

THE REGIONAL MUNICIPALITY OF YORK
POLICE SERVICES BOARD

REPORT OF THE CHIEF OF POLICE

25 June 2008

**Contract Extension – National Helicopters
Air Support Unit**

RECOMMENDATIONS

1. That the Board authorize the two year contract extension agreement with National Helicopters Incorporated for the provision of Pilots and Service Maintenance for AIR2, based on a minimum of 900 contracted flying hours per contract year; and
2. That the Chief be authorized to execute the contract with the amendments as noted, subject to approval of the Region's Legal Services as to form and content.

SYNOPSIS

The contract for services related to the Air Support program commenced on August 1, 2005, and was for a three year period with an option to extend for an additional two year period upon approval from the Board. Pursuant to the terms of the contract, York Regional Police have negotiated an extension of the current contract for a two year period. The contract extension features enhanced pilot training necessary to meet safety requirements and availability.

FINANCIAL IMPLICATIONS

The negotiated cost for an additional two years, commencing on August 1, 2008, and expiring July 31, 2010, is as follows:

Min. of 900 hours	2008/09	2009/10
Rate/Hour	\$573.77	\$584.57
Training	\$21.83	\$21.83
GST	\$29.78	\$30.32
Total Hourly Rate	\$625.38	\$636.72
Total Annual Rate	\$562,842.00	\$573,048.00

The total cost for a minimum of 1800 hours is \$1,135,890.00 including all applicable taxes. This represents a four per cent increase in the first year of the extension, an additional two per cent increase in the second year of the extension and an allowance in each year for additional pilot training necessary in order to ensure the safe operation of AIR2 during police operations.

There are sufficient funds in the 2008 operating budget to cover the costs for the Air Support Service Provider. Funds for the 2009/2010 contract year will be included in future operational budgets.

BACKGROUND

On August 1, 2005, the Regional Municipality of York Police Services Board entered into a Service Agreement with National Helicopters Incorporated to provide a comprehensive air support service, which included the provision of pilots, maintenance personnel, training and ancillary requirements. The Agreement outlined the requirements as set out by the Police Services Board.

The term of the current Agreement is for a three year period ending on July 31, 2008. The contract had a provision that the Agreement may be extended on mutual consent of the parties for one additional two year period

Section 3.2 of the agreement states:

“The term of this Agreement may be extended on mutual consent of the parties for one (1) additional two (2) year period. National shall provide the Board with written notice of its intent to exercise this option on or before May 1, 2008, and the Board shall respond to National in writing by no later than May 31, 2008. If the parties agree to extend the term of this Agreement, they will execute a formal extension forthwith after the exchange of written notices.”

On March 27, 2008, National Helicopters made a written request to the Regional Municipality of York Police Services Board indicating their intent to exercise the option to extend the agreement for an additional two year period. National also indicated that they were agreeable to discuss any amendments or changes that the Board may wish to make to the contract. At the April 23, 2008 Board meeting, the Board agreed to the recommendation to enter into negotiations with National Helicopters Incorporated.

The negotiation team consisted of representatives from York Regional Police Support Services and Purchasing Bureau, as follows:

- Superintendent Gord Smyth, Support Services
- Inspector Craig Rogers, Support Services
- Staff Sergeant Doug Conley, Support Services
- Sergeant Darryl Holland, Air Support and Canine
- Manager of Procurement and Facilities, Janice Follwell

National Helicopters and York Regional Police met to discuss the contract and any changes required in order for an extension to be recommended to the Board. Flight hours, pilot training, service and maintenance were discussed and modifications to the agreement were made to reflect the extension of the service agreement.

Calculating costs for the service agreement is based on York Regional Police flying a minimum of 900 hours in each twelve month period of the contract. The number of flying hours in the past is reflected in the following chart.

Year	Flight Hours
2005/06	1097 hours
2006/07	998 hours
2007/08	750 hours (to date)

The cost in 2008/09 for the 900 hours of flying time is \$516,393.00. This represents a four per cent increase in costs from the previous twelve months. In 2009/10 the cost increases by two per cent to \$526,113.00. The increase in fees are accounted for by an increase in costs for fuel and other consumables of just over nine per cent, an increase of five per cent in the costs associated to staffing for the Air Support program and a four per cent increase in management and maintenance costs.

There is also an allowance of almost \$20,000 in each year to provide special training to the pilots necessary to ensure the safe operation of AIR2 during police operations. These training requirements are based on best practices for police flying operations as set out by the Airbourne Law Enforcement Association. Basic safety management systems have been established to ensure optimum safety for flight operations while also addressing issues of risk management from an organizational perspective. Our requirements in this regard have been identified to National Helicopters and are reflected in this portion of the increases required for training and management services.

The total cost of the service agreement, for a two year extension, including the enhanced pilot training and all applicable taxes is \$1,135,890.00.

National Helicopters Incorporated has an excellent working relationship with York Regional Police and has on many occasions gone above and beyond the conditions outlined in the service agreement. Upon approval from the Board, York Regional Police Air Support Unit looks forward to another successful contract term with National Helicopters Incorporated.

Armand P. La Barge, O.O.M.
Chief of Police

APL:dc