



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 12, 2022

FROM: POLICE DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – PURCHASE ORDER WITH HANGAR ONE AVIONICS IN THE AMOUNT \$423,796.57 FOR THE PURCHASE OF A REFURBISHED FORWARD-LOOKING INFRARED CAMERA – SUPPLEMENTAL APPROPRIATION FOR TAXES AND ESTIMATED INTEREST FOR THE HELICOPTER AND EQUIPMENT PURCHASE IN THE AMOUNT OF \$3,142,993.63

ISSUES:

Approve a purchase order with Hangar One Avionics, of Carlsbad, CA, for the purchase of a refurbished Forward-Looking InfraRed camera in the amount of \$423,796.57 and authorize a supplemental appropriation in an amount up to \$3,142,993.63 for taxes and interest for the helicopter and equipment purchase as outlined herein.

RECOMMENDATIONS:

That the City Council:

1. Approve a purchase order with Hangar One Avionics, of Carlsbad, CA, for the purchase of a refurbished Forward-Looking InfraRed camera in the amount of \$423,796.57; and
2. With five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$3,142,993.63 in the Measure Z - Police Helicopters Capital Lease spending item to account for taxes (\$942,993.63) and estimated capital lease interest (\$2,200,000).

BACKGROUND:

On September 9, 2021, the Budget Engagement Commission, with ten (10) yes votes and one (1) no vote, recommended that the City Council approved the purchase of two Airbus H125 Helicopters in the estimated amount of \$10,777,070 from Measure Z funds and that the Helicopters be purchased using the pay-as-you-go approach and pay for the entire acquisition cost up front from the available Measure Z unallocated fund reserves. Included in this purchase request and cost estimate was one Forward Looking InfraRed (FLIR) camera in the estimated amount of \$375,000.

On November 16, 2021, the City Council unanimously voted to approve the purchase of two Airbus H125 Helicopters in the estimated amount of \$10,777,070 from Measure Z funds and that

the helicopters be purchased using Capital lease financing. Included in this purchase request and cost estimate was one FLIR camera in the estimated amount of \$375,000.

On December 14, 2021, the City Council approved the Purchasing Agreement and a purchase order with Airbus Helicopters, INC., of Grand Prairie, Texas, in the amount of \$10,137,070 plus applicable tax for the purchase of two Airbus H125 Helicopters capital lease financing and approved a supplemental appropriation of \$10,777,070 for the purchase in the Measure Z - Police Helicopters Capital Lease spending item. This amount did not include taxes or interest for the purchase and capital lease financing.

DISCUSSION:

The FLIR camera is a valuable tool for the Police Department's Aviation Unit. It is a non-contact device that detects infrared energy (heat) and converts it to a visual image on a computer screen. Heat sensed by an infrared camera can be very precisely measured. A FLIR thermal camera can detect tiny differences in heat—as small as 0.01°C—and display them as shades of grey or with different color palettes. Thermal cameras can see many things our eyes or regular cameras cannot see. The law enforcement aviation application of the FLIR camera system includes the ability to locate missing persons, lost hikers and assist in the apprehension of fleeing suspects that pose a threat to law enforcement and the public. The FLIR camera systems can also assist with surveillance operations and extra patrol/quality of life requests reducing the manpower needed in many types of law enforcement missions.

The FLIR camera system is compact, less expensive and determined to be able to meet the needs of the Police Department, therefore, the Riverside County Transportation Commission (RCTC) partnered with the Riverside Police Department (RPD) in fiscal year 17/18 to purchase a FLIR 380 HDc helicopter based aerial thermal imaging sensor camera system. At that time the cost of the camera system was \$553,921.56. This system is currently installed on one of the existing Police Department Helicopters. It will be removed and installed on one of the new Airbus H125 Helicopters approved for purchase on December 14, 2021.

The Riverside Police Department included the estimated purchase cost of a second FLIR 380 HDc helicopter based aerial thermal imaging sensor camera system with the purchase of the two new Airbus H125 Helicopters approved for purchase on December 14, 2021. The request before City Council now is to obtain approval for the actual purchase cost and the vendor of the previously approved FLIR unit. The total cost for the refurbished unit, including tax, is \$423,796.57. The unit is a refurbished unit, which is approximately \$233,228 less than a new unit, and would include the same two-year warranty coverage as a new unit. Hangar One Avionics currently has the refurbished FLIR Unit proposed for purchase and is willing to supply it to the Riverside Police Department. As a refurbished unit, it is currently the only one of its kind and is still the only make and model that meets the needs of the Police Department.

Therefore, the Police Department is requesting a purchase order with Hangar One Avionics to purchase the proposed refurbished FLIR unit which meets the needs of the Department and ensures the best price for the City. Purchasing Resolution 23812, Section 602 (d) The Acquisition of Goods states that "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required.... When the Procurement can only be obtained timely from a single source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

Although both the Budget Engagement Commission Memo and the City Council Memos that were presented in 2021 in regard to the purchase of the two new Airbus H125 helicopters with equipment mentioned approval of additional taxes and discussed the estimated interest costs in the body of the reports, the taxes and interest were inadvertently left out of the appropriation amount in the formal recommendation and therefore were not appropriated. The tax rate for the City of Riverside is 8.75% and the interest for the purchase was estimated to be between \$1.4 and \$2.2 Million. The Police Department is requesting that the taxes in the estimated amount of \$942,993.63 and the interest in the maximum amount of \$2.2 million be appropriated for the previously approved helicopter and equipment purchase from Measure Z unallocated fund reserves in the total amount of \$3,142,993.63. This information is also outlined in the chart below:

Description	Amount
Helicopter Purchase including Equipment appropriated December 14, 2021	\$10,777,070.00
8.75% tax	\$942,993.63
Estimated interest	\$2,200,000.00
Total:	\$13,920,063.63

The Purchasing Services Manager concurs that the purchase is compliant with Purchasing Resolution No. 23812, Section 602 (d).

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 2 *Community Well-Being* and Goal No. 2.4 – Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Fixing FLIR 380 HDc helicopter based aerial thermal imaging sensor camera system to each of the Police Department helicopters will allow the Department to use these assets to their full protentional and support the RPD Aviation Units primary purpose to provide aerial support for ground operations in observing, preventing, and interdicting criminal activity.
2. **Equity** – The RPD provides public safety services to all residents in the City of Riverside with support of the Aviation Unit. The proposed equipment will allow the Department to provide more effective aerial support of which every member of the community will share in the benefits.
3. **Fiscal Responsibility** – The Police Department is proposing to purchase a refurbished FLIR unit which is about \$233,228 less than a new unit. Additionally, Measure Z funds will be used to purchase the unit which will alleviate the burden on the General Fund.
4. **Innovation** – Aviation units allow the Department to be inventive and timely in meeting the community’s changing needs and provide the Police Department with an additional tool to provide public safety services to the community.
5. **Sustainability & Resiliency** – The proposed FLIR unit will allow the Police Department to

provide more effective aerial support. The ability for the Police Department to use this valuable tool will help the City persevere, adapt and grow as the needs of the community change.

FISCAL IMPACT:

The fiscal impact of the helicopter purchase is \$10,777,070 plus \$942,993.63 taxes. Actual interest costs for the capital lease have not yet been determined but are not expected to exceed \$2,200,000.00. Upon Council approval, an appropriation in the amount of \$3,142,993.63 will be recorded in the Measure Z Fund, Police Helicopters spending item to account for taxes and estimated capital lease interest in account number 8004701-462100. Measure Z unallocated fund reserves are sufficient to front the purchase cost; upon issuance of the capital lease, capital lease proceeds will repay the advanced funds and the monies used will be returned to Measure Z unallocated reserves. If applicable, appropriated interest of \$2,200,000 will be reduced to actual interest costs per the terms of the capital lease. The capital lease debt payment and interest will then be paid over the life of the lease.

Prepared by: Larry V. Gonzalez, Chief of Police
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Refurbished FLIR Quote – Hangar One Avionics
2. New FLIR Quote – Teledyne FLIR Surveillance, Inc.