



## Legislation Details (With Text)

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**Title:** Approve a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement to acquire one Aerial Ladder Fire Truck as part of the department's eight-year apparatus replacement program in the amount of \$1,390,903 which includes base contract cost of \$1,078,291 plus \$209,880 in equipment outfitting costs and \$102,732 in CA sales tax.

**Sponsors:** Fire Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Charlotte Original Contract.pdf

Date	Ver.	Action By	Action	Result
10/10/2019	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**October 10, 2019**

**FROM:** KERRI DONIS, Fire Chief  
Fire Department

**SUBJECT:**

Approve a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement to acquire one Aerial Ladder Fire Truck as part of the department's eight-year apparatus replacement program in the amount of \$1,390,903 which includes base contract cost of \$1,078,291 plus \$209,880 in equipment outfitting costs and \$102,732 in CA sales tax.

## RECOMMENDATION

Authorize a lease-purchase agreement between the Fresno Fire Department and Smeal Manufacturing utilizing a Cooperative Purchasing Agreement (CPA) to acquire one aerial ladder truck as part of the department's eight-year apparatus replacement program.

## EXECUTIVE SUMMARY

On October 11, 2018 City Council approved a request by the Fire Department to enter into an agreement with Smeal Manufacturing to lease purchase three fire engines utilizing a formal bid conducted by the City of Charlotte, NC. Within that same contract, the City of Charlotte also

purchased five aerial ladder trucks. The trucks purchased in that contract are comparable to the fire base truck needed by the City of Fresno. Both the City of Charlotte and Smeal Manufacturing allow other public agencies to use their contract terms under the Cooperative Purchasing Program. The contract remains in effect through November 14, 2019.

The department seeks approval to utilize the same contract for the lease purchase its Aerial Ladder Truck as part of the approved eight-year apparatus replacement plan.

## **BACKGROUND**

Under a CPA, 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 2020, the Fresno Fire Department received budgetary approval to replace one aerial fire truck as part of its replacement program to retire out aging fleet and apparatus. The approved budgeted amount for this acquisition was \$1,400,000.

The City of Charlotte conducted a formal competitive bid in 2014 for the same trucks used by Fresno Fire. This particular contract, with its optional extensions, is active with Smeal Manufacturing through November 14, 2019. Charlotte authorized other agencies to utilize their bid and contract terms under the CPA program. Charlotte awarded their contract to Smeal Manufacturing to manufacture fire trucks and fire engines.

The total cost for an aerial truck, including an estimated \$209,880 for outfit equipment and \$102,732 for Sale Tax, is \$1,390,103, which will be financed for over a ten-year lease period with the first lease payment not due until fiscal year 2021. Accordingly, no funding is requested in Fiscal Year 2020.

By authorizing the Fresno Fire Department to enter into this CPA, 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 its truck 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 truck fleet.

In addition to savings in time and cost, the Fresno Fire Department would be acquiring the aerial truck 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 issues from poor workmanship to multiple component failures resulted in unnecessary out of service time.

Approval of this request will also benefit the Fire Department in the area of standardization. Standardization of apparatus is important for many reasons. Life-saving equipment can be tailored to fit in standardized units and compartments. Fire Engineers become more familiar with the drivability of the trucks as well as familiarity of usability and capabilities of various devices. Mechanics also become familiar with the same motors and equipment 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 2021.

Attachment: Contract - City of Charlotte