



# City of San Antonio

## Legislation Details (With Text)

**File #:** 15-4213

**Type:** Miscellaneous Item

**In control:** City Council A Session

**On agenda:** 8/13/2015

**Title:** An Ordinance authorizing a broker agreement with Air Flight, Inc. to market two SAPD used helicopters for a commission of 8.5% of the sales price, and contracts with Sikorsky Commercial, Inc. and Helico Consultants s.e.n.c. for the purchase of the two helicopters for the price of \$240,000.00 and \$235,000.00, respectively. [Erik Walsh, Deputy City Manager; Anthony Trevino, Interim Chief of Police]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Broker Contract, 2. Draft Ordinance, 3. Ordinance 2015-08-13-0699

Date	Ver.	Action By	Action	Result
8/13/2015	1	City Council A Session	adopted	Pass

**DEPARTMENT:** Police

**DEPARTMENT HEAD:** Anthony Trevino, Interim Chief of Police

**COUNCIL DISTRICTS IMPACTED:** City Wide

### SUBJECT:

- A. An Ordinance authorizing the sale of two Police Department Schweizer helicopters.
- B. An Ordinance authorizing a broker agreement with Air Flite Inc.

### SUMMARY:

- A. An Ordinance authorizing the sale of a Police Department helicopter ,with the assistance of an aircraft broker, Air Flite Inc.:
  - 1. Sikorsky Commercial, Inc., has submitted an offer of \$240,000.00 to purchase the 2000 Schweizer N297BJ model 269D 0029 (Sikorsky S333), helicopter.
  - 2. Helico Consultants s.e.n.c., has submitted an offer of \$235,000.00 to purchase the 2007 Schweizer N584PM model 269D 0062A (Sikorsky S333), helicopter.
- B. An Ordinance authorizing a broker agreement with Air Flite Inc., an aircraft broker, for a marketing campaign to sell the Police Department's Schweizer helicopters, tools, and parts.

## **BACKGROUND INFORMATION:**

The standard life expectancy of a patrol aircraft is ten (10) years. Structural fatigue, parts availability and technology changes become a challenge to fiscally maintain an aircraft after ten (10) years. The current aging aircraft require increased maintenance requirements which have caused a 40% increase in down hours for maintenance over the last two years. In Fiscal Years 2013 and 2015 budgets, the San Antonio Police Department (SAPD) received funding to purchase three new helicopters to replace a portion of the aging Schweizer fleet of aircraft. Due to the age, availability of parts, cost of maintenance, and the purchase of the new single engine turbine helicopters, the aging helicopters, a total of four (4) were marketed for sale. Two of the aging helicopters have already been sold. The remaining aircraft will be sold under the proposed offers.

- A. The 2000 Model Schweizer helicopter was purchased in 1999. The 2007 Model Schweizer helicopter was purchased in 2006.
- B. Air Flite Inc., an aircraft broker, initiated a marketing campaign in April 2014 for the sale of the helicopters and will retain 8.5% for each sale, not to exceed \$50,000.00. In addition, an escrow agent will be utilized in order to transfer the titles of the sales. The escrow fee of \$1,000.00, for each helicopter, will be split between the City and the buyers. The City will pay \$500.00. The San Antonio Police Department will ensure the helicopters are air worthy prior to the sale.

## **ISSUE:**

Due to the availability of parts, cost of maintenance, and the purchase of the new helicopters, the Department must sell their aging helicopter fleet.

## **ALTERNATIVES:**

An alternative to approving the sales is to reject the offers and keep the helicopters on the market. However, it is unlikely that more lucrative offers will be received. Furthermore, rejections of the offers will require the City to remit a \$5,000.00 cancellation fee per helicopter.

## **FISCAL IMPACT:**

Sale of the helicopters will result in gross sales of \$475,000.00. The broker will receive \$41,375.00 for the sale and a total of \$1,000.00 in escrow fees paid by the City will result in a net revenue of \$432,625.00 to the General Fund.

## **RECOMMENDATION:**

Staff recommends the approval of the sales of the two helicopters and the broker agreement.