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Title: Authorize a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement to acquire three (3) fire engines as part of the department's 8-year apparatus replacement program.
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Date	Ver.	Action By	Action	Result
8/31/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

August 31, 2017

FROM: KERRI DONIS, Fire Chief
Fire Department

SUBJECT:

Authorize a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement to acquire three (3) fire engines as part of the department's 8-year apparatus replacement program.

RECOMMENDATION

Authorize a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement to acquire three (3) fire engines as part of the department's 8-year apparatus replacement program.

EXECUTIVE SUMMARY

The department requests approval to enter into an agreement with Smeal Manufacturing to lease purchase (3) fire engines utilizing a formal bid conducted by the City of Charlotte, NC. Charlotte purchased the same engines used by the Fresno Fire Department from Smeal Manufacturing and is allowing other public agencies to use their contract terms under the Cooperative Purchasing Program.

BACKGROUND

Under a Cooperative Purchasing Agreement, a public agency conducts a formal competitive bid and awards the contract to the lowest qualified bidder. That agency may then authorize other government agencies wishing to purchase the same equipment to utilize their competitive bid and contract terms. The cooperative agreement is common practice and helps agencies save substantial time and costs from conducting their own bids for the same purpose. Smeal Manufacturing was the lowest bidder in the bid conducted by the City of Charlotte.

In 2015, the Fresno Fire Department received administrative approval to replace its aging apparatus over an 8-year period. The replacement program includes fire trucks, fire engines, and certain light vehicles. Over the past few years, the Fire Department has been purchasing its fire engines and fire trucks from Smeal Manufacturing utilizing Cooperative Purchasing Agreements from the City of Chattanooga, Tennessee and Butte County, Montana. Each agency conducted formal competitive bids for the same trucks and engines used by the Fresno Fire Department.

The contract between Butte County and Smeal Manufacturing termed out last year and the Fresno Fire Department was unable to continue the Cooperative Purchasing Program under that contract. Smeal Manufacturing notified the department that Charlotte also conducted a formal competitive bid in 2014 for the same engines used by Fresno Fire and still has an existing, active contract with Smeal Manufacturing. Charlotte authorized other agencies to utilize their bid and contract terms under the Cooperative Purchasing Agreement program. Charlotte awarded a 3-year contract to Smeal Manufacturing. Their contract remains active through November 2017. Their agreement contained an optional 2 year extension to November 2019, which was approved by Charlotte City Council.

The total cost for all three engines is \$1,782,752, which will be financed for over a 10-year lease period with the first lease payment not due until fiscal year 2019. Accordingly, no funding is requested in Fiscal Year 2018.

By authorizing the Fresno Fire Department to enter into this Cooperative Purchasing Agreement, the department will save considerable time and costs that would otherwise be incurred to conduct a formal bid. This will enable the Fresno Fire Department to have engines put into operation at a much earlier date. This factor alone is crucial given the department's call volume and the ages of many of its current fire engine fleet.

In addition to savings in time and cost, the Fresno Fire Department would be acquiring its engines from a dealer that is one of the leaders in the fire apparatus industry. Smeal Manufacturing has built apparatus for the Fresno Fire Department in recent years and the department is completely satisfied with the company's overall product, service, and pricing. The department has purchased apparatus from other vendors in the past decade, but this resulted in issues of poor workmanship, multiple component failures, reduced dependability, and increased out of service time.

Approval of this request will benefit the Fire Department in the area of standardization. Standardization of apparatus is important for many reasons. Fire hose and other life-saving equipment can be tailored to fit in standardized units and compartments. Fire Engineers become more familiar with the drivability of the engines as well familiarity of usability and capabilities of various devices. Mechanics also become familiar with the same engine and motors making repair work more effective and timely. Repair parts in inventory can be standardized to fit all fleet. These

factors reduce the down time of these large emergency apparatus - very important to a department that receives over 40,000 calls for service annually.

Given the many factors noted above, it is recommended the city council approve this request.

ENVIRONMENTAL FINDINGS

This item is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented because this purchase is using another governmental agency's contract.

FISCAL IMPACT

The lease payment is included within the General Fund's five-year projections. The first lease payment for these engines will not be due until fiscal year 2019.

Attachment: Piggyback Contract - Charlotte