



# City Council Report

**Date:** September 17, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal to the Term Contract for Helicopter Airframe Parts and Repairs for the Police Department Aviation Unit **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Police Department and Purchasing recommend authorizing the renewal with Seaside Helicopters, Inc., at \$500,000, based on estimated usage.

## Background / Discussion

This contract provides parts, tooling, technical assistance, and labor to overhaul and exchange airframe components, avionics and accessories for the Police Aviation Unit's three MD Helicopters. The Aviation Unit currently has two model 500E helicopters and one model 530F, flying approximately 2,500 hours per year.

Seaside Helicopters, Inc. agreed to renew the contract for one year but required an overall increase of 15.45% while the Producer Price Index has only increased by 1%. The increases are largely attributed to increases from MD Helicopters as they are the sole manufacturer for some parts and required that several of these items now be serviced directly by MD. The most significant price change is the main rotor transmission overhauls (Increases of ~120% to 150%) that the current vendor, or any other perspective vendor, would have no influence over. The situation remains the same with MD Helicopters and only 1 to 2 vendors in town to provide helicopter service and repairs. Many items provided by Seaside have no price increase. Only other manufacturers have increased their pricing.

The Mesa Police Aviation Unit has a long-standing professional relationship with Seaside. Seaside is receptive to their needs and very timely when responding. All of the parts and services ordered are of high quality with competitive pricing. If there are ever any issues they are addressed immediately to their satisfaction by a Seaside representative. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Purchase Information

Action: Renewal (1st of 2 possible)  
Procurement Type: Request for Proposals  
Contract Number: 2016012

Responses Received: 2 (1 non-responsible) plus 2 No Bid responses  
Original Council Award Date: 10/5/2015  
Initial Contract Term: Three years  
Funding Source: Police Department operating budget.