

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

December 17, 2024

FROM

SHANNON D. DICUS, Sheriff/Coroner/Public Administrator

SUBJECT

Purchase Orders for Aircraft Maintenance and Repair Services

RECOMMENDATION(S)

1. Authorize the Purchasing Agent to issue non-competitive purchase orders, as needed, in an aggregate amount of \$8,000,000, for the period of January 1, 2025, through June 30, 2028, for aircraft maintenance, parts, and repair services provided by the following 21 vendors:
 - a. ABLE Aerospace, Meza, AZ
 - b. Aero Dynamix, Eules, TX
 - c. Airbus Helicopter Inc., Grand Prairie, TX
 - d. Bell Textron, Inc., Fort Worth, TX
 - e. Boeing Distribution, Dallas, TX
 - f. Executive Jet Maintenance, LLC, San Bernardino, CA
 - g. Frederick Aero Development, Murrieta, CA
 - h. Hangar One Avionics, Carlsbad, CA
 - i. Helimart, Costa Mesa, CA
 - j. International Aviation Composites, Haslet, TX
 - k. Konecranes, Inc., Corona, CA
 - l. Mint Turbines, LLC, Troud, OK
 - m. Rotorcraft Support Inc., Van Nuys, CA
 - n. Safran Helicopter Engines, USA, Inc., Grand Prairie, TX
 - o. Spectrolab, Inc., Sylmar, CA
 - p. Standard Aero Limited, Winnipeg, Canada
 - q. Thales Avionics, Inc., Piscataway, NJ
 - r. Trace Aviation, Jacson, MS
 - s. Goodrich Corporation (UTC Aerospace Systems), Anaheim, CA
 - t. Vislink Integrated Microwave Technology, LLC, Hackettstown, NJ
 - u. Wescam, Inc., Ontario, Canada
2. Approve non-financial General Terms and Conditions with Bell Textron, Inc., including non-standard terms, **(Agreement No. 24-1296)** for the period of January 1, 2025, through June 30, 2028, for aircraft maintenance, parts, and repair services.
3. Authorize the Purchasing Agent to add or delete vendors as needed from the vendors listed in Recommendation No. 1 for aircraft maintenance, parts, and repair services, as required to meet Federal Aviation Administration safety and operational standards.
(Presenter: Kelly Welty, Chief Deputy Director, 387-3760)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

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Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The Sheriff/Coroner/Public Administrator (Department) does not encumber these purchases order(s) and is, therefore, required to re-establish budget authority each fiscal year. Budget authority for 2024-25 is \$2,000,000 and the Department is requesting an additional \$500,000 for the remainder of the fiscal year based on trend. Budget authority in the amount of \$2,500,000 is requested for future fiscal years to accommodate spending authority should an aircraft repair exceeding \$1,000,000 occur. Sufficient appropriation is included in the Department's 2024-25 budget (4430001000) and will be included in future recommended budgets as follows:

Fiscal Year	Existing Spending Authority	Additional* or New Spending Authority
2024-25	\$2,000,000	*\$500,000
2025-26	-	\$2,500,000
2026-27	-	\$2,500,000
2027-28	-	\$2,500,000
Total	\$2,000,000	\$8,000,000

BACKGROUND INFORMATION

The Department maintains a fleet of various aircraft for patrol, surveillance, search and rescue, firefighting, and transportation services. These aircraft require routine and emergency maintenance and periodic engine overhauls to meet Federal Aviation Administration (FAA) safety and operational standards.

The Department's Aviation fleet requires mandatory ongoing maintenance, repairs, parts, and major overhaul of engines, transmissions, and airframes every 3,000-3,500 hours of use, as required per manufacturer maintenance schedules. All vendors are qualified to perform these aircraft maintenance and repair services. Expenditures may vary per vendor and may exceed \$200,000 per instance, depending on the type and frequency of repairs needed. Due to the scarcity of available parts and need for timely specialized services to support the safe operation of the Department's Aviation fleet, these purchase orders help ensure the Department can procure these specialized goods and/or services when immediately required.

On June 26, 2018 (Item No. 64), the Board of Supervisors (Board) approved 19 purchase orders with qualified vendors through a non-competitive process for aircraft maintenance and repair services under SAP No. 4400009034, for the period of July 1, 2018, through June 30, 2021, in an agreement amount of \$3,500,000 annually, for a maximum of \$10,500,000.

On May 18, 2021 (Item No. 78), the Board approved a two-year extension to the term of SAP No. 4400009034, for a new total period of July 1, 2018, through June 30, 2023, increasing the aggregate amount from \$10,500,000 to \$17,500,000 (\$3,500,000 annually) with the same 19 vendors, to allow sufficient time for the Department to seek new service contracts through a competitive Request for Proposals (RFP) process.

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On November 16, 2021 (Item No. 64), the Board approved the addition of Executive Jet Maintenance, LLC to the list of aircraft maintenance and repair service vendors under SAP No. 4400009034, increasing the number of vendors from 19 to 20, with no change to the aggregate agreement amount of \$3,500,000 annually, the term of July 1, 2018, through June 30, 2023, or the maximum aggregate amount of \$17,500,000.

On February 17, 2023, RFP No. SHR122-ADMSR-4642 was approved and released through the County’s electronic Procurement Network (ePro) for the provision of aircraft maintenance, parts, and repair services; responses were due March 17, 2023. A total of 28 vendors were notified and only two responses were received. Due to the lack of responses, the Department was unable to request approval of new contracts.

On June 27, 2023 (Item No. 122), the Board authorized the County Purchasing Agent to issue purchase orders for aircraft maintenance, parts, and repair services, as needed, in an aggregate amount of \$4,000,000 for the period of July 1, 2023, through December 31, 2024, to the 20 listed vendors under SAP No. 4400009034.

Approval of Recommendation No. 1 will update the aircraft maintenance and repair service vendor list under SAP No. 4400009034, increasing the number of vendors from 20 to 21, with the following adjustments:

Remove:

Contract	Vendor Name	Location
4400009040	Bills Air Center	Santa Monica, CA
4400009052	Airbus, Inc.	Grand Prairie, TX

Add:

Contract	Vendor Name	Location
4400026620	Konecranes, Inc.	Corona, CA
4400026621	Standard Aero Limited	Winnipeg, Canada
4400026622	Bell Textron, Inc.	Fort Worth, TX

Approval of Recommendation No. 2 will approve non-financial General Terms and Conditions to be utilized for future purchase orders with Bell Textron, Inc. (Bell Textron), including non-standard terms, for the period of January 1, 2025, through June 30, 2028, for aircraft maintenance, parts, and repair services.

Bell Textron’s General Terms and Conditions (TAC) contain terms that differ from the standard County policies including, but not limited to, the following:

1. Payment terms are Net 30 days with late payment interest of 1.5 % per month, 18% per annum, or the highest rate legally permissible, whichever is less.
 - County standard payment terms are Net 60 days with no interest or late payment penalties.
 - Potential Impact: County standard processing time is 60 days or more. Failing to pay in 30 days of invoice may result in a material breach of the TAC, which could allow Bell Textron to terminate the TAC and seek other legal remedies, including charging the County interest at a rate of 1.5 % per month, 18% per annum, or the highest rate legally permissible, whichever is less, which could exceed the TAC amount.

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2. Governing Law is the State of Texas.
 - The County standard contract requires California governing law.
 - Potential Impact: The TAC will be interpreted under Texas law. Any questions, issues or claims arising under this agreement will require the County to hire outside counsel competent to advise on Texas law, which may result in fees that exceed the total TAC amount.
3. Venue for disputes arising under the TAC is in Tarrant County, Texas, or in the United States District Court for the Northern District of Texas, Ft. Worth Division, located in Ft. Worth, Tarrant County, Texas.
 - County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
 - Potential Impact: Having a venue in Tarrant County, Texas may result in additional expenses that exceed the amount of the TAC.
4. Bell Textron is entitled to recover attorneys' fees and costs.
 - The County standard contract requires each party to bear its own costs and attorney fees, regardless of who is the prevailing party.
 - Potential Impact: If the County institutes legal proceedings against Bell Textron and the County is either not the prevailing party or Bell Textron is successful in getting the case dismissed or transferred, Bell Textron will be entitled to recover reasonable attorneys' fees, which could exceed the total TAC amount.
5. The TAC does not require Bell Textron to indemnify the County, as required by County Policies 11-05 and 11-07.
 - The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors, or omissions of any person.
 - Potential Impact: Bell Textron is not required to defend, indemnify or hold the County harmless from any claims, including indemnification for claims arising from Bell Textron's negligent or intentional acts. If the County is sued for any claim, the County may be solely liable for the costs of defense and damages, which could exceed the total TAC amount. County Counsel cannot advise on whether and to what extent Texas law may allow the County to require Bell Textron to defend or indemnify it absent an express provision in the TAC.
6. Bell Textron limits its liability to the County with respect to components or parts damaged by, or worn due to, normal wear and tear, erosion, or corrosion, and consumables.
 - The County standard policy does not include a limitation of liability.
 - Potential Impact: Claims could exceed the liability cap and the TAC amount, leaving the County financially liable for the excess.
7. The TAC does not require Bell Textron to meet the County's insurance standards as required pursuant to County Policies 11-05, 11-07, and 11-07SP.
 - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and in the County standard contract.

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- Potential Impact: The County has no assurance that Bell Textron will be financially responsible for claims that may arise under the TAC, which could result in expenses to the County that exceed the total TAC amount.

While these are notable exceptions to the County's standard contract language, the Department recommends approval of Bell Textron's non-standard terms to ensure the Department's Aviation division receives aircraft maintenance services as required. County Counsel and Risk Management have reviewed the information and provided input.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Grace B. Parsons, Deputy County Counsel, 387-5455) on November 21, 2024; Purchasing (Jason Cloninger, Lead Buyer, 387-0321) on November 21, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst, 396-9008) on November 21, 2024; Finance (Erika Rodarte, Administrative Analyst, 387-4919) on December 1, 2024; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on December 3, 2024.

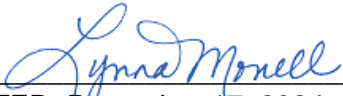
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 17, 2024



cc: Sheriff/Coroner - Welty w/agree
Contractor - c/o Sheriff/Coroner w/agree
File - w/agree
MBA 12/19/2024