

MEMORANDUM

TO:	OCFA Operations Committee
FROM:	Nitesh Patel, Vice Chair, Orange County Fire Authority
DATE:	August 8, 2026
SUBJECT:	Questions and Fiscal Concerns Regarding the Air Operations Fleet Analysis
RE:	Operations Committee Special Meeting – Agenda Item No. 3A

Purpose of this memo

I support maintaining a safe and reliable aviation program. My concern is that the materials before us do not yet provide enough financial and operational evidence to determine that purchasing two replacement medium helicopters now is the best use of public funds. Before the committee advances toward a purchase, we should require a complete, apples-to-apples fiscal analysis and a documented review of alternatives.

Bottom Line

The committee is not yet being asked to buy helicopters, but it is being asked to start the process that can lead to that purchase. The staff report states “No fiscal impact with this action.” That may describe the narrow agenda action, because the recommendations are to receive the report, conduct an RFP, and develop future cost estimates and funding solutions. **It should not be understood to mean that the replacement program itself has no fiscal impact.**

The key fiscal issue

The consultant compares 20-year operating costs, but the replacement chart does not include the price of buying the replacement helicopters. Similar operating costs do not make a capital purchase cost-neutral. The acquisition and implementation cost must be added before the Board can see the real fiscal impact.

What We Know from the Report

Item	What the report says
Current fleet	4 helicopters: 2 Sikorsky S-70M Firehawks and 2 Bell 412EPs.
Current Bell capability	The presentation says both aircraft types fly the same mission set; the difference is scale, not capability.
Bell age/use	In service since 2008; approximately 3,100–3,300 airframe hours each. The presentation later states 170–180 flight hours per helicopter per year since entering service.
Replacement rationale	Corrosion, longer inspection downtime, older safety/health-monitoring technology, liability concerns, and lifecycle economics.
20-year operating comparison	\$54.0M to keep the Bells vs. \$51.4M–\$52.3M to operate replacement medium helicopters.
Cost-model utilization	250 flight hours per aircraft per year.
Bell resale estimate	\$2.8M–\$3.5M each, approximately \$5.6M–\$7.0M for the pair.

The Fiscal Impact Is Not Yet Shown

The presentation labels replacement as close to cost-neutral to operate. That is a much narrower statement than saying replacement is fiscally neutral. The report itself says, “The purchase is the decision,” confirming that the purchase price is separate from the operating-cost chart.

Fiscal component	Keep existing Bells	Replace Bells	Shown in report?
20-year operating cost	\$54.0M	\$51.4M–\$52.3M	Yes — headline chart
Purchase price	—	Not stated	No
Mission equipment / completion	—	Not stated	No
Training / transition	Existing program	Not stated	No
New tooling / spares	Existing program	Not stated	No
Financing / cash opportunity cost	—	Not stated	No
Bell sale proceeds	—	(\$5.6M–\$7.0M estimated)	Estimate only
Total project cost	Not established	Not established	No

Using only the figures presented: replacement produces claimed operating savings of approximately \$1.7M–\$2.6M over 20 years. Adding the stated Bell resale estimate yields approximately \$7.3M–\$9.6M of potential offsets before paying for the two new aircraft and the other omitted implementation costs.

Simple test for the Committee

Let P stand for the complete acquisition and implementation cost of two replacement helicopters. In other words, P means the full purchase and implementation cost for both replacement helicopters. Based only on the presentation, the approximate incremental 20-year cash burden is that complete purchase and implementation cost minus roughly \$7.3M–\$9.6M, before financing and other omitted costs or benefits. Because the complete purchase and implementation cost is not stated in the report, the report cannot demonstrate total fiscal neutrality.

Where Is the Budget Evidence for the \$54 Million?

This is a central concern. The report gives a 20-year projection of \$54.0 million to operate the existing Bell 412EPs, but the materials provided do not include the historical OCFA budget and actual expenditure records needed to validate that baseline. A long-term maintenance projection should be anchored to what OCFA has actually spent.

Budget evidence that should be provided	Status in the report
At least 3 years of adopted Bell 412EP maintenance budgets	Not provided
At least 3 years of actual Bell 412EP maintenance expenditures	Not provided
Major inspection / overhaul invoices and costs	Not provided
Unscheduled repair and corrosion-remediation costs	Not provided
Parts, engine and OEM program costs	Not itemized
Annual flight hours matched to annual maintenance spending	Not provided
Budget-to-actual variances and explanations	Not provided
Underlying annual cash-flow schedule behind the \$54.0M projection	Not provided

Why this matters: without historical actuals, the committee cannot determine whether the \$54.0M figure is a reasonable continuation of demonstrated costs, a conservative forecast, or a model driven by assumptions that have not been independently validated against OCFA's own financial records.

The Flight-Hour Assumption Needs to Be Reconciled

The cost chart assumes 250 flight hours per aircraft per year. Elsewhere, the same presentation says the Bells have historically flown only 170–180 hours per helicopter per year. That is an assumed increase of about 39%–47% over the stated historical utilization.

Measure	Per aircraft / year	Two aircraft over 20 years
Historical utilization stated in presentation	170–180 hours	6,800–7,200 hours
Cost-model assumption	250 hours	10,000 hours
Difference	+70 to +80 hours	+2,800 to +3,200 hours

A higher utilization assumption may be justified, but the report does not explain why it is appropriate or show how the comparison changes at historical utilization. Staff should separate fixed/calendar-driven maintenance from flight-hour-driven expense and provide sensitivity cases at approximately 175, 200, 225 and 250 hours per aircraft per year.

Can the Helicopters We Already Own Do the Job?

According to the presentation, yes—the Bell 412EPs remain capable of the stated mission set. The report describes them as performing wildfire initial attack, repeat water drops, hoist and confined-terrain rescue/lift, aerial supervision, and air medical transport. The replacement argument is therefore not that the Bells cannot perform the missions; it is that their age, corrosion, inspection downtime, technology, liability exposure, and projected economics make replacement preferable.

The decision should therefore be framed correctly

The committee should ask two separate questions: (1) Can the Bells be operated safely and reliably for a defined additional period? and (2) Even if replacement is desirable, is purchasing two new aircraft now the least-cost way to maintain the service level we require? The current materials do not fully answer the second question.

Alternatives Have Not Been Costed

The report asserts that four OCFA-owned helicopters are the minimum operational baseline, but it does not present a quantified make-versus-buy or ownership-versus-service analysis. Before committing to a major capital purchase, the Board should know whether some backup, surge, maintenance-window, or seasonal requirements can be met through other arrangements without compromising response standards.

- Orange County Sheriff's Department aviation resources and formal interagency support options.
- CAL FIRE / statewide mutual-aid resources, including realistic availability during red-flag and statewide fire conditions.
- Los Angeles County Fire Department and other regional mutual-aid resources.
- Exclusive-use seasonal contracts or other guaranteed contract aviation.
- A hybrid model—for example, three owned aircraft plus guaranteed backup during maintenance/high-risk periods.
- The cost and service-level consequences of extending the Bells for a defined period while replacement options are fully evaluated.

Important: mutual aid is not the same as dedicated coverage. Outside resources may be unavailable during major regional incidents. The point is not to assume they can replace OCFA aircraft; it is to require staff to quantify availability, response time, mission capability, contractual guarantees, and cost before ruling them out.

Other Issues That Need Clarification

Issue	Question for staff
"No fiscal impact"	Can the fiscal-impact statement be revised to distinguish no immediate appropriation from the material future cost of the replacement program?
Same mission set vs. Type 1 "reserved for fire attack"	Which operating concept is actually used, and how does it affect the number/type of aircraft required?
Four "operational" aircraft during transition	Does this mean four aircraft owned/in fleet, or four simultaneously mission-ready despite maintenance?
Four-aircraft minimum	What service-level analysis demonstrates four owned aircraft is superior to hybrid alternatives?
Replacement cost range	What aircraft/configurations and vendor/OEM assumptions produced the \$51.4M–\$52.3M operating range if no platform has been selected?
Coastal Fire example	What evidence shows that owning a third or fourth OCFA aircraft at that time would have materially changed the outcome?

Information I Recommend We Require Before Any Purchase Decision

1. A complete 20-year total-cost-of-ownership comparison—not operating costs alone.
2. The estimated acquisition price for two fully mission-equipped replacement helicopters, including completion and contingencies.
3. At least three years, preferably five, of OCFA budget-to-actual Bell 412EP maintenance history.
4. The underlying Macfarland cost model, including annual cash flows, escalation, fuel, OEM maintenance rates, engine programs, component overhauls, assumptions and residual values.
5. A reconciliation of the 250-hour forecast with the stated 170–180-hour historical utilization and sensitivity analysis at multiple utilization levels.
6. A written assessment of remaining safe/economic service life for each Bell, with inspection findings and projected major maintenance requirements.
7. A documented alternatives analysis covering mutual aid, contract aviation, seasonal coverage and hybrid ownership models.
8. A service-level comparison for each alternative: response time, 24/7 availability, night/NVG capability, hoist/rescue, firefighting, medical transport and surge capacity.
9. Funding options and their full costs, including financing if used and the opportunity cost of using cash reserves.
10. A transparent treatment of Bell resale proceeds, transition overlap, training, tooling, spares and any facility or staffing changes.
11. A clear recommendation from Budget & Finance and CIP based on the complete fiscal record before a purchase authorization returns to the Board/Committee.

Recommended Board Position at This Stage

Proceed with due diligence—not a predetermined purchase

The Board can authorize staff to gather information and test the market without prejudging the ultimate procurement decision. An RFP or request for information should be used to establish real acquisition and lifecycle pricing, while Budget & Finance validates the existing-fleet cost baseline and staff evaluates credible alternatives. No purchase authorization should be considered until those analyses are presented together.

Suggested clarification for the record:

"There is no immediate capital appropriation associated with receiving this report and directing further review. However, replacement of the two Bell 412EP helicopters would have a material future fiscal impact. Before any purchase authorization, the committee should receive a complete total-cost-of-ownership analysis supported by OCFA's historical maintenance actuals, acquisition and transition costs, funding options, disposition proceeds, and a documented comparison of reasonable alternatives."

Conclusion

The materials presented raise legitimate concerns regarding the age, reliability, and ongoing maintenance requirements of the Bell 412EPs, and those concerns warrant careful consideration. Based on the information presented, I recognize that there may be a legitimate operational need to replace these aircraft, potentially with two new helicopters. At this stage, however, I believe our role is to fully evaluate that need, the available options, and the associated costs before reaching a final conclusion.

Before this matter moves forward to the other committees, I respectfully request that the Operations Committee take the opportunity to work through the relevant facts and ensure that all operational, financial, and service considerations are fully evaluated.

The age of the current aircraft and the potential need for replacement are important factors in that discussion. At the same time, we should ensure that any recommendation to acquire two new helicopters is supported by a complete understanding of the available options and their long-term financial and operational impacts.

Before committing public funds, it would be helpful for the Committee to have clear, documented answers to three fundamental questions: What have the Bell helicopters actually cost us to operate and maintain? What would replacement cost in total over the expected life of the new aircraft? And does ownership of two new aircraft represent the best overall value for delivering the required level of service?

Answering these questions will allow us to work through the outstanding issues, evaluate the alternatives on a consistent basis, and provide the other committees with a well-supported recommendation. The current report provides an important foundation for that process, and the Operations Committee can help ensure the analysis is complete before the matter moves forward.

Best Regards,



Nitesh Patel