



City of Palo Alto

City Council Staff Report

(ID # 5896)

Report Type: Consent Calendar

Meeting Date: 10/19/2015

Summary Title: Contract for Purchase of Triple Combination Fire Pumper

Title: Approval of a Contract With Pierce Manufacturing Inc. in the Amount of \$657,394 for the Purchase of a Triple Combination 1500 GPM Fire Pumper ; and Adoption of a Budget Amendment Ordinance in the Amount of \$289,265 to Fund the Purchase of a Fire Pumper offset by a transfer from the General Fund and Corresponding Reduction to the Budget Stabilization Reserve (Scheduled Vehicle and Equipment Replacement Capital Improvement Program CIP VR-15000)

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Approve and authorize the City Manager to execute a purchase order with Pierce Manufacturing Inc. in the amount of \$657,393.75 for the purchase of a Triple Combination 1500 GPM Fire Pumper; and
2. Authorize the City Manager or his designee to negotiate and execute one or more changes to the purchase order with Pierce Manufacturing Inc. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$10,000; and
3. Adopt the attached Budget Amendment Ordinance (BAO) to transfer \$289,265 (Attachment A) from the General Fund to the Vehicle Replacement Fund to allow for the purchase of a Triple Combination 1500 GPM Fire Pumper. In the Vehicle Fund, the Scheduled Vehicle and Equipment Replacement Project (VR-15000) is increased by \$146,394, and the ending fund balance is increased by \$142,871. In the General Fund, the

transfer to the Vehicle Fund is increased by \$289,265, offset by a corresponding decrease to the Budget Stabilization Reserve.

Background

The Vehicle and Equipment Use, Maintenance, and Replacement Policy section 4-1 provides for the on-going replacement of City fleet vehicles and equipment. Replacements are scheduled using guidelines based on age, mileage accumulation and obsolescence. Policy 4-1 prescribes a replacement interval for Class 13-Fire Apparatus Pumper Engines of twenty years or 85,000 miles.

Audit of Vehicle Utilization and Replacement

These purchases are being conducted with full consideration for the Audit of Vehicle Utilization and Replacement report dated April 2010. The Fleet Review Committee (FRC) has reviewed all of the vehicles proposed for replacement and has authorized their replacement. The (FRC) approved the replacement of this vehicle on January 15, 2015 in accordance with the audit recommendations.

The approval was based on:

- An examination of each vehicle's current usage;
- An analysis of each vehicle's operating and replacement costs;
- A comparison of the age, mileage, operating cost and performance of each vehicle with others in the class; and
- An analysis of alternatives to ownership, such as mileage reimbursement; pooling/sharing; the reassignment of another underutilized vehicle, or renting.

The vehicle staff recommends replacing Vehicle #6116, a 1991 Pierce Arrow XT Pumper with over 127,000 miles, has been used as a reserve vehicle during the last few years. In addition to exceeding the criteria for age and mileage, Vehicle #6116 has year to date repair/maintenance costs of over \$10,000. In one year an engine is normally out of service for three days of maintenance. This vehicle has had five instances requiring the vehicle to be taken out of service since the beginning of the calendar year. Vehicle #6116 is no longer adequate for its intended use as it is often needed as a frontline engine or to assist with the California Disaster and Civil Defense Master Mutual Aid Agreement which dispatches engines out of the County. The City of Palo Alto's Equipment

Maintenance section is familiar with the Pierce Arrow XT model and regularly stock parts to repair and maintain this apparatus. This purchase supports fleet standardization which lowers maintenance costs and increases efficiency.

Discussion

The Palo Alto Fire Department is a partner in the California Disaster and Civil Defense Master Mutual Aid Agreement between the State of California, each of its counties and those incorporated cities and fire protection districts. In a typical fire season, the Palo Alto Fire Department, along with the other participating county agencies, is dispatched via the Governor's Office of Emergency Services to incidents outside the county, but within the state. An engine can be utilized by the state for several weeks of the summer. For example, in 2014 the Palo Alto Fire Department sent three engine companies to state campaign fires: one to the King Fire in El Dorado County and two to the Lodge Lightning Complex Fire in Mendocino County, each deployment lasting several weeks. While engines are being maintained or deployed with companies, it is imperative that the engines taking the frontline in their absence are reliable and continue providing an exceptional level of service to our community.

This purchase will allow the Fire Department to carry the necessary complement of tools and equipment for the City's current fleet of fire engines. The vehicle staff recommend replacing is not able to accommodate the necessary tools and equipment.

The new engine will benefit the community's all risk emergency needs by:

- Exceeding the capabilities of the engine to be replaced
- Providing consistent training and application of engine company operations

Bid Process

A Request for Quotation (RFQ) for a 1500 GPM Fire Pumper was sent to six vendors on April 20, 2015. Bids were received from three qualified vendors on May 19, 2015, as listed on the attached bid summary. Bids ranged from a high of \$668,561.00 to a low bid of \$656,339.34. The lowest bid submitted from Rosenbauer did not meet the intent of the specification so is therefore non-responsive and cannot be considered for award.

Staff has reviewed all bids submitted and recommends that the second lowest bid submitted by Pierce Manufacturing Inc. be accepted and Pierce Manufacturing Inc. be declared the lowest responsible bidder.

Resource Impact

All vehicles purchased by the City are purchased out of the Vehicle Replacement Fund which is supported by department fund transfers to benefit future vehicle replacements. In the case of this Fire Pumper, the General Fund, via the Fire Department, has transferred funding to the Vehicle Replacement Fund over a period of years for this replacement. It has been determined, however, that the funds accumulated for this replacement are insufficient to support the cost of replacement by \$289,265. The attached Budget Amendment Ordinance will provide for the transfer of funding from General Fund to the Vehicle Replacement Fund to support the full cost of replacement. A secondary action is included in the attached Budget Amendment Ordinance, which is to increase the budget in the Scheduled Vehicle and Equipment Replacement – Fiscal Year 2015 project (VR-15000) in the amount of \$146,394, as the cost of the replacement exceeds the amount that was budgeted for this vehicle as part of the Fiscal Year 2015 budget process. The transfer from the General Fund to the Vehicle Replacement Fund will be offset by a reduction to the Budget Stabilization Reserve. As part of the Fiscal Year 2015 Year-End closing process, staff will bring forward recommendations to replenish the Fiscal Year 2016 Budget Stabilization Reserve using surplus Fiscal Year 2015 funds.

Policy Implications

Authorization of the contract does not represent any change to the existing policy.

Environmental Review

This vehicle will meet the EPA 2013 Emissions standards, and will meet the latest version of National Fire Protection Agency standards.

Attachments:

- Attachment A - BID SUMMARY (DOCX)
- Attachment B - BAO XXXX - Triple Combination Fire Pumper (DOCX)

BID SUMMARY

Triple Combination Fire Pumper

RFQ159018

Hi-Tech	\$668,561.00
Pierce Manufacturing	\$657,393.75
Rosenbauer*	\$656,339.34

*Rosenbauer does not meet the intent of the specifications for a number of exceptions taken in the specification and errors in the bid response, and is therefore being considered as non-responsive and cannot be considered for award.

Ordinance No. XXXX

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR FISCAL YEAR 2016 FOR THE VEHICLE REPLACEMENT FUND TO INCREASE THE SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENT – FISCAL YEAR 2015 PROJECT (VR-15000) BY \$146,394. THIS ACTION IS OFFSET BY A TRANSFER FROM THE GENERAL FUND IN THE AMOUNT OF \$289,265, WITH THE DIFFERENCE OF \$142,871 ADDED TO THE ENDING FUND BALANCE. IN THE GENERAL FUND, THE TRANSFER TO THE VEHICLE REPLACEMENT FUND IS INCREASED BY \$289,265, OFFSET BY A REDUCTION TO THE BUDGET STABILIZATION RESERVE.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 15, 2015 did adopt a budget for fiscal year 2016; and

B. The Vehicle and Equipment Use, Maintenance and Replacement Policy provides for the ongoing replacement of City fleet vehicles and equipment; and

C. Replacements are scheduled using policy guidelines based on age, mileage accumulation, and obsolescence; and

D. The city has in its fleet a 1991 Pierce Arrow XT Pumper which is twenty four years old and has over 127,000 miles, exceeding the prescribed replacement interval for Class 13 Pumper Engines of twenty years or 85,000 miles. As such, replacement is recommended at this time; and

E. All vehicles purchased by the City are purchased out of the Vehicle Replacement Fund are supported by transfers from the fund that will benefit to the Vehicle Replacement Fund. In the case of this Fire Pumper, the General Fund, via the Fire Department, has transferred funding to the Vehicle Replacement Fund over a period of years for this replacement. It has been determined, however, that the funds accumulated for this replacement are insufficient to support the cost of replacement by \$289,265.

F. City Council authorization is needed to amend the 2016 budget as hereinafter set forth.

SECTION 2. The Scheduled Vehicle and Equipment Replacement – Fiscal Year 2015 project (VR-15000) in the Vehicle Replacement Fund is hereby increased by One Hundred Forty Six Thousand Three Hundred and Ninety Four Dollars (\$146,394), offset by a transfer from the General Fund of Two Hundred Eighty Nine Thousand, Two Hundred and Sixty Five Dollars

(\$289,265), with the difference of One Hundred Forty Two Thousand, Eight Hundred and Seventy One Dollars (\$142,871) added to the Vehicle Replacement Fund ending fund balance. In the General Fund, the transfer to the Vehicle Fund is hereby increased by Two Hundred Eighty Nine Thousand, Two Hundred and Sixty Five Dollars (\$289,265), offset by a decrease to the Budget Stabilization Reserve (BSR).

SECTION 3. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 4. The actions taken in this ordinance do not constitute a project requiring environmental review under the California Environmental Quality Act (CEQA).

INTRODUCED AND PASSED: Enter Date Here

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior Assistant City Attorney

Mayor

APPROVED:

City Manager

Director of Administrative Services

Director of Public Works