



EXECUTIVE SUMMARY

DATE: September 25, 2015

TO: Jim Scholl, City Manager

CC: Sarah Spurlock, Assistant City Manager

FROM: Michael Davila, Division Chief of Operations

SUBJECT: Executive Summary – Purchase of Pierce Fire Truck

PROJECT

The Key West Fire Department has been allocated \$585,000.00 in the FY 15-16 annual operating budget to replace Engine 9 as a front line apparatus in accordance with our strategic plan. We propose the purchase of a Pierce Pumper Truck under Bid No. 15-11-0116 for Fire/Rescue Vehicles and Other Fleet Equipment, awarded on behalf of the Florida Fire Chief's Association, Florida Sheriffs' Association, and the Florida Association of Counties for participating Agencies in the State of Florida and is commonly referred to as the FSA Bid. An informal solicitation was conducted per City Code of Ordinances and the solicitation showed the FSA contract provided a significant savings of approximately 6%, as opposed to a direct purchase from an authorized dealer for Pierce Manufacturing. There are no local dealers or manufacturers of this particular piece of equipment or a suitable substitute.

Ten-8 Fire Equipment, Inc. is the authorized Pierce dealer for the State of Florida and is the listed dealer in the FSA Contract. They will coordinate the sale, prepare and equip the truck for delivery. The initial truck and equipment cost without exercising a prepayment option is \$602,653. This price includes building the apparatus to our specifications and the necessary equipment to be installed on the truck except the radio equipment which is required to be purchased directly from the sole source dealer, Motorola Solutions. With a 100% prepayment of \$577,657, there is the potential for \$24,996 discount.

Both options reflect the FSA pricing, and the prepay option will carry a 100% Performance Bond. The performance bond will be issued by the parent company Oshkosh prior to payment authorization. A sample performance bond has been approved by the Key West Legal Department. If a prepayment is elected, the prepayment would be directly to Pierce Manufacturing.

The FSA listed price of Pierce Apparatus under the FSA Specification #19 without options is \$441,352. We worked with the Pierce dealer to design the truck specifically for Key West streets. The design calls for a shorter wheel base PUC configuration and TAK-4 front axle which provides for a tighter turning radius. We added many features traditionally on KWFD fire trucks like the charging system, mechanical siren and Fire Bell.

This truck will come fully equipped with required items such as hose, nozzles and pike poles and a few other specialty items to better serve the community such as a thermal imager and hydraulic hoses for the Hurst tools (Jaws of Life).

The radio equipment is required to be purchased from the sole source vendor, Motorola Solutions. Motorola is the only brand that is used by the local system administrator, Monroe County Sheriff's Office. Pursuant to purchasing Code 2-844 relating to Brand Name Specifications and 2-797 (1) b sole source requirements, Motorola Solutions is the authorized vendor for all Motorola equipment. A separate PO to Motorola Solutions will eliminate markup that Pierce would attach if they were to purchase the equipment from Motorola and install it into the fire truck.

Pursuant to City of Key West Code 2-844 the Fire Department proposes a Pierce truck for the following reasons:

- The company has more than 100 years of experience in constructing fire apparatus
- Pierce is an ISO 9001 certified manufacturer of Fire Apparatus
- Pierce apparatus incorporate important safety features desired
- This Pierce vehicle will be designed specially to negotiate our small streets and corners safely
- While Pierce is not the least expensive line, it is not the most expensive, representing a balance of quality and price
- Pierce has consistently delivered our orders in a timely and efficient manner
- Most importantly, this purchase will continue our goal of standardizing all of our Engine Companies, Rescue Truck and Ladder with the Pierce name.

Under the provisions of the Procurement Ordinance, the Department proposes to purchase under the FSA bid for the following reasons:

- The bid provides a price level that Key West could not achieve purchasing only one truck independently.
- It eliminates the necessity for duplicating the bid process.

OPTIONS:

- Purchase a Pierce truck from Pierce Manufacturing under the FSA bid and pay full price upon delivery, **\$602,653**
- Purchase a Pierce truck from Pierce Manufacturing under the FSA bid utilizing the Pre Pay Discount, **\$577,657**

- Purchase the radio equipment from the sole source dealer, Motorola Solutions. \$ 5,469
- Total price for all items (Prepay option) \$583,125
- Competitively bid the purchase.
- Do not purchase the truck at all.

ADVANTAGES:

Purchasing a Pierce truck under the bid will accomplish the following:

- Provides the truck in a timely and cost effective manner.
- Incorporates important firefighter and public safety features.
- Continues our process of standardization to the Pierce apparatus.
- It will replace Engine 9, a unit that is 9 years old, and is experiencing escalating repair and maintenance costs as a front line truck.

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 Engine 9. Repair and maintenance costs can be expected to increase for the existing unit, Engine 9, as a front line unit.

\$ 585,000.00 was allocated in the Infrastructure Fund 101-2201-522-6400 for the FY 15-16 budget for this purchase. The cost, with the 100% pre-payment option, is below the allocated amount.

RECOMMENDATION:

The Key West Fire Department strongly recommends the purchase under the FSA

State Contract Spec #19, Pierce Manufacturing;	\$441,352
KWFD design options, Pierce Manufacturing;	\$115,789
6.5% discount on design options;	(\$ 7,526)
Prepay discount (includes 100% performance bond);	(\$ 24,996)
Vehicle required equipment, Various Vendors	\$ 53,037
<u>Purchase the radio equipment, Motorola Solutions;</u>	<u>\$ 5,468</u>
Total price for all items;	\$583,125