter 1, assuring immediately 24/7 availability. Staffing, operating and maintenance costs would be a General Fund obligation and would require an additional appropriation to the Fire-Rescue Department beginning in FY 2009.

If approval for this acquisition is received by January 2008, the completed helicopter is expected to be in service by August of 2008, prior to the arrival of seasonal Santa Ana winds.

DISCUSSION:

There are a number of advantages of expanding Fire-Rescue's fleet of medium-lift helicopters from one to two aircraft, including:

- increased probability that at least one helicopter will be available at all times;
- capacity to handle multiple, concurrent emergency missions;
- doubling of City controlled aerial firefighting resources for air attacks at large incidents;
- dividing operating hours between both aircraft, thus increasing their service life;
- enhanced maintenance coverage under the manufacturer's extended warranty program;
- increased capability and safety via state-of-the-art technology and safety features;
- having single-owner maintenance documentation and aircraft history; and
- creation of higher, original owner resale value.

To maximize availability, minimize response times and provide for the greatest mission flexibility, it is proposed that the second helicopter be staffed 24/7 with a pilot, crew chief and firefighter/paramedic, as is the case with the current Copter 1. Both aircraft and crews would be based at the Fire-Rescue Air Operations Facility at Montgomery Field, in Kearny Mesa.

RECOMMENDATIONS:

1. Purchase a Bell 412EP as a second helicopter, via a sole source acquisition.
2. Finance the acquisition through a long-term (15-year) tax-exempt municipal lease/purchase agreement (refer to Debt Management Attachment 1). Institutions interested in financing the purchase would be identified through the City’s RFP process.
3. Provide for 24/7 staffing of the second helicopter to ensure immediate availability by appropriating the necessary additional funds to the Fire-Rescue Department budget beginning in FY 2009.

Recommendation #1 above is based on the fact that no other medium-lift helicopter exists that would meet the Fire-Rescue Department’s emergency multi-mission Level 1 instrument flight rules (IFR) performance requirements. Additionally, SDFD pilots and contract mechanics are already trained for the 412 series helicopter and own the specialized tools required for its maintenance. Furthermore, this helicopter has proven its suitability for fire-rescue related missions in the Fire-Rescue Department and is in use by other fire departments including Los Angeles City and County, Miami-Dade, and Chicago.

Approval is requested so that Fire-Rescue may begin the purchase process for a new Bell 412EP helicopter manufactured by Bell Textron Helicopter (BTH) of Fort Worth, Texas. If approved, this aircraft would be assigned by Bell Helicopters to Edwards & Associates of Bristol, TN. Staff recommends the helicopter be acquired through a single contract with Edwards & Associates (Edwards), the only aircraft completion firm wholly owned by BTH.

Edwards has a proven track record for completing 412EP modifications in a timely manner and would also be the recommended sole source provider for the airframe, avionics and EMS interior modifications, and installation of the specialized ancillary equipment required by SDFD. This medium-lift helicopter would be configured with the following items that make the aircraft unique to SDFD’s specific needs:

30-Minute OEI (PT6T-3DF Engine) Continuous Power	Cockpit voice recorder provisions
Four blade composite main rotor (unlimited life)	Vibration Monitoring System
High transmission-drive system	Force trim system and artificial feel (electrically set)
4-axis autopilot	Flight data recorder provisions
92 inch sliding doors on both sides	Flight Director NAV Coupler (3 Axis) (Requires Copilot inst. Rad Altimeter)
Glass windshields	Cargo Hook (Complete)
Dual Digital 3-axis AFCS (2 flight control computers)	Increased Generator Capacity

FISCAL CONSIDERATIONS:

Estimated cost of a new helicopter equipped with standard Level 1 Instrument Flight Rating (IFR) technology is \$8.5 million. Estimated cost for procuring a firefighting water drop tank, rescue hoist, avionics, EMS interior, and installation of ancillary equipment is an additional \$1.75 to \$2 million. The total cost of the completed helicopter is expected to be approximately \$10.5 million. The fully financed cost would be \$15.9 million. Its service life is expected to be 15 years.

Year 2012. Additionally, the final payment for Copter 1's seven-year term lease-purchase payments will be made in Fiscal Year 2013, reducing the City's overall annual expenditure for the Air Operations Program.

As an offset to the increased cost of providing two helicopters, it is anticipated that the combination of the contract with the Service Authority for Freeway Emergencies (SAFE), corporate sponsorships, and reimbursements from other agencies may realize as much as \$500,000 in revenue annually.

It is estimated that operating and maintenance costs for the second helicopter will be an additional 75% of the amount currently budgeted for Copter 1. The 25% reduction in anticipated costs is due to the reduced number of flight hours for each aircraft, warranty coverage on the new helicopter, and efficiencies in scheduling maintenance activities for two aircraft. Therefore, annual operating and maintenance costs are estimated at \$826,200 and will require an additional appropriation to the Fire-Rescue Department budget beginning in FY 2009.

Lastly, the staffing costs for the second helicopter for FY 2009 are \$1,400,000. This is offset by the existence in the Fire-Rescue budget of a sufficient number of unfilled FTEs in the Fire Captain and Firefighter classifications to fill the required number of crew positions. The only additional expense would be for the 10% special pay not presently budgeted. This will require an additional appropriation of approximately \$67,020 to the Fire-Rescue Department budget beginning in FY 2009. The net PE/NPE impact on the General Fund for FY 2009 will be \$893,220 (\$826,200 + \$67,020). While no additional FTE appropriation would be necessary to staff the second helicopter, the use of these unfilled FTEs would have an impact on the projected position vacancy factor for Fire-Rescue.

A summary of all program costs and revenues is included as Attachment 1. A summary of the anticipated lease-purchase terms is provided as Attachment 2.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:


Once the new fire/rescue helicopter is placed into service, San Diego Fire-Rescue will conduct an outreach effort to include the media and key stakeholders.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders include the City of San Diego and the citizens and visitors of San Diego.



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