



Lake Havasu City

Lake Havasu City
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Legislation Details (With Text)

File #: ID 24-4363 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 6/24/2024 **In control:** City Council
On agenda: 7/9/2024 **Final action:**
Title: Approve the Cooperative Purchase of One (1) Pierce Velocity Fire Engine from Hughes Fire Equipment Inc. through the Houston-Galveston Area Council Contract (Chief Pilafas)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Hughes Fire Equipment Quote, 2. Proposal Option List, 3. HGAC Contract Pricing Worksheet (Validated)

Date	Ver.	Action By	Action	Result
7/9/2024	1	City Council		

COUNCIL COMMUNICATION

TO: Honorable Mayor and Council

FROM: Pete Pilafas, Fire Chief

SUBJECT:

Approve the Cooperative Purchase of One (1) Pierce Velocity Fire Engine from Hughes Fire Equipment Inc. through the Houston-Galveston Area Council Contract (*Chief Pilafas*)

FUNDING SOURCE:

General Fund

PURPOSE:

To approve the purchase of one (1) Pierce Velocity Fire Engine from Hughes Fire Equipment Inc. utilizing Houston-Galveston Area Council’s (HGAC) contract number FS12-23, City’s Cooperative Purchase Agreement 500539, in accordance with City Code § 3.10.010.3(A)(1).

BACKGROUND:

During the Fiscal Year (FY) 2024-25 budget process, the Fire Department and Public Works Vehicle Maintenance Division are continuing to implement the 5-year vehicle replacement/refurbishment plan to address the aging fleet, increased maintenance costs, and excess out-of-service time. The plan is based on several factors such as age, miles/hours, type of service, reliability, and overall maintenance/repair costs. The recommendation is to replace front-line fire engines on a 10-year cycle with five years in reserve status. The department will evaluate all fire engines' service life at eight years to determine if refurbishment is cost-

effective to extend the in-service life.

The Fire Department is requesting the purchase of a Pierce Velocity Fire Engine manufactured by Pierce Manufacturing, Inc. The proposed Pierce Velocity Fire Engine is available for purchase at competitive bid pricing utilizing a HGAC cooperative bid. The cumulative cost of the fire engine, with options, is \$1,218,469.72 which includes manufacturing costs, sales tax, pre-payment/discounts, pre-construction trip and final inspection by Fire/Vehicle Maintenance personnel to manufacturing site in Appleton, Wisconsin, and delivery of the completed fire engine to Lake Havasu City. It is important to note that the net price assumes the City will fund the purchase up front to receive the pre-payment discount of \$157,256.

HGAC is a "Government-to-Government" procurement service that aims to increase the efficiency of governmental procurement by awarding competitively priced contracts for goods and services. All contracts available to HGAC members, of which Lake Havasu City is a member, were awarded through a public competitive procurement process in accordance with City Code.

The Fire Department has nine fire engines in its fleet, with six front-line engines that are housed at each fire station and three reserve engines. Due to the increased wear and tear on front-line fire engines from daily use, they are periodically removed from service for routine maintenance. At that point, the reserve fire engine is activated and required to perform as required. A new Pierce Velocity Fire Engine was ordered in September of 2023 with an expected delivery in 2027.

The Fire Department's fleet includes seven other Pierce Manufacturing apparatus, all of which have a proven track record of design excellence and performance durability. Additionally, the Vehicle Maintenance Division has developed knowledge in maintaining Pierce Manufacturing apparatus on a routine basis. Personnel from the Fire Department reviewed available specifications and options for fire apparatus and selected the following options:

Pierce Velocity Fire Engine- Base Price	\$928,146.00
Specified Published Options (See Contracting Pricing Worksheet)	\$280,586.00
Specified Unpublished Options (See Contracting Pricing Worksheet)	\$ 76,506.44
HGAC Processing Charge	\$ 2,000.00
Delivery	\$ 5,500.00
Performance Bond	\$ 3,894.00
Inspection Trips	\$ 14,400.00
Sales Tax	\$ 93,420.72
Total	\$1,404,453.16
Less: Pre-Payment Discount	(\$157,256.00)
Preferred Customer Discount	(\$28,727.44)
Pierce Velocity Fire Engine-Total Purchase Price	\$1,218,469.72

The department utilizes an apparatus committee comprised of department members with varying ranks, specialties, and backgrounds. The committee developed specifications that considered community needs, department operations, maintenance, longevity, and value.

A fire engine is completely customized to meet the needs of each community and the equipment carried by the vehicle. The purchase begins with a base unit and is then customized to meet the department's specific

requirements. According to the attached documentation, the requested purchase includes a total of \$280,586 in options, including engine and transmission upgrades, clean cab concept, increased water tank size, lower hose bed, and custom compartment configuration.

The HGAC's cooperative bid offers competitive pricing on the bid engine. Additionally, the City will purchase the fire engine directly from the manufacturer and have it delivered by Hughes Fire Equipment Inc., the manufacturer's authorized dealership in the area. Based in Phoenix, Arizona, Hughes Fire Equipment Fire Inc. will be responsible for final delivery, service, and on-site training. Hughes has previously worked with the Fire Department to purchase fire apparatus and has proven highly reliable.

From the time of delivery and acceptance by the City, the fire engine and all equipment are covered by a one-year bumper-to-bumper base warranty. Additional warranties cover specialized sub-components of the vehicle, including the engine (5 years), transmission (5 years), axles (5 years), frame (50 years), structural/cab/body (10 years), water tank (lifetime), water pump (5 years), and paint (10 years).

The completed fire engine is expected to be delivered between 44.5 to 49.5 months after receipt of the purchase order. A performance bond for 100% of the purchase price will protect the prepayment of \$1,218,469.72 and guarantee delivery of the purchased fire engine. The Fire Department is reevaluating the 5-year vehicle replacement/refurbishment plan due to the significant delays in delivering the new engines. The extended delivery dates impact the current replacement plan, and we must formulate an alternate method to bridge this gap to ensure a reliable fleet.

COMMUNITY IMPACT:

One of the City's essential capital assets is a fleet of reliable vehicles and fire apparatuses. Firefighters depend heavily on their vehicle's performance and capabilities when operating to protect life, property, and the environment. To maximize these capabilities and minimize their risk of injury, the apparatus must be equipped with the latest safety features and current operating capabilities.

FISCAL IMPACT:

Funds in the amount of \$1,260,000 are allocated and available in the General Fund, Fire Department budget for Fiscal Year 2024-25 to purchase one new fire engine.

ATTACHMENTS:

Hughes Fire Equipment Quote
Proposal Option List
HGAC Contract Pricing Worksheet

SUGGESTED MOTION:

I move to approve and authorize the City Manager to execute the Cooperative Purchase Agreement with Hughes Fire Equipment Inc., approve 100% bonded pre-payment for the purchase of one (1) Pierce Velocity Fire Engine in the amount of \$1,218,469.72, and authorize City staff to exercise the option to renew for three additional one-year terms.