

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20031513**

**1. REQUESTED MOTION:**

**ACTION REQUESTED:** Appoint Mr. Peter Torell, VP of NationAir Insurance Agency, as Lee County's "Agent of Record" for all insurance matters concerning Lee County's Aircraft Hull and Liability Insurance. Finally, approve an increase in the not-to-exceed cost for Aircraft Hull & Liability Insurance for any one-year period to \$350,000. *Revised P-020546*

**WHY ACTION IS NECESSARY:** To provide continuous insurance coverage on EMS's newly acquired helicopter (Blue Sheet No. 20020821) valued at \$5,000,000. To increase the County's Aircraft Liability Coverage on both aircraft from \$5,000,000 to \$20,000,000, which is closer to industry norms and protects the County from catastrophic losses.

**WHAT ACTION ACCOMPLISHES:** The EMS helicopters provide a valued service to the citizens of the County and it is necessary to protect a substantial asset against loss and potential liability with the purchase of additional insurance coverage, as outlined above.

**2. DEPARTMENTAL CATEGORY:  
COMMISSION DISTRICT #**

*CIC*

**3. MEETING DATE:**

*01-13-2004*

**4. AGENDA:**

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

**5. REQUIREMENT/PURPOSE:  
(Specify)**

- STATUTE
- ORDINANCE
- ADMIN.
- CODE
- OTHER

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER
  - B. DEPARTMENT County Administration
  - C. DIVISION Budget Services/Risk Management
- BY: *Tony Majul/Wayne Fiyalko*

**7. BACKGROUND:** After soliciting proposals for aircraft insurance from 27 vendors; Mr. Peter Torell was the sole responder. On Sept. 10, 2002 the Board approved, Blue Sheet No. 20020958, which appointed Peter Torell, VP of NationAir Insurance Agency, as sole vendor providing Aircraft Hull & Liability Insurance for Lee County with the insurance cost capped for one-year period at \$98,754. Additionally, Blue Sheet No. 20020958 allowed for four additional one-year periods, upon mutual agreement of both parties, which has been exercised. For the FY03-04, Mr. Torell was able to secure an aircraft insurance policy on Lee County's first helicopter valued at only \$1,000,000 for \$69,700, which is \$29,054 below the original not-to-exceed cap. However, with the purchase of a second helicopter valued at \$5,000,000 the Risk Manager expects the total cost of risk to increase in the current and future years. Therefore, we recommend increasing the not-to-exceed cost to \$350,000.

**8. MANAGEMENT RECOMMENDATIONS:**

**9. RECOMMENDED APPROVAL:**

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>Tony Majul</i>	<i>12/29/03</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>12/29/03 PM</i>	OA	OM	Risk	GC	<i>[Signature]</i>
<i>12/29/03</i>	<i>12/29/03</i>			<i>12/29/03</i>	<i>RK Fed 12/29</i>	<i>12/29/03</i>	<i>12/29/03</i>	<i>12/29/03</i>	

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

REC'D.  
 by CO. ATTY.  
 12/29/03  
 2:55 PM  
 CO. ATTY. 12/29/03  
 PREPARED TO:  
 Budget  
 12/29/03

RECEIVED BY  
 COUNTY ADMIN:  
 12/29/03  
 4:25 pm SW  
 COUNTY ADMIN  
 FORWARDED TO:  
 1/30/04



700 S. Babcock Street, Suite 400, Melbourne, FL 32901 \* (321) 259-4800 \* Fax (321) 255-1471

September 25, 2003

Lee County Board of County Commissioners  
Division of Purchasing Services  
Attention: Mr. Wayne Fyalko  
2115 Second Street, P.O. Box 398  
Fort Myers, FL 33901

Re: Aircraft Hull and Liability Insurance  
Effective 10/01/03

Dear Wayne:

As requested, we have bound coverage with your expiring company, Global Aerospace, Inc. effective 10/01/03 as follows:

**N5417J, 1989 MBB BO105, 5 seats, Hull value \$1,000,000**

LIABILITY COVERAGE: \$5,000,000 Combined Single Limit including Passengers

HULL COVERAGE: \$1,000,000

DEDUCTIBLES: \$5,000 Not in Motion & \$50,000 in Motion

MEDICAL PAYMENTS: \$10,000 Each Person including Crew

GUEST VOLUNTARY SETTLEMENT INCLUDING CREW:

\$500,000 Seat / \$2,500,000 Each Occurrence

WAR RISK HULL: \$1,000,000

WAR RISK LIABILITY: \$5,000,000 Each Occurrence

PILOT CLAUSE: Pilots as approved by the Chief Pilot of the Named Insured.

PLEASE NOTE: The pilots must do **annual recurrent training**.

TOTAL ANNUAL PREMIUM: **\$69,700.00**

The temporary binder will expire on 10/07/03 pending receipt of your check for the full annual premium. If other arrangements need to be made, please contact our office prior to the binder expiration date.

COUNTY ADMINISTRATION  
03 SEP 29 AM 8:41



LEE COUNTY BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

BLUE SHEET NO: 20020958

1. REQUESTED MOTION:

**ACTION REQUESTED:** Approve award of Proposal #P-020546, Aircraft Hull & Liability Insurance on the EMS helicopter, for the Risk Management office, to the sole vendor who submitted a proposal, NationAir Insurance Agency Inc. The total cost for insurance for one year is \$98,754.00 and the coverage would be effective from 10/1/02 to 9/30/03. Also, request authority to renew this coverage through this vendor for four additional one-year periods, upon mutual agreement of both parties.

**WHY ACTION IS NECESSARY:** To provide continuous insurance coverage on the EMS helicopter for physical damage and liability.

**WHAT ACTION ACCOMPLISHES:** The EMS helicopter provides a valuable service to the County and is a substantial asset that should be insured against loss and liability.

2. DEPARTMENTAL CATEGORY:  
COMMISSION DISTRICT #:

CIA

3. MEETING DATE:

09-10-2002

4. AGENDA

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE

- (Specify)
- STATUTE
  - ORDINANCE
  - ADMIN. CODE AC-4-I
  - OTHER

6. REQUESTOR OF INFORMATION

- A. COMMISSIONER:
- B. DEPARTMENT: County Administration
- C. DIVISION: Risk Management
- BY: GEORGI JACKSON

**7. BACKGROUND:** The Division of Purchasing received a request from the Risk Management office to solicit proposals for Aircraft Hull and Liability Insurance for the EMS helicopter. Proposal were solicited from approximately 27 vendors using a two-step process: "Step One" requested qualifications from interested vendors, and "Step Two" asked for pricing information from the vendors who qualified in "Step One".

**Step One** – Qualifications were received by Purchasing on July 23, 2002. On that date one response was received from NationAir Insurance Agency Inc. and that vendor was found to be qualified. NationAir Insurance Agency is the incumbent agency that specializes in aviation insurance. Response to the solicitation were limited because aircraft hull and liability for helicopters involved in emergency medical response is considered "high risk" and there are very few underwriters willing to write this coverage.

**Step Two** – The pricing envelope for NationAir Insurance Agency was opened on July 25, 2002. After review by the Risk Management office and Emergency Medical Services Division, it was determined that the proposal should be awarded to NationAir Insurance Agency Inc. choosing the following coverage options:

(BACKGROUND CONTINUED ON PAGE 2)

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL

DEPARTMENT DIRECTOR	Purchasing	Human Resources	County Administration				OTHER	COUNTY ATTORNEY	COUNTY MANAGER
<i>[Signature]</i> 8/20/02	<i>[Signature]</i> 8-20-02 <i>[Signature]</i>	N/A	OA <i>[Signature]</i> 8/20/02	DM <i>[Signature]</i> 8/20/02	Risk <i>[Signature]</i> 8/20/02	GC <i>[Signature]</i> 8/20/02		<i>[Signature]</i> 8/20/02	<i>[Signature]</i>

10. COMMISSION ACTION:

- APPROVED AFTER DISCUSSION
- DENIED
- DEFERRED
- OTHER

RECEIVED BY COUNTY ADMIN.  
8-23 11:00  
COUNTY ADMIN. FORWARDED TO:

REC'D. by CO. ATTY.  
8/23/02  
9:55 AM  
CO. ATTY. FORWARDED TO:

RECEIVED BY COUNTY ADMIN.  
8-20-02  
3:20 PM  
COUNTY ADMIN. FORWARDED TO:

02 SEP - 9 PM 11:00  
COUNTY ADMINISTRATION

**7. BACKGROUND (Continued from page 1)**

The coverages would remain the same as the current contract, and they are as follows:

<u>COVERAGE OPTION</u>	<u>PREMIUM COST</u>
Liability: Option C – \$5M per occurrence	\$20,420.00
Physical Damage RIM: Option B – \$1M hull value	\$71,500.00
War Risk Liability: Option C - \$5M per occurrence	\$4,084.00
War Risk Hull: Option B - \$1M hull value	\$1,500.00
Guest Voluntary Settlement:	\$1,250.00
Total Premium Cost	<u>\$98,754.00</u>

Account String # KF5260100100.504520.71, Public Safety, EMS Services, General Fund, Insurance, Helicopter, upon approval of the Fiscal Year 2003 budget.

**ATTACHMENTS:**

1. Tabulation Sheet for Step One
2. Tabulation Sheet for Step Two
3. Specifications
4. NationAir Insurance Agency's Proposal – Step One
5. NationAir Insurance Agency's Proposal – Step Two
6. Department Recommendation



**LEE COUNTY**  
SOUTHWEST FLORIDA

**BOARD OF COUNTY COMMISSIONERS**

Writer's Direct Dial Number: \_\_\_\_\_

Bob Janes  
District One      September 25, 2003

Douglas R. St. Cerny  
District Two

Ray Judah  
District Three      Mr. Peter Torell

Andrew W. Coy  
District Four      Nation Air Insurance Agencies Inc  
700 S Babcock St, Suite 400

John E. Albion  
District Five      Melbourne, FL 32901

Donald D. Stillwell  
County Manager

James G. Yaeger      SUBJECT:      RENEWAL OF ANNUAL QUOTE #P-020546  
County Attorney      AIRCRAFT HULL & LIABILITY INSURANCE

Diana M. Parkor  
County Hearing  
Examiner

Dear Mr. Torell:

We are in receipt of the signed copy of our letter to you dated April 22, 2003, indicating that you wish to extend the above-referenced quote for an additional one-year period, from 10-1-03 through 9-30-04.

We are hereby extending the quote for an additional one-year period under the same terms and conditions as the original award.

If you have any questions regarding this letter, please contact me at (239) 689-7385.

Sincerely,  
DIVISION OF PURCHASING

Earl Pflaumer, CPPB  
Purchasing Agent

C:      ✓ Wayne Fiyalko  
Finance  
Risk Mgmt.  
Quote File

COUNTY ADMINISTRATION  
03 SEP 26 PM 3:32

**I. REQUESTED MOTION:**

**ACTION REQUESTED:** Authorize expenditures not to exceed \$185,950.00 to reserve an EC145 Helicopter airframe for construction. Approve transfer from General Fund Reserves for this expenditure

**WHY ACTION IS NECESSARY:** Expenditures over \$50,000 must have Board approval, according to Section 9.4.1 of the Lee County Purchasing and Payment Procedures Manual.

**WHAT ACTION ACCOMPLISHES:** Reserves an airframe for a new helicopter to replace the current Lee County EMS air ambulance unit by the year 2004.

**2. DEPARTMENTAL CATEGORY:** 7  
**COMMISSION DISTRICT #:**

A 7 B

**3. MEETING DATE:** August 6, 2002

**5. REQUIREMENT/PURPOSE:**  
(Specify)

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

- STATUTE
- ORDINANCE
- ADMIN. CODE AC 4-1
- OTHER

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER
  - B. DEPARTMENT
  - C. DIVISION Public Safety
- BY: John D. Wilson *JW*

**7. BACKGROUND:** At the June 2002 Management and Planning Meeting, staff received direction to bring this item before the Board for consideration. Additional information was requested concerning the proposed purchase of a new air ambulance on timesharing, revenue generated by the new ship, availability of grants to offset the purchase, and the need for additional pilots if the County continued to operate both the current and proposed air ambulances. These responses are contained in Attachment A. Attachment B summarizes the reasons for considering purchasing an additional air ambulance unit.

To recap the basis for this request, the airframe for the additional helicopter would not be available until the year 2004. This timeframe puts the current helicopter into its 14<sup>th</sup> year of service. To acquire the proposed EC 145 Helicopter would call for an up front payment of five percent of the air ship's basic cost to reserve an airframe, which would require the county to furnish requested \$185,950.00 expenditure in this fiscal year. This would be followed by an additional \$361,853.00 payment, which needs to be budgeted in the next fiscal year. The remainder of the payment would be due when the helicopter is delivered.

Attachment A: Response to issues raised at the June 3, 2002 Management & Planning Committee Meeting  
Attachment B: Need for new helicopter

**8. MANAGEMENT RECOMMENDATIONS:** Staff will forward to BoCC for consideration.

**9. RECOMMENDED APPROVAL:**

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services 7/24				G County Manager
					OA	OM	Risk	GC	
<i>W.D. Wilson</i> 7/19/02	N/A	N/A		<i>W.D. Wilson</i> <i>Starr</i>	<i>RK For</i> <i>PM 7/16</i>	<i>W.D.</i> <i>7/22</i>	<i>JK</i> <i>7/16</i>	<i>RS</i> <i>7/16</i>	<i>W.D. Wilson</i> 7-23-02

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED  
by CO. ATTY.  
7/15/02  
CO. ATTY.  
7/15/02  
Budgets  
7/15/02

RECEIVED BY  
COUNTY ADMIN. PM  
7/15/02  
2:05 pm  
COUNTY ADMIN.

## Attachment A

### Response to Issues Raised At the June 3, 2002 Management & Planning Committee Meeting Regarding Acquisition of an Additional EMS Helicopter

1. **Time Sharing of EMS Air Ambulance Units:** Collier County Emergency Services would like to use the current EMS air ambulance unit as a backup when their helicopter is scheduled for maintenance service. They have also expressed a willingness to share in the operating expenses of the current air ship to help offset operating costs to Lee County of maintaining two aircraft.
2. **Revenue Generated by Additional Air Ambulance Unit:** The County is in the initial stage of applying for FAR 135 status from the Federal Aviation Agency (FAA). This status would allow the County to use the National Ambulance Fee Schedule to recoup the cost of the additional airship through a fee rate structure that is over and above what we currently charge for air ship operations. These higher rates would be within approved Medicare reimbursement rates for reasonable service, be phased over a four-year period, and would recoup purchase costs for the additional air ambulance unit by year 13 of its operation.
3. **Grant Availability to Offset Purchase:** The following grant programs could help offset the cost of the additional air ambulance unit:
  - a. EMS Trust Fund County Award Monies; Amount: Up to \$100,000. This funding normally is shared with local fire service agencies providing ALS non-transport services. It could be used to offset this cost because of the enhancement to EMS service. This funding source is different than the 50/50 matching grant used to help purchase the current air ship.
  - b. Emergency Management Preparedness Assistance Trust Fund, Competitive Grant. Amount: Up to \$300,000. This grant program provides funding to projects that further state and local emergency management objectives as designated by the State of Florida in the Notice of Fund Availability published annually. Given the current focus of Domestic/Homeland Security and that Lee County EMS is under contract with the State as a first tier regional response team asset, these funds may be available to offset a portion of the purchase costs.
  - c. Homeland Security Bill Funding; Amount: Unknown. The proposed federal funding in response to the September 11 terrorist attacks may be a potential source again because of Lee County EMS's role as a regional domestic security disaster response team. Justification could be based on the increased payload capability, faster response time, and the additional capability of second ship in response to a terrorism incident.
4. **Need for Additional Pilots:** Additional pilots would not be needed to run the new air ship. The same pilot rotation program would be used. If the decision to use run both airships at the same time (i.e. during the tourist season to assist in call response), the EMS Chief Pilot position could operate the other ship subject to rest period regulations currently in place.



## **Attachment B Need For a New Helicopter**

The following forms the rationale for looking a purchasing a new helicopter for provide air ambulance service for Lee County:

### **Low availability compared to industry standards:**

Present as well as future availability of current air ship is expected to continue to slowly decrease. This is because our present ship is aging and will require additional maintenance. The industry standard for availability is generally considered to be above 95% with 98% (approximately 1 week of down time on the aircraft), being a desirable target. Our availability has never exceeded 90% and last year we achieved only 82%. If a new aircraft could be added to our existing fleet, industry standards could easily be achieved. Low availability also affects present as well as future ability to handle critical call volume. In our case, critical call volume is defined as those calls where transport to the hospital resulted in a significant timesavings not afforded by other means. At present we average about 1 time sensitive critical call per day. Therefore, 18% availability equates to a loss of approximately 60 critical transports per year.

### **Current medical standards:**

Lack of space has always been a problem in properly attending to a patient. Thirteen years ago, the acquisition of our present aircraft was considered a vast improvement over the aircraft then being used. The picture presents itself no differently now than it was then. Higher medical standards are now being applied in a pre-hospital setting. The result is greater demands being placed on the medic now and in the future. This requires re-evaluation of the work environment to see if both present and future standards could be met. Areas of concern were:

- An eventual commitment to a two-medic crew (considered standard in most aero medical transport systems)
- The ability to highly specialized transports of critical patients both now and in the future.

### **Maintaining market share:**

Presently Lee County provides mutual aid to surrounding counties as part of our agreements with them. They also rely on helicopter mutual aid from other services. We need to insure that our ability to assist those counties remains at the same level presently available from those other sources. In the past this concern was not as important as it is going to be in the future. In attempting to reduce the costs to our operations by assuming the responsibility of an operational change to FAR 135, we gain the potential revenue afforded by these flights. Whether it is critical inter-facility call or a critical field transport, the ability to handle these calls is going to be an essential part of our future economic well-being.

### **Type of aircraft:**

Discussion over this issue resolved around the same points as arose during the purchase of the aircraft we currently operate. Very few aircraft effectively meet the needs of the EMS industry. This is essentially a flying box with as small an overall footprint as possible, yet containing the maximum room available for use. This limited our search to basically three aircraft. And, as long as the initial cost remained below the lease vs. purchase threshold for the period of ownership, the decision become one based on operational needs. The choice of the EC 145 as a final recommendation followed close examination of the issues listed above.