

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/21/05		Item Number: <u>A-1</u>	
AGENDA ITEM: Approve the Purchase of Three New Fire Engines from Seagrave Fire Apparatus LLC, in the Amount Not to Exceed \$1,282,763.			
Contact Person/Dept.: Paul Condran, Transportation, Christopher Syverson, Fire Department		Phone Number (310) 253.6520 (310) 253.6805	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: Master Notification List 11/16/05			
Department Approval: Stephen C. Cunningham, 11/7/05 Jeffrey I. Eastman, 11/7/05		CAO Approval: Martin Cole for Jerry Fulwood 11/16/05	
City Controller Approval: Marlee Chang 11/16/05			
<u>RECOMMENDATION:</u> That the City Council approve the acquisition of three new fire engines from Seagrave Fire Apparatus, LLC, in an amount not to exceed \$1,282,763, and authorize the Purchasing Officer to issue a Purchase Order in the same amount. <u>BACKGROUND:</u> The Fire Department currently has three front-line fire engines (all manufactured by Seagrave), and two reserve engines that are 25 years old. The two reserve engines were manufactured by Crown Fire Company which is no longer in business. Because of their age and the scarcity of parts, it is no longer economically feasible or practical to continue operating these engines. Culver City has typically retained fire engines well beyond practical life cycle limitations. The current amortization schedule for fire engines is 15 years and they are then retained an additional 15 year in reserve status, making the actual replacement timeframe for these units 30 years.			

City of Culver City, California
City Council Agenda Item Report

DISCUSSION:

The Fire Chief has committed to the Area A coordinator that as part of the California Master Mutual Aid Agreement, the Fire Department would provide, when necessary, two engines from Culver City to help make up the five engines required of a Type 1 Strike Team for structure protection. As this type of assignment mandates “closed cab” apparatus, we are required to send two of our front-line engines. The “closed cab” configuration is only one of many new safety recommendations outlined in 1991 (NFPA 1901). Strike Team commitments can range from less than twelve hours up to seven days.

We have experienced several Strike Team deployments in the past and it can be anticipated that we will experience numerous deployments in the future. It goes without saying that when these engines are deployed out of town, the Fire Department must rely on the reserve apparatus to take the place of the front-line engines. It is the reliability of these reserve apparatus that has recently been called into question. The Equipment Maintenance Division is having an increasingly difficult time finding parts for these apparatus. There have been several instances when parts have had to be fabricated in order to make necessary repairs and meet emergency service requirements. An additional concern is the fact that the City’s two oldest front-line engines are not scheduled for replacement until 2010 and 2012 respectively. This would require maintaining the reserve apparatus for an additional five to seven years. It is apparent that the operational difficulties currently being encountered were not foreseen or considered when equipment buying decisions were made in the past.

In response, a team comprised of representatives from the Fire and Transportation Departments and City Controller’s office met to discuss this issue. In order to resolve the current situation and prevent a similar problem in the future, three potential options were developed for further consideration:

Option #1

Purchase three new fire engines at once, and put the three current (front line) fire engines into reserve status. Place the new fire engines on a new twelve-year replacement (amortization) schedule.

Option #2

Phase in a twelve-year amortization cycle beginning with the replacement of the oldest fire engine in FY07, then the second engine in FY11 and the third in FY15, and place the new engines on a new life cycle of twelve years. This option will require the purchase of two used fire engines and would allow for the immediate disposal of the two 25 years-old Crown fire engines.

City of Culver City, California
City Council Agenda Item Report

Option #3

Change the current life cycle from fifteen to twelve years now, thereby changing the amortization cost and Department contribution to the ERF beginning in FY07. Replace one fire engine in FY07 and the others in FY10 & FY12. This option also requires the purchase of two used fire engines that would allow the disposal of the two 25 year old Crown fire engines.

The team then met with the City Council's Equipment Replacement Sub-Committee. After a thorough analysis, it was agreed that the current replacement schedule should be changed to a twelve-year front line service life cycle with an additional twelve-years in a reserve capacity (24 years total) before the equipment is permanently removed from service. Note that during the last review by the Commission on Fire Accreditation International (CFAI), it was recommended that the life cycle of our equipment be changed, as the current reserve fire engines may no longer be capable of operating without failure during a long term incident.

Further, after reviewing an analysis of the three options, it was determined that Option #1 was the most practical solution available in terms of operational efficiencies and effectiveness. Placing three fire engines into service that are the same age and built by the same manufacturer brings continuity to the fire operation. This will allow for improved training and an increased knowledge of the apparatus by both Fire and Equipment Maintenance personnel. From an operational standpoint, standardization of all the equipment, pumps, valves, water supply, etcetera, will simplify fire operations and enhance the fire safety to the City.

The following are some facts and figures related to this issue:

- A survey of similar California fire departments revealed that the average life cycle for front-line engines is 13.5 years.
- Of the departments surveyed, the average time in reserve status was 8 years.
- On average, the surveyed departments replace engines after 21.5 years.
- Our current schedule calls for front line engines to be in service for 15 years and in reserve status for 15 years (30 years).
- We are currently using our engines approximately 8.5 years longer than the average department surveyed.

An additional recommended change for Fire Department operations is to increase the reserve fire engine inventory from two to three units. Three reserve engines will enhance the Fire Department's ability to respond to emergencies, mutual aid requests, and improve fire safety services to the City. In the event that two Strike Team engines are deployed outside of Culver City, two of the reserve engines will

City of Culver City, California
City Council Agenda Item Report

be placed into immediate service and the City will still have one as a backup in case of a mechanical failure or other unforeseen circumstance.

FISCAL ANALYSIS:

The City has an Equipment Replacement Fund (ERF) that acts as the funding mechanism to pay for most all City assets. To maintain the viability of the ERF and ensure funding for all equipment replacements, all City departments contribute annually to the fund through an equipment amortization schedule. Historically, the ERF has funded emergency replacement equipment and “off-cycle” purchases when it is necessary to maintain the integrity of the fleet and the operations of the affected Department. The ERF is currently estimated at \$9 million dollars (estimated fund balance at the end of the current fiscal year). Based on an analysis of current and future equipment replacement purchases, staff believes that the fund can support the cost differential of purchasing the three new fire engines.

Option #1, is the best, most viable long term solution and is the option recommended by the Equipment Replacement Subcommittee and staff. The Fire Department, through the amortization schedule, has contributed approximately \$875,000 to date toward the purchase of three new fire engines. With the purchase cost estimated at \$1,282,763 for the new engines, the amount of money the ERF would fund is approximately \$407,763. This would not be paid back to the fund by the Fire Department and would be considered a one-time expense. However, the Fire Department/General Fund would experience an annual increase of approximately \$37,700 in amortization costs due to the new twelve year life cycle. Additionally, the increase of reserve units from two to three will result in a yearly operating cost increase of approximately \$10,000 for normal maintenance and fuel.

For purposes of comparison, the purchase of two used fire engines is estimated at approximately \$125,000 each (\$250,000). As the discussion moved forward, it became apparent that any option that included the need to buy used equipment did not make sense fiscally or operationally. Further, finding suitable, reliable fire engines that would meet the City’s needs was proving to be extremely difficult.

The City has an opportunity to purchase these fire engines using a “piggy-back” acquisition process from a contract for similar equipment from the Mount Joy, Pennsylvania Fire Department. Purchasing equipment using this method is common, results in lower purchasing costs, and saves considerable City staff time.

(City Council action on this matter will require a budget amendment and must be approved by a 4/5 vote.)

City of Culver City, California
City Council Agenda Item Report

MOTION:

That the City Council:

1. Amend the adopted FY 2005-2006 budget to appropriate \$1,282,763 for the purchase of the three new fire engines (Account 30764500.732100) {requires a 4/5ths vote}; and,
2. Authorize the Purchase Officer to create a Purchase Order in the amount not to exceed of \$1,282,763 to Seagrave Fire Apparatus, LLC. for the acquisition of three new fire engines.