



# ***CITY COUNCIL AGENDA REPORT***

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MEETING DATE: JUNE 19, 2012

ITEM NUMBER:

**SUBJECT:** EXTENSION OF THE SHORT-TERM AIR SUPPORT SERVICES CONTRACT WITH THE CITY OF HUNTINGTON BEACH

**DATE:** JUNE 7, 2012

**FROM:** POLICE DEPARTMENT, SUPPORT SERVICES DIVISION

**PRESENTATION BY:** LES GOGERTY, SUPPORT SERVICES DIVISION CAPTAIN

**FOR FURTHER INFORMATION CONTACT:** LES GOGERTY – 714.754.5190

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## **RECOMMENDATION:**

1. Authorize the CEO to administratively execute an extension of the current short-term contract with the City of Huntington Beach for helicopter support services from July 1, 2012 to June 30, 2015, not to exceed the amount of \$300,000 dollars annually.

## **BACKGROUND:**

On June 7, 2011, the City Council voted to authorize the CEO to execute a short-term contract with the City of Huntington Beach for helicopter services from July 1, 2011 to December 31, 2011. On November 15, 2011, the City Council voted to authorize the CEO to execute an amendment extending the term until June 30, 2012. During the first year of service, the Air Support Unit (ASU) has been responding to and assisting on calls when appropriate. Staff believes the Huntington Beach ASU has been responsive and is providing adequate service within the limits of the authorized contract. Due to the consistent level of service provided for the past year, staff believes it would be more efficient to extend the current contract for a three-year term instead of having to amend it every six months.

The City of Huntington Beach has requested some additional language be added to the agreement to address rising costs incurred during a contractual year. The first is an adjustment to the hourly fee, adjusted on July 1 of each year, based upon a change in the Consumer Price Index during the preceding year. The second is an agreement to meet and discuss a fee change if fuel costs rise 10 percent or more during the preceding contractual year. Neither of these potential adjustments will occur until July 1, 2013, and an hourly fee increase shall not result in an increase in the authorized fiscal year allocation without prior written authorization from Costa Mesa.

## **ANALYSIS:**

The current short-term contract will expire on June 30, 2012. If it is not extended the City will not have access to daily air support services, but instead will be limited to emergency air support services only, in accordance with local mutual aid agreements.

**ALTERNATIVES CONSIDERED:**

The City Council could decide not to authorize an extension of the contract and limit the City of Costa Mesa to emergency air support services only, in accordance with local mutual aid agreements.

**FISCAL REVIEW:**

An amount of \$300,000 has been included in the FY 2012/13 Proposed Budget for helicopter support services.

The cost for air support service is \$700 dollars per hour of flight time not to exceed \$300,000 dollars annually for the three-year contract. Based upon the language in the agreement, this dollar amount will not change for FY 2012/2013.

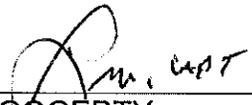
Should adjustments be made to the hourly fee after July 1, 2013, the City of Costa Mesa is not obligated to increase the original budgeted amount of \$300,000 dollars. The City Council would have two options if this occurred: 1) authorize a budget adjustment to maintain the same level of air support service the City has received during the past year; 2) not authorize a budget adjustment and direct staff to manage the use of air support service hours so as not to exceed the original budgeted amount of \$300,000 dollars.

**LEGAL REVIEW:**

Legal has reviewed the documents and approved them as to form.

**CONCLUSION:**

The current contract with the City of Huntington Beach for air support services expires on June 30, 2012. Based upon the available information, staff believes the contract should be extended for the three-year term from July 1, 2012 to June 30, 2015.

  
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LES GOGERTY  
Police Captain

\_\_\_\_\_  
TOM GAZSI  
Chief of Police

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BOBBY YOUNG  
Finance and IT Director

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TOM DUARTE  
City Attorney

ATTACHMENTS: 1 Amendment Number Two to Services Agreement

**AMENDMENT NUMBER TWO  
TO SERVICES AGREEMENT FOR PUBLIC SAFETY  
HELICOPTER SUPPORT BETWEEN THE  
CITY OF HUNTINGTON BEACH AND THE  
CITY OF COSTA MESA**

This Second Amendment ("Amendment") is made and entered into this \_\_\_\_\_ day of June, 2012 ("Effective Date") by and between the City of Huntington Beach, a California Municipal Corporation ("Huntington Beach") and the City of Costa Mesa, a California Municipal Corporation ("Costa Mesa").

WHEREAS, Huntington Beach and Costa Mesa previously entered into the Services Agreement for Public Safety Helicopter Support ("Agreement") for a six-month term from July 1, 2011 through December 31, 2011; and

WHEREAS, Huntington Beach and Costa Mesa subsequently amended the Agreement to extend the term through June 30, 2012; and

WHEREAS, Huntington Beach and Costa Mesa now desire to extend the term of the Agreement for a longer period of time, through June 30, 2015; and

WHEREAS, Huntington Beach and Costa Mesa have agreed to a change in the terms of the compensation to be paid to Huntington Beach, and wish to modify Paragraph III-Compensation to reflect their new agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The term of the Agreement shall be extended through June 30, 2015.
2. Section 3.01 of the Agreement is hereby deleted in its entirety and replaced with the following:

3.01 Costa Mesa shall pay Huntington Beach for the public safety helicopter services provided on an hourly basis in accordance with the provisions of this Section. Huntington Beach's total compensation for all services performed in accordance with this Agreement shall not exceed Nine Hundred Thousand Dollars (\$900,000.00) without prior written authorization from Costa Mesa. Additionally, Huntington Beach's compensation in each fiscal year (defined as July 1<sup>st</sup> through June 30<sup>th</sup>) shall not exceed Three Hundred Thousand dollars (\$300,000) without prior written authorization from Costa Mesa.

3. The following subparagraphs are added to Paragraph III COMPENSATION; said subparagraphs to read as follows:

3.05 Commencing on January 1, 2013, the hourly fee for Air Support Services shall be adjusted on July 1 of each year based on the change in the Metropolitan Consumer Price Index for the Los Angeles-Riverside-Orange County, California area

during the preceding year. The Huntington Beach Police Chief shall adjust the fees set forth in the MOU by such percentage change and rounded to the next highest dollar amount. Should the Consumer Price Index be revised or discontinued, the Police Chief shall use the revised or a comparable index as approved by the City Council.

3.06. Huntington Beach and Costa Mesa agree to meet and discuss changing the hourly fee for Air Support Services if fuel costs increase by ten percent (10%) or more during the preceding contractual year. The fee will be adjusted accordingly once an agreed upon amount is determined.

3.07. Any hourly fee increase shall not result in an increase in the authorized fiscal year allocation without prior written authorization from Costa Mesa.

4. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.

5. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

**CITY OF COSTA MESA**

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THOMAS HATCH, Chief Executive Officer  
City of Costa Mesa

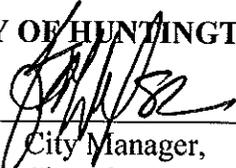
**ATTEST:**

\_\_\_\_\_  
Acting Deputy City Clerk  
City of Costa Mesa

**APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY**

\_\_\_\_\_  
THOMAS P. DUARTE, City Attorney  
City of Costa Mesa

**CITY OF HUNTINGTON BEACH**

\_\_\_\_\_  
  
City Manager,  
City of Huntington Beach

**INITIATED AND APPROVED**

\_\_\_\_\_  
  
Chief of Police,  
City of Huntington Beach

**APPROVED AS TO FORM:**

\_\_\_\_\_  
  
City Attorney,  
City of Huntington Beach

6.11.12