

Meeting of December 6, 2017

South Portland City Council
Position Paper of the Finance Director

Subject:

ORDER #97-17/18 – Award of Bid #31-18 to Pierce Manufacturing, Inc., of Appleton, WI, for the purchase of a Quint Fire Truck for the South Portland Fire Department. Passage requires majority vote.

Position:

This item is brought forward to authorize the purchase of a Quint fire truck to replace Engine 5. Engine 5 is a front line pumper and aerial ladder truck at the Cash Corner Fire Station and was purchased in 2003.

As was noted in the 2018 CIP, the 2004 Quint has had continual problems and over the past several years has required major repairs. This spring, the Quint was inspected and the extent of structural deterioration of the frame and other issues required the unit to be permanently taken out of service. The quint is a fire apparatus that provides both pumper and ladder capabilities. It is essential to our fleet of fire trucks. Presently we have two ladder trucks that are past their useful lives which are temporarily filling the void.

As Chief Wilson notes, the finance department worked with him in trying to draft a RFP that would attract more bidders than were received for the last fire truck RFP. The department required a number of base variables for the vehicle including a 100' aerial ladder, 500-gallon water tank, galvanized frame, and single rear axle to name a few. Beyond the base variables, the RFP allowed for exceptions. Being that the present Quint is permanently out of service, the need to get a replacement vehicle as quickly as possible was also addressed in the RFP. The RFP allowed a vendor to provide a second alternative proposal option that did not meet all the requirements such that the vehicle could be delivered more timely. The department wanted to be able to assess the options lost, and any cost differences, in order to receive the vehicle as timely as possible. This option would have allowed a demo model or other construction option to be submitted for consideration.

The bid was advertised and mailed to four vendors and opened on November 27, 2017. The City received one bid with effectively three options: option 1 with a 240 working day build time and no prepay at a price of \$1,098,235, option 2 with a 240 working day build time and 100% prepay price of \$1,052,196; and option 3 with a 170 working day build time and 100% prepaid, \$1,063,882.

The 2018 CIP provided funding for this item, however I would like the Council to consider funding this item with a municipal lease purchase. The reason for this change in funding is the Cash Corner Fire Station and extent of mold and other related issues for that building. This summer the City has had various consultants in and inspections performed on the building. This past week the Fire Chief met with Sebago Technics, Inc. and the preliminary

cost estimates are vastly higher than originally thought. Effectively, the building's walls and various systems will need to be gutted and completely replaced. Each time the engineers looked at a system, the determination was that the present system was outdated, not at code, or simply did not exist. The building does not have any ventilation and air handling system and electrical, fire and heating systems are not worth trying to salvage. The building's membrane roof has certainly had issues over the years and close inspection would dictate it getting replaced. The extent of mold within the walls and between the suspended ceilings is at high levels. Presently much of the living space is within tolerable standards but the consultants have recommended periodic testing until such time that repairs can be done. Certain sections of the building (exercise room and bedroom #1) have been vacated and those spaces are no longer being used.

My recommendation is, we consider a Municipal Lease purchase for the fire truck and transferring the funds originally set aside for the Quint to the Cash Corner Station repairs. Lease financing for the Fire Truck is available and could be paid over the next 10 years at a very reasonable interest rate.

I understand this may be new information for many of you. We received comments from the consultants this summer that the price tag was climbing but the true extent of these figures was not known until after Thanksgiving. That being said, we were very surprised at these latest preliminary cost estimates of \$1.5 million. This summer the consultants did not know the extent of the remediation and rebuild and the estimates were a fraction of that amount.

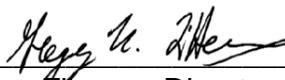
Thinking about both issues over the last couple of days, I concluded that the City should consider shifting financing of both items. I have included funding language in the order for possible lease financing. It gives us the option of initiating the lease financing at a later date. I would recommend a workshop be scheduled for the Cash Corner Fire Station with a possible field trip to the Station for first hand observation be considered. I feel that maintaining some flexibility is warranted given this new development.

The City Council can, at a later date, make the final decision on the proper funding of each item but the necessity for Wednesday night is approval of the purchase of the new Quint fire truck. I have the cash flow necessary to allow for the third option with purchase price of \$1,063,882 and that would be our recommendation. A municipal lease purchase of equipment normally allows for the City to be reimbursed for an item it has purchased.

Included is a memorandum from Jim Wilson regarding this issue. Chief Wilson and I will be at Wednesday's meeting to answer any questions.

Requested Action:

Council passage of ORDER #97-17/18.



Finance Director



FIRE DEPARTMENT
OUR JOB IS OUR LIFE, AND YOURS

JAMES P WILSON
CHIEF OF DEPARTMENT

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November 30, 2017

To: Scott Morelli, City Manager

From: Chief James Wilson

Subject: Award of Bid to Minute Man Fire & Rescue Apparatus, Inc. for Quint Fire Apparatus (Bid #31-18)

As part of the FY 2018 Capital Improvement Program the Fire Department was approved the purchase of a new quint (pumper and aerial ladder combination) to replace the 2004 Emergency One quint that had to be removed from service due to rust issues with the frame. After only receiving one bid for our last apparatus purchase the department, with the help of the purchasing department, spent significant time developing a Request for Proposal (RFP) process that would hopefully entice more bidders this time around. The proposals would be scored on categories: Sales Support / Company Experience, Quality / Durability of Product, Technical Proposal, and finally Price. The department provided minimum specifications preferred for this piece of equipment but the process allowed for exceptions to the specs to be submitted. Even with this new format the city received one bid from Minute Man Fire & Rescue, Inc. Some potential factors to why there was only one bid is the significant difference in manufacturing process from company to company that has effects on materials, engineering, available options, and of course price. One particular item that the department wanted to retain that may have limited bidders was the desire for a single rear axle instead of dual rear axles.

The unit that was bid will be very similar to the previous two fire engines purchased. The last engine purchased by the fire department was approved by the council last October. That unit is currently Engine 44 and was also purchased from the same vendor. Over the past few years we have tried to standardize our apparatus so that training, operations, and maintenance are improved by having similar equipment and components. We are currently doing this with our Ambulances, as we have three units in service that are virtually identical.

The bid price for the quint is \$1,098,235.00, which has been reduced significantly by participating in a nationwide bid process (HGACBuy). The vendor has offered three payment and delivery proposals: the first option is payment at time of delivery for the price of \$1,098,235; second option would be if the city decides to prepay and order the unit on the standard delivery timeline (240 working days), a discount of \$46,039.00 will be applied, which would be \$1,052,196.00. Option three, which is the department's preferred option, is to prepay for the unit, but receive an accelerated timeline (170 working days), a discount of \$34,353.00 will be applied, which would be \$1,063,882.00; Option three would see delivery of the unit about 14 weeks' sooner. The primary reason the department prefers this option is due to the fact that it is currently using a 21-year-old reserve ladder truck as the primary response vehicle in place of the failed 2004 quint.

I respectfully request that you forward to the council for formal approval purchase of this quint at the December 6th meeting. Members of the truck committee and myself will be available for questions.

Respectfully,

Chief James Wilson



CITY OF SOUTH PORTLAND

LINDA C. COHEN
Mayor

SCOTT T. MORELLI
City Manager

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

EMILY F. SCULLY
City Clerk

**IN CITY COUNCIL
ORDER #97-17/18**

District One
CLAUDE V. Z. MORGAN

District Two
KATHERINE W. LEWIS

District Three
EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
ADRIAN T. DOWLING

At Large
MAXINE R. BEECHER

At Large
SUSAN J. HENDERSON

ORDERED, that award of Bid #31-18 be and hereby is made to Pierce Manufacturing, Inc., of Appleton, WI, in the amount of One Million Sixty-Three Thousand Eight Hundred Eighty-Two Dollars (\$1,063,882) for the purchase of a Quint fire truck for the South Portland Fire Department; provided, however, that the City expressly reserves the right to convert this purchase to a municipal lease purchase financing arrangement if the City Council subsequently determines, by Council order, that such a change is in the City's best interests;

BE IT FURTHER ORDERED, that said purchase amount shall be charged to the FY18 CIP Fire Engine Account # 406465-651000-18640, unless the purchase is converted to a municipal lease purchase financing arrangement.

Fiscal Note: \$1,063,882

Date: December 6, 2017