



Staff Report

File #: 25-418, Version: 1

Item #: C-15.

CC - CONSENT ITEM: (1) Approval of an Agreement with South Coast Fire Equipment for the Purchase of One New Aerial Apparatus for the Culver City Fire Department in an Amount Not-to-Exceed \$1,974,817 for the Pre-Payment of Vehicle Build and Assembly; (2) Authorization to the Chief Transportation Officer to Approve Amendment(s) to the Agreement in an Additional Amount Not-to-Exceed \$103,215 to Cover Contingency Costs (5%); and (3) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Related Budget Amendment Appropriating \$538,032 from the Equipment Replacement Fund Balance to CIP #PE004.

Meeting Date: October 28, 2024

Contact Person/Dept: Allison Cohen/Transportation Department

Phone Number: (310)253-6543

Fiscal Impact : Yes  No

General Fund: Yes  No

Attachments: Yes  No

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/23/2024)

Department Approval: Diana Chang, Chief Transportation Officer (10/11/2024)

**RECOMMENDATION**

Staff recommends the City Council (1) approve an agreement with South Coast Fire Equipment for the purchase of one new aerial apparatus for the Culver City Fire Department in an amount not-to-exceed \$1,974,817 for the pre-payment of the vehicle build and assembly; (2) authorize the Chief Transportation Officer to approve amendment(s) to the agreement in an additional amount not-to-exceed \$103,215 to cover contingency costs (5% of the base vehicle cost); and (3) approve a budget amendment appropriating \$538,032 from the Equipment Replacement Fund (Fund 307) balance to Capital Improvement Project (CIP) #PE004 (**budget amendment requires four-fifths vote** ).

**BACKGROUND/DISCUSSION**

In Fiscal Year 2023-2024, Fire Apparatus #3722, a 2003 American LaFrance Eagle aerial ladder truck that has reached the end of its useful life, was approved by City Council for replacement at mid-year in the amount of \$1,540,000. After developing specifications for the new aerial ladder truck, staff reviewed numerous options from various manufacturers, and staff evaluated each manufacturer's

current offerings based on price, value, and ability to meet the operational needs of the City and determined that a 107' tractor drawn aerial apparatus manufactured by Pierce Manufacturing locally supplied by South Coast Fire Equipment would best meet the requirements of the Department.

The total base cost proposal from South Coast Fire Equipment, the local dealer of Pierce Manufacturing, for the aerial apparatus is \$2,064,285, exclusive of taxes and fees. South Coast Fire Equipment is offering a prepayment discount of \$277,635. With the prepayment discount, the total amount including taxes and fees would be \$1,974,817. Staff recommends taking advantage of the prepayment discount by paying \$1,650,000 and retaining a minor balance to be paid upon delivery. It is anticipated that the apparatus will be delivered in the second quarter of Fiscal Year 2028-2029.

Factoring in the prepayment discount and the requested contingency funds, the total not-to-exceed amount for the purchase of the aerial apparatus from South Coast Fire Equipment would be \$2,078,032. Staff recommends that an agreement be approved with South Coast Fire Equipment in the amount of \$1,974,817, including sales tax, delivery fees and performance bond charges, for the procurement and pre-payment of a Pierce Enforcer 107' Tractor Drawn Aerial as a suitable replacement vehicle. Additionally, staff recommends that a contingency budget of a \$103,215 be established to cover unanticipated costs associated with modifications that may be necessitated during the vehicle's build and assembly.

The recommended amount exceeds the funding requested as part of the Fiscal Year 2023-2024 Mid-Year Budget Amendment. During the evaluation process, staff found that the cost of such specialized fire equipment had outpaced projected budget expenditures which were based on the average Producer Price Index of Components for Manufacturing over the life of the existing equipment. The increasing cost relative to overall inflation was found to be attributed to several factors including the specialized materials and labor required to assemble these apparatus, the increasingly stringent safety regulations governing the production and use of the vehicle and its equipment, and the addition of advanced features and upgrades like improved stabilization systems, hydraulic controls, and safety technologies. As such, additional funding is needed to ensure that the City is able to procure equipment that will continue to meet the operational demands of the Department over the apparatus's anticipated 20-year lifecycle.

Pursuant to Culver City Municipal Code Section 3.07.055.G, the purchase of equipment, goods and supplies is exempt from formal competitive bidding requirements when competitive bid procedures have already been utilized by the City or another public agency or non-profit entity whose main purpose is to help public agencies make purchases; provided, the equipment, goods or supplies are supplied to the City at the same or better price, as was obtained through the competitive bid procedures of that entity. Staff was able to secure competitive pricing from South Coast Fire Equipment through Sourcewell (formerly known as the National Joint Powers Alliance) Contract #113021. Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government (Minn. Const. art. XII, sec. 3) that works to streamline the procurement process by developing requests for proposals and invitations for bids for national, competitive solicitations that meet or exceed local requirements. Sourcewell conducted a request for proposal for firefighting apparatus and fire service vehicles in November 2021 and awarded a contract to Pierce Manufacturing, a Oshkosh Corporation Business. South Coast Emergency Equipment is the local dealer of Pierce Manufacturing and is offering the City the same or better pricing.

## FISCAL ANALYSIS

The Adopted Budget for Fiscal Year 2024-2025 includes funding for the apparatus purchase in the amount of \$1,540,000 in CIP #PE004 (City Vehicle - Equipment Replacement), which can be found in the Capital Improvements section of the budget in Fund 307 (Equipment Replacement Fund) on page 477 of the budget book. Staff is requesting a budget amendment appropriating \$538,032, from the Equipment Replacement Fund to CIP #PE004 for the remaining balance and a contingency budget to cover unanticipated costs for a total of \$2,078,032. There are sufficient funds available in the Equipment Replacement Fund balance to cover this request. As June 10, 2024, the estimated ending Fund 307 balance is approximately \$9.6 million. *Approval of the budget amendment requires a four-fifths vote.*

If Council authorizes staff to move forward with the pre-payment of the apparatus, \$1,650,000 would be expended during Fiscal Year 2024-2025 with the balance due at the time the apparatus is delivered.

## ATTACHMENTS

None

## MOTION

That the City Council:

1. Approve an agreement with South Coast Fire Equipment for the purchase and pre-payment of one new aerial apparatus in an amount not-to-exceed \$1,974,817; and
2. Authorize the Chief Transportation Officer to approve amendment(s) to the agreement in an additional amount not-to-exceed \$103,215 to cover contingency costs (5%); and
3. Approve a budget amendment appropriating the amount of \$538,032 from the Equipment Replacement Fund (Fund 307) to CIP #PE004 to fund the purchase (**requires a four-fifths vote**); and
4. Authorize the City Attorney to review/prepare the necessary documents; and
5. Authorize the City Manager to execute such documents on behalf of the City.