



City of Palo Alto

City Council Staff Report

(ID # 7477)

Report Type: Consent Calendar

Meeting Date: 12/12/2016

Summary Title: Contract for Purchase of Type III Fire Engine & Budget Amendments

Title: Approval of a Contract With Pierce Manufacturing Inc. in the Amount of \$399,915 for the Purchase of a Type III Wildland Fire Engine and Approval of Budget Appropriation Amendments in the General Fund and the Vehicle Replacement and Maintenance Fund

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Approve and authorize the City Manager to execute a purchase order with Pierce Manufacturing Inc. in the amount of \$399,915 for the purchase of a Type III Wildland Fire Engine; and
2. Amend the Fiscal Year 2017 Budget for:
 - a. the General Fund by:
 - i. Increasing the transfer to the Vehicle Replacement and Maintenance Fund in the amount of \$79,915; and
 - ii. Decreasing the General Fund Budget Stabilization Reserve in the amount of \$79,915; and
 - b. the Vehicle Replacement and Maintenance Fund by:
 - i. Increasing the transfer from the General Fund by \$79,915; and
 - ii. Increasing the Scheduled Vehicle and Equipment Replacement Fiscal Year 2016 project VR-16000 in the amount of \$79,915.

Background

The Vehicle and Equipment Use, Maintenance, and Replacement Policy section 4-1 provides for the on-going replacement of City fleet vehicles and equipment. Replacements are scheduled using guidelines based on age, mileage accumulation and obsolescence. The policy prescribes a replacement interval for fire engines of twenty years or 85,000 miles. Council approved this

replacement in the Fiscal Year 2016 Adopted Budget as part of the Scheduled Vehicle and Equipment Replacement Fiscal Year 2016 CIP (VR-16000).

The approval was based on:

- An examination of each vehicle's current usage;
- An analysis of each vehicle's operating and replacement costs;
- A comparison of the age, mileage, operating cost and performance of each vehicle with others in the class; and
- An analysis of alternatives to ownership, such as mileage reimbursement; pooling/sharing; the reassignment of another underutilized vehicle, or renting.

Staff recommends replacing vehicle 6120, a 1992 Type III Fire Engine designated for off-road wildland firefighting activity, as the vehicle has a long and documented history of relief valve and pump failures during fire incidents. Despite staff's great efforts to keep this vehicle operational, the old technology and unreliable design of this unit makes it prone to failure. Each failure results in extended downtimes as parts have become increasingly difficult to procure. The Fire Department's state of readiness, and ability for crews to serve the community at maximum capacity, is negatively affected during these downtimes.

Discussion

The City fleet must comply with many state and federal regulations. The proposed replacement Type III engine will comply with 2017 California Air Resources Board standards; implement National Fire Protection Agency 1912-2014 Annex D, which states apparatus' older than 25 years shall be removed from service and retired; and lower the City's carbon footprint, eliminating an engine from the fleet that is not compliant with state and federal emissions regulations.

The unique fire potential of the Stanford foothills and Palo Alto Wildland Urban Interface area creates a need for the special characteristics of a Type III fire apparatus, including four wheel drive, shorter wheel base, higher ground clearance, and "pump and roll" capabilities. Traditional Type I fire apparatus' are not capable of leaving the roadway, therefore not useful in remote or unpaved locations.

The Palo Alto Fire Department is a partner in the California Disaster and Civil Defense Master Mutual Aid Agreement between the State of California, each of its counties and their incorporated cities and fire protection districts. In a typical fire season, partners are dispatched via the Governor's Office of Emergency Services to incidents outside a partner's county, but within the state. An engine can be utilized by the state for several weeks of the summer. For example, in 2016 the City sent two fire engines to the Clayton fire in Lake County, the Blue Cut fire in San Bernadino, the Soberanes fire in Big Sur, the Cedar fire in Bakersfield, and the Loma fire in Santa Cruz. Each deployment lasted several days. While these fire engines are deployed elsewhere, it is imperative that the fire engines utilized in the City in their absence are reliable

and can provide an exceptional level of service to our community.

The new engine will benefit the community's all risk emergency needs by:

- Exceeding the capabilities of the engine to be replaced
- Providing reliable emergency response equipment

Staff identified a current contract between the Town of Corte Madera and Pierce Manufacturing, Inc. for an engine that meets the City's specifications. The City's municipal code allows for cooperative purchases of this type under Section 2.30.360(k), and it is estimated that a separate bid from Palo Alto would cost more than the contract price agreed to by the Town of Corte Madera. City Manager and Administrative Services Department's Purchasing Division review determined that this purchase qualifies for exemption from competitive solicitation requirements (Attachment A).

Bid Process

This is a cooperative purchase, exempt from competitive bidding under Palo Alto Municipal Code, Section 2.30.360(k). After reviewing the proposal and associated documentation submitted by Pierce, staff recommends Pierce be accepted and awarded the purchase order. Two payment options were offered by Pierce, (Attachment B). Staff recommends Payment Option B, 100% prepayment at contract signing, for a savings of over \$18,000.

Resource Impact

The Scheduled Vehicle and Equipment Replacement Fiscal Year 2016 CIP (VR-16000) does not have sufficient funding to purchase the Type III fire engine. Traditionally, vehicle procurements are funded through annual charges to the department/fund that will benefit from the vehicle. In the Fiscal Year 2016 budget for VR-16000, \$320,000 was appropriated for the replacement of this vehicle. To support this purchase, an appropriation of \$79,915 to the Scheduled Vehicle and Equipment Replacement Fiscal Year 2016 CIP project (VR-16000) in the Vehicle Replacement and Maintenance Fund, offset by a transfer of \$79,915 from the General Fund is recommended. With the recent vehicle replacements an aerial ladder truck is being decommissioned with an estimated resale value of \$85,000. Therefore, it is anticipated that staff will make every effort to reach this resale value, and recommend that all proceeds of the sale reimburse the General Fund BSR for the additional funds recommended in this report. It is anticipated that this aerial ladder truck will be resold early in calendar year 2017.

Policy Implications

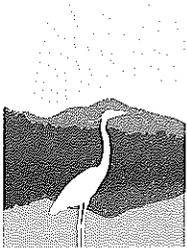
Authorization of the purchase order does not represent any change to the existing policy.

Environmental Review

This vehicle will meet 2017 EPA Emissions standards and the latest version of National Fire Protection Agency standards.

Attachments:

- Attachment A-Letter from Corte Madera (PDF)
- Attachment B-Pricing Options (PDF)



THE TOWN OF
CORTE MADERA
MARIN COUNTY CALIFORNIA

300 TAMALPAIS DRIVE
CORTE MADERA, CA
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TOWN MANAGER
TOWN COUNCIL
415-927-5050

TOWN CLERK
415-927-5086

FINANCE / BUS. LICENSE
415-927-5055

FIRE DEPARTMENT
415-927-5077

PLANNING / ZONING
415-927-5064

BUILDING INSPECTOR
415-927-5062

TOWN ENGINEER
PUBLIC WORKS
415-927-5057

RECREATION DEPARTMENT
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SANITARY DISTRICT NO. 2
415-927-5057

TWIN CITIES POLICE AUTHORITY
415-927-5150

FIRE DEPARTMENT
342 TAMALPAIS DRIVE
CORTE MADERA, CA 94925-1418
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September 27, 2016

Saira Cardoza, Buyer
CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

On November 20, 2015 the TOWN OF CORTE MADERA received competitive bids for one (1) Type 3 Wildland Fire Engine. After review of compliance to the specifications, the successful contractor was determined to be Pierce Manufacturing Inc. and the order was placed with them on our contract dated December 3, 2015. This apparatus has Pierce job # of 29892. Delivery is scheduled for November/December 2016.

The TOWN OF CORTE MADERA bid is available to tag-on to by the City of Palo Alto or any other purchasing authority. The contract for any tag-on will be between Pierce Manufacturing Inc. and the City of Palo Alto. The City of Palo Alto and Pierce Manufacturing Inc. may negotiate changes in terms, conditions, and specifications. The City of Palo Alto may enter into a contract with Pierce Manufacturing Inc. for the purchase of the commodities based on the terms, conditions, and prices offered by Pierce Manufacturing Inc. to the TOWN OF CORTE MADERA for this bid. If you have any questions or additional requests, please do not hesitate to give me a call at 415-927-5077.

Respectfully Submitted,

Kenny Prete – Battalion Chief
Town of Corte Madera

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PROPOSAL FOR PIERCE® FIRE APPARATUS

Town of Corte Madera
342 Tamalpais Drive
Corte Madera, CA 94925-1418

DATE	November 20, 2015
QUOTE NO.	71120-15
EXPIRES	December 20, 2015
SALES REP.	Daron M. Wright

The undersigned is prepared to manufacture for you, upon an order being placed by you, for final acceptance by Pierce Manufacturing, Inc., at its home office in Appleton, Wisconsin, the apparatus and equipment herein named and for the following prices:

OPTION A: FULL PAYMENT AT DELIVERY

#	Description	Each
A	One (1) Type III Engine	\$374,202.40
B	Factory Inspection Trips (1 trips for 2 CMFD representatives)	\$3,000.00
C	Delivery to Corte Madera, CA	\$5,550.00
D	Performance Bond	\$949.23
E	APPARATUS COST	\$383,701.63
F	California State Sales Tax @ 9.00%	\$34,533.15
G	California Tire Tax Fee @ \$1.75 per tire	\$10.50
H	TOTAL PURCHASE PRICE	\$418,245.28

TERMS AND CONDITIONS of OPTION A:

- I. The Town of Corte Madera shall pay the purchase price of \$418,245.28 for the Product within fifteen (15) calendar days of the units departing the manufacturing facility.

OPTION B: 100% PREPAYMENT AT CONTRACT SIGNING

#	Description	Each
A	One (1) Type III Engine	\$374,202.40
B	Factory Inspection Trips (1 trips for 2 CMFD representatives)	\$3,000.00
C	Delivery to Corte Madera, CA	\$5,550.00
D	Performance Bond	\$949.23
E	100% Prepayment Discount	-\$16,817.20
F	APPARATUS COST	\$366,884.43
G	California State Sales Tax @ 9.00%	\$33,019.60
H	California Tire Tax Fee @ \$1.75 per tire	\$10.50
I	TOTAL PURCHASE PRICE	\$399,914.53

TERMS AND CONDITIONS of OPTION B:

- I. The Town of Corte Madera shall pay the purchase price of \$399,914.53 for the Product within fifteen (15) calendar days of contract signing directly to Pierce Manufacturing Inc.
- II. The proposed delivery timeframe for the Product will not begin until Pierce Manufacturing Inc. approves the contract and receives full payment of the purchase price of \$399,914.53.
- III. If payment of \$399,914.53 is late and if the Town of Corte Madera elects not to have the delivery extended, \$125.00 per calendar day will be added to the final invoice.

Said apparatus and equipment are to be built and shipped in accordance with the specifications hereto attached, delays due to strikes, war, or intentional conflict, failures to obtain chassis, materials, or other causes beyond our control not preventing, within about 330 TO 360 calendar days after receipt of this order and the acceptance thereof at our office at Appleton, Wisconsin, and to be delivered to you at CORTE MADERA, CALIFORNIA.

The specifications herein contained shall form a part of the final contract, and are subject to changes desired by the purchaser, provided such alterations are interlined prior to the acceptance by the company of the order to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

The proposal for fire apparatus conforms with all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) Guidelines for Automotive Fire Apparatus as published at the time of bid, except as modified by customer specifications. Any increased costs incurred by first party because of future changes in or additions to said DOT or NFPA standards will be passed along to the customers as an addition to the price set forth above.

Any Purchase Order (PO) issued as a result of this proposal should be made out to Pierce Manufacturing Inc.

Unless accepted by December 20, 2015, the right is reserved to withdraw this proposition.

Respectfully Submitted,



Daron M. Wright
Authorized Pierce Sales Representative