



EXECUTIVE SUMMARY

DATE: November 4, 2013
TO: Bob Vitas, City Manager
FROM: Michael Davila, Division Chief of Operations
SUBJECT: Executive Summary – Purchase of Fire Boat

PROJECT

The Fire Department proposed, and was allocated \$290,000.00 in FY13-14 to replace the existing Fire Boat in accordance with our strategic plan. We propose the purchase of a 29' Safe Boat under GSA Contract GS-07F-0038H from safe Boat International. The contract was awarded by the Government Services Agency (GSA) to be utilized by local and State Government agencies to purchase emergency response marine vehicles under Schedule 84 Cooperative Purchasing. The total cost of the boat including delivery to Key West without exercising any one of the offered prepayment options is **\$286,964.60**. This price includes building the boat to our specifications and the necessary equipment to be installed on the boat.

The following payment options are being offered:

- | | | | |
|--|------------------|----------|-----------------|
| • Full price without pre-payment options
(Payment on delivery) | \$286,964 | Discount | \$0 |
| • Pre Pay Payment Schedule 3.75%
40% of the total ARO
30% of the total after welding is complete
30% of the total after inspection of the completed boat at the factory | \$276,203 | Discount | \$10,761 |
| • Prompt Payment 1%
(20 days after acceptance at Safe Boats International) | \$284,095 | Discount | \$2,869 |

Safe Boat LLC has also included a bonus of **\$3,000** worth of additional items such as marine equipment if the order is made before December 1st, 2013.

The Department proposes a Safe Boat for the following reasons:

- Safe Boat International is a proven leader in the Emergency Response Marine Craft field with more than 1,700 boats delivered

- Safe Boat International designs and manufactures mission specific platforms to meet U.S. Department of Defense specifications
- This Safe Boat craft will be designed specially to negotiate our seas and provide mission specific response capabilities
- While Safe Boat International is not the least expensive line, it is not the most expensive, it represents a balance of quality and price
- Safe Boat has delivered crafts to the Key West Police Department in a timely and efficient manner
- This purchase will continue our goal of replacing an aging and mission deficient craft presently in use with an aluminum hull expected to get 20 years of service.

The Government Services Administration contract provides scheduled pricing for all items except specialty items costing approximately \$71,000 which includes \$43,826 for the fire pump system which includes piping, connections and a remotely operated monitor. Under the provisions of the City of Key West Procurement Ordinance, the Department proposes the waiver of formal bid procedures for the specialty items and authorize the purchase of such items in conjunction with the GSA contract scheduled pricing items for the following reasons:

- The contract provides a price level that Key West could not achieve purchasing only one boat independently.
- It eliminates the necessity for duplicating the bid process.
- The Fire Department has verified the prices proposed by Safe Boat for the required specialty items are fair and reasonable and consistent with prices the City would expect to pay if such specialty items were directly solicited by the City.

OPTIONS:

- Purchase a Safe Boat under the GSA Contract GS07F0038H and pay full price upon delivery to Key West
- Purchase a Safe Boat under the GSA Contract GS07F0038H utilizing the progressive Pre Pay Discount
- Purchase a Safe Boat under the GSA Contract GS07F0038H utilizing the post acceptance at SBI Pre Pay Discount
- Competitively bid the purchase.
- Do not purchase the fire boat.

ADVANTAGES:

Purchasing a Safe Boat under the GSA Contract will accomplish the following:

- Provides the Fire Boat in a timely and cost effective manner.
- Incorporates important firefighter and public safety features.
- Continues our strategic plan of replacing an aging Fire Boat

- It will replace a 2003 fiberglass Boston Whaler, a unit that is more than 10 years old, and experiencing escalating repair and maintenance costs

DISADVANTAGES:

- No apparent disadvantages present themselves.

FINANCIAL IMPACT:

Rising costs for production are expected to continue. A delay will increase the future cost for a replacement for the Key West Fire Boat. Repair and maintenance costs can be expected to increase for the existing craft as a front line unit.

\$290,000.00 was allocated in the Infrastructure Fund for the FY 13-14 budget for this purchase.

Staff recommends the City exercise the post acceptance at SBI Pre Pay Discount of one (1) percent. Much thought was given to the financial advantages and disadvantages of exercising the Progressive Pre Pay Payment Schedule of 3.75%, however, without the availability of a performance/payment bond the City would effectively be paying out 70 percent of the purchase price for a vessel that was only at the 30 percent (open hull) completion level. In short, too much risk even for a company with a solid track record.

RECOMMENDATION:

The Key West Fire Department the purchase of a 29' Safe Boat under GSA Contract GS-07F-0038H from safe Boat International utilizing the post acceptance 1% discount payment option. Purchase price would be \$284,095.