

Mayor and Council Communication

DATE: 05/23/23

M&C FILE NUMBER: M&C 23-0420

LOG NAME: 35RATIFY EXPENDITURES AND INCREASE SPENDING AUTHORITY - SAFRAN

SUBJECT

(ALL) Authorize an Increase to City Secretary Contract No. 56843 with Safran Helicopter Engines USA, Inc. in the Amount of \$93,760.00 Annually for a Total Annual Contract Amount of \$193,760.00 and Ratify Expenditures in the Amount of \$46,817.99 for Helicopter Engine Maintenance for the Police Department

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize an increase to City Secretary Contract No. 56843 with Safran Helicopter Engines USA, Inc. in the amount of \$93,760.00 for a total annual contract amount of \$193,760.00 for the Police Department; and
2. Ratify expenditures in the amount of \$46,817.99 with Safran Helicopter Engines USA, Inc. for helicopter engine maintenance.

DISCUSSION:

The Police Department (PD) executed City Secretary Contract No. 56843 (the Agreement) with Safran Helicopter Engines, USA (Safran) for helicopter engine maintenance for a term of five years. At the beginning of each month, and per the contract, PD Air Support sends Safran the number of helicopter flight hours utilized during the previous month. Safran invoices the City per the contract based on the number of hours reported. The current rate is \$183.76 a flight hour for engine parts maintenance; however, pursuant to the Agreement, the hourly rate may increase annually by 6%.

PD intended the Agreement to include funding for \$100,000.00 per year over its 5-year term. However, due to a miscommunication between departments, the Purchasing Division limited the Agreement to \$100,000.00 in total over the 5 year term. Additionally, PD underestimated the total cost related to the number of flight hours vs the hourly rate calculation and, due to accumulated flight hours, the helicopter required additional maintenance. As a result, PD Air Support division has exhausted the \$100,000.00 in less than two fiscal years and received five invoices for services without a Purchase Order due to contract amount limitations being exceeded and will need to increase spending authority. Therefore, PD is requesting authorization to set the contract compensation amount to \$193,760.00 a year for the remaining term of the Agreement and any subsequent renewals. In addition, PD is requesting that Council ratify expenditures in the amount of \$46,817.99 for payments issued to Safran to cover the outstanding invoices.

Funding is budgeted in the Fleet Service Outside Repair and Maintenance account of the Police Department's General Fund.

This procurement is exempted from the competitive bidding requirements as provided under Section 252.022(7) of the Texas Local Government Code. The Police Department submitted a Sole Source 252 Exemption Form that was approved by the City Attorney's office, therefore, the business equity goal requirement is not applicable.

An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

Upon City Council approval, City Secretary Contract will expire on November 30, 2026. This contract may be renewed for up to one (1) five year term at the City's option. This action does not require specific City Council approval, provided that the City has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

A Form 1295 is not required because: The M&C does not request approval of a contract with a business entity.

This project is located in ALL COUNCIL DISTRICTS

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations, funds are available in the current operating budget, as previously appropriated, in the General Fund. Prior to an expenditure being incurred, the Police department has the responsibility to validate the availability of funds.

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