


TRANSMITTAL MEMORANDUM

5c

TO: The Honorable Mayor & City Council

FROM: Delilah A. Walsh, City Manager Initials: 

DATE: June 16, 2023 File #: MGR23-323

RE: **Exempting the Procurement of a Replacement E-One Pumper (Vehicle No. 52-753) from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Cascade Fire & Safety/E-ONE**

The motion detailed below was prepared at the request of Fire Chief Rick Hines, who asked that it be placed before the City Council for consideration at its meeting of June 22, 2023. If adopted, the motion provides for exempting the procurement of a replacement E-ONE pumper/engine (Vehicle No. 52-753, E2) from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of the vehicle at a cost of \$1,146,512, inclusive of contingency, from Cascade Fire & Safety, on behalf of E-ONE.

This pricing has been obtained through Sourcewell Contract # 113021-RVG-1 Emergency Vehicles, Fire Trucks, & Equipment Maturity. The Sourcewell contract is a cooperative purchasing contract wherein the best pricing is obtained on behalf of local governments nationwide through a competitive process and results in lower prices beyond issuing our own bids.

We also obtained pricing from another qualified contractor, which was higher in price and a longer build time.

Subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such equipment from competitive bidding/quotation when:

“When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same supplies or services under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such supplies or services are being provided the other government unit based on formal bids, price quotations or other competitive proposal procedure or pursuant to a contract with or through such other government unit so that the benefit of the price quotation or other competitive proposal accrues to the city.”

The rationale for the exemption is detailed in Chief Hines's transmittal memorandum and needs some elaboration on the part of the City Manager's office.

In addition to the government pricing for the replacement pumper offered under Sourcewell Contract No. 113021-RVG-1 as specified, additional cost savings is offered if the City commits to an intent to purchase a second identical replacement pumper (Vehicle No. 52-757, E3) in 2024, as outlined in the Ketchikan Fire Department's 5-year capital improvement program. As stated by Chief Hines, this pricing is being made available through June 30, 2023 only, necessitating City Council action to authorize the exempted procurement and intent to purchase two pumpers at the special meeting of June 22, 2023. Should the City Council agree to the purchase of both vehicles by this date, a cost savings of \$157,146 will be realized. The commitment to purchase the second apparatus is only to secure pricing and we will have a non-appropriation clause meaning that if the item is not included in the 2024 budget, we have no obligation to purchase.

As of the date of this memorandum, staff and the City Attorney are working with Cascade Fire & Safety to finalize purchase contract language that will protect the City and not require purchase the second pumper for 2024 should the necessary funds not be appropriated in the City Council's adoption of the 2024 General Government Operating & Capital Budget. This provision and the final purchase contract will be presented for City Council consideration in advance of the special meeting of June 22, 2023. If these documents are not forthcoming, staff will not recommend the City Council move forward with the purchases and will instead request that this agenda item be removed from consideration.

A motion has been prepared for City Council consideration.

Recommended Motion: Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move that the City Council exempt the procurement of a replacement E-One Pumper (Vehicle No. 52-753, E2) from the competitive bidding/ written quotation requirements of the Ketchikan Municipal Code under Sourcewell Contract No. 113021-RVG-1 through Cascade Fire & Safety/E-ONE; authorize the City Manager to enter into a contract for the purchase of the vehicle in an amount not to exceed \$1,146,512 inclusive of a \$75,000 contingency; authorize a budget transfer of \$46,512 from Appropriated Reserves of the Public Works Sales Tax Fund to the Fire Department's 2023 Replace Vehicle 52-753 (E2) capital account; approve funding in the amount of \$1,146,512 from the Fire Department's 2023 Replace Vehicle 52-753 (E2) capital account; and direct the City Manager to execute the purchase contract documents on behalf of the City Council, including a letter of intent to purchase a duplicate replacement vehicle at a cost not to exceed \$1,093,886 pending City Council approval of the 2024 General Government Operating & Capital Budget and purchase funding.



KETCHIKAN FIRE DEPARTMENT

Integrity, Professionalism, Respect, Compassion, Teamwork, and Innovation
70 Bawden Street Ketchikan, Alaska 99901
Phone (907) 225-9616 – Fax (907) 225-9613
Fire Chief Rick Hines
e-mail: rickh@city.ketchikan.ak.us

Memorandum

TO: Delilah Walsh, Manager
FROM: Rick Hines, Fire Chief
DATE: June 16, 2023
SUBJECT: Purchase of Pumpers.

In adopting the 2023 General Government Operating and Capital Budget, the City Council appropriated \$1.1 million to the Fire Department's Replace Vehicle No. 52-753 (E2) capital account to replace a 1998 E-One Engine (Pumper) with 104,191 miles. This replacement follows the 2018 Ketchikan City Council-approved replacement plan based on Emergency Services Consulting International KFD vehicle needs assessment.

The apparatus committee began meeting in late December once the 2023 budget was finalized. The committee consisted of current KFD firefighters and a Ketchikan City garage staff member. The committee contacted multiple manufacturers; two were willing to undertake the build. Those manufacturers were Pierce and Emergency One (E-One). The goal was to design an Engine with a narrow wheelbase and enough torque to climb the hills in Ketchikan. The Engine must also meet the requirements of NFPA 1901, the Standard for Modern Fire Apparatus.

Once the apparatus design was complete, Pierce and Emergency One submitted pricing. Pierce's price was \$ 1,318,305. This price includes a \$75,000 contingency. The build time would be 38 to 43 months. Emergency One's price is \$1,146,512. This price also consists of a \$75,000 contingency. The build time is 29 months.

The apparatus committee has unanimously selected Emergency One as the builder to replace Engine 2. The Fire Department's 2024 capital improvement budget has \$1.1 million for replacing KFD vehicle 52-757 (E3), a 1993 International Darley Engine. In communicating with Emergency One, there is a significant savings if the City would be willing to sign a letter of intent to place an order for an identical engine in 2024, pending the City Council's approval of the 2024 budget, effectively agreeing to purchase two vehicles in 2023. There are no penalties if there is a funding shortfall and the City cannot purchase this replacement Engine in 2024. If the City signs the agreement before July 1, 2023, the overall savings would be \$157,146. The payment for these Engines would not be due until the completion, estimated to be 29 months from the prebuild meeting and upon completion of both the apparatus.

There are, however, cost savings associated with prepayment. These are outlined in the attached agreement from Cascade Fire and Safety, the E-One dealer for Alaska. The cost savings depends on when the prepayment is received and when the apparatus is completed.

The pricing opportunity for this purchase is available via a competitive bid by Sourcewell Contract # 113021-RVG-1 Emergency Vehicles, Fire Trucks, & Equipment Maturity Date: 02/10/2026.

Subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such a vehicle from competitive bidding/quotations when:

"When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same supplies or services under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such supplies or services are being provided the other government unit based on formal bids, price quotations or other competitive proposal procedure or pursuant to a contract with or through such other government unit so that the benefit of the price quotation or other competitive proposal accrues to the city."

In addition to the pricing discounts offered by E-One for the purchase of two Engines as well as the Sourcewell contract pricing, the apparatus committee recommends the purchase of the replacement engines through E-One because of the faster build time. E-One is part of the Rev Group. This allows for parts to be sourced from multiple vendors enabling less costly and more easily sourced repair parts.

The current Engine 2 is also an E-One and has been one of the easiest and most cost-effective vehicles to maintain in our fleet.

Request:

Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move that the City Council exempt the procurement of the new replacement E-One Pumper (Vehicle No. 52-753, E2) from the competitive bidding/ written quotation requirements of the Ketchikan Municipal Code under Sourcewell Contract # 113021-RVG-1 Emergency Vehicles, Fire Trucks, & Equipment Maturity Date: 02/10/2026 to E-One; authorize the City Manager to enter into a contract for the purchase of the vehicle in an amount not to exceed \$1,146,512 inclusive of a \$75,000 contingency; authorize a budget transfer of \$46,512 from Appropriated Reserves of the Public Works Sales Tax Fund to the Fire Department's 2023 Replace Vehicle 52-753 (E2) Capital Account; approve funding in the amount of \$1,146,512.00 from the Fire Department's 2023 Replace Vehicle 52-753 (E2) and direct the City Manager to execute the purchase contract documents on behalf of the City Council, including a letter of intent to purchase a duplicate replacement vehicle pending City Council approval of the 2024 General Government Operating and Capital Budget.



CUSTOMIZING QUALITY SOLUTIONS AND RELIABLE SERVICE FOR YOUR FIRE AND SAFETY NEEDS

June 7, 2023

Cascade Fire & Safety, in partnership with and on behalf of E-ONE. Inc., is pleased to present this proposal to Ketchikan Fire Department for one (1) or more new E-ONE Cyclone eMAX Custom Pumper apparatus for your review and consideration.

E-ONE Cyclone eMAX Custom Pumper apparatus per the attached specifications and drawings.

Unit 1		Unit 2	
Cost of Cyclone Pumper	\$ 1,071,512.00	Cost of Cyclone Pumper	\$1,018,886.00
Equipment Allowance for Pre-Construction	\$ 75,000.00	Equipment Allowance for Pre-Construction	\$ 75,000.00
Total with Radio/Repeater installation	\$ 1,146,512.00	Total with Radio/Repeater installation	\$1,093,886.00
Final Total for (2) E-ONE Cyclone Pumps ordered at the same time		\$ 2,240,398.00	

Applicable Taxes are not included and are the responsibility of City of Ketchikan.

The purchase of the second unit reflects a net savings of \$ 52,626.00.

Proposal is valid until June 29th, 2023. After June 29th add **\$ 104,520.00** per Engine to this proposal for a new total of **\$ 2,344,918.00**.

Build time is estimated at 870 calendar days (29 months) from receipt of purchase order and signed-off pre-construction documents.

- Please see page #2 of this proposal for prepayment discount options available.
- Pre-Construction meeting at E-ONE Factory Ocala, Florida within 60 days of order. Expenses for four (4) fire department personnel are included in the proposal price.
- A final inspection at E-ONE Factory Ocala, Florida upon completion. Expenses for three (3) fire department personnel are included in the proposal price.
- E-ONE factory "train the trainer" familiarization is included in the price of the vehicles. Training to be held at E-ONE factory at the conclusion of the final inspections.
- Delivery to Bellingham, Washington port of departure is included. Shipping from Washington State Port to Ketchikan to be the responsibility of City of Ketchikan.
- **The seller will maintain insurance on the pumpers until their delivery in Ketchikan**
- Radio and Repeater pricing and installation included in the proposal price. This pricing is based on quotations provided by the fire department dated November 2022. Due to changes in technology and pricing, any additional costs beyond this estimate will be invoiced accordingly. Invoices and documentation will be provided at the time of installation.
- Payment for Pumper(s) is due upon delivery at Cascade Fire & Safety facility in Yakima, WA. (less Radio, Repeater Equipment and any upfitting costs)
- Payment for Radio, Repeater Equipment and any upfitting costs will be invoiced separately upon installation of the requested equipment.

Respectfully Submitted,



Blythe Hirst – Director of Sales – Cascade Fire and Safety

CUSTOMIZING QUALITY SOLUTIONS AND RELIABLE SERVICE FOR YOUR FIRE AND SAFETY NEEDS

Terms and Conditions for Prepayment Plans

Due to the long lead times for delivery of fire trucks, standard prepayment plans based upon a fixed percentage of the purchase price seldom give the buyer the full benefit of discount for such prepayments. E-ONE, Inc. now offers a prepayment plan which pays simple interest on the prepaid amount from the date the payment is received at the factory until the date the truck is complete and ready for shipment to the dealer of record.

Since the exact amount of the rebate cannot be determined until the delivery of the vehicle, the discount is given as a credit on the final invoice.

As such, purchase orders should be issued for the full amount of the purchase price.

The following rebate estimates are presented to Ketchikan Fire Department as an estimate based on the purchase price and the quoted delivery time. Any prepayment funds will be secured by a performance bond for 100% of the prepayment amount.

(1) Pumper

Prepay %	Prepayment Amount	Actual Discount
100%	\$ 1,146,512.00	\$ 777,397.00
75%	\$ 859,884.00	\$ 58,048.00
50%	\$ 573,256.00	\$ 38,698.00
25%	\$ 286,628.00	\$ 19,349.00

(2) Pumpers

Prepay %	Prepayment Amount	Actual Discount
100%	\$ 2,240,398.00	\$ 151,242.00
75%	\$ 1,680,299.00	\$ 113,431.00
50%	\$ 1,120,200.00	\$ 75,621.00
25%	\$ 560,100.00	\$ 37,810.00



May 19, 2023

Ketchikan Fire Department, AK
One (1) Enforcer PUC Pumper AK1019
Build Location: Appleton, WI

Proposal Price (FOB: Bellingham, WA)	\$ 1,243,305.00
Less chassis progress payment discount	(17,886.00)
Less payment upon completion @ factory discount	(13,478.00)
Less 100% pre-payment discount	(56,758.00)
Total including all pre-pay discounts	\$ 1,155,183.00

Terms:

Price Expiration: The above pricing is valid until July 24, 2023.

Future Changes: Various state or federal regulatory agencies (e.g. NFPA, DOT, EPA) may require changes to the Specifications and in any such event any resulting cost increases incurred to comply will be added to the Purchase Price to be paid by the Customer and documented on a Change Order.

Component Price Volatility: Company shall not be responsible for any unforeseen price increase enacted by the suppliers of major components of the Product (including but not limited to engine, transmission, and fire pump) after the execution of contract or purchase order. Any price increase major components of the product will be passed through to the Customer and will be documented on a Change Order.

Delivery: Based on Pierce's current delivery schedule the apparatus would be ready for delivery from factory within 38 to 43 months after contract execution or purchase order. Delivery is subject to change pending Pierce's delivery schedule at time of order. This time does not include any possible delays that may be caused by national disasters or pandemic.

Payment Terms:

a. If pre-payment discount options are elected, the following terms will apply:

i. **Chassis Progress Payment Discount:** The chassis progress payment in the amount of **\$596,197.00** will be due three (3) months prior to the ready for pick up from the factory date. If elected, an invoice will be provided 30 days prior to the chassis payment due date. If payment is not made when due the discount total will be added back to the final invoice.

ii. **Payment Upon Completion at Factory Discount:** If elected final payment is due prior to apparatus leaving the factory for delivery. If payment is not processed upon receipt of invoice the discount total will be required in addition to the invoice amount.

iii. **100% Pre-Payment Discount:** If elected, an invoice will be provided upon order processing for the 100% pre-payment. Upon receipt of invoice, payment must be made within thirty (30) days. If this option is elected, the discount is in addition to the chassis progress payment discount, and the payment upon completion at the factory discount. If payment is not made when due, the above mentioned pre-payment discounts or a portion thereof, will be added back to the final invoice. Final payment, including any changes made during manufacturing, is due upon completion of the Product at the factory and prior to delivery from the factory. The 100% pre-payment discount is valid for 90 days from quote unless interest rates change; at which time a notification of change will be given and a new quote will be issued.

b. If pre-payment discount options are not elected standard payment terms will apply: Final payment will be due 30 days after the apparatus leaves the factory for delivery. If payment is not made at that time a late fee will be applicable.

c. Payments made for apparatus using a credit card will be applicable to a credit card convenience fee.

Consortium Purchase: The proposal is based on the unit being purchased through H-GACBuy (Houston-Galveston-Area-Council Cooperative Purchasing Program) utilizing contract FS12-19 valid until 5/31/2023 with a registered End User member Interlocal Contract. It is the purchaser's responsibility to determine if the use of consortiums meets their purchasing requirements. More information can be found at hgacbuy.org.

Performance Bond: A performance bond is included in the above price and will be provided after order placement. If customer elects to remove the performance bond **\$3,290.00** may be deducted from the purchase price. All purchase orders must include the following verbiage if a performance bond is elected, "**Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible.**"

Transportation: Transportation of the apparatus to be driven from the factory to Bellingham, WA location is included in the above pricing. However, if permits are not obtainable, due to the weight of the apparatus, and the apparatus must be transported on a flat bed, additional Transportation charges will be the responsibility of the customer. We will provide pricing at that time if necessary. If customer elects to drive the apparatus from the factory, **\$7,000.00** may be deducted from the purchase price. If this option is elected payment in full and proof of insurance must be provided prior to leaving the factory and the customer is responsible for compliance with all state, local and federal DOT requirements including the driver possessing a valid CDL license.

Inspection Trips: Three (3) factory inspection trips for three (3) customer representatives is included in the above pricing. The inspection trips will be scheduled at times mutually agreed upon between the manufacture's representative and the customer, during the window provided by the manufacturer. Airfare, lodging and meals while at the factory are included. In the event the customer is unable to travel to the factory or the factory is unable to accept customers due to the restrictions caused by a national disaster or pandemic then the Dealership reserves the right to use forms of electronic media to accomplish the intention of the inspection trips. Every effort will be made to make the digital media as thorough as possible to satisfy the expectations of the of the customer. If the customer elects to forgo an inspection trip \$2,400.00 per traveler (per trip) will be deducted from the final invoice.

Acceptance of Proposal: If the customer wishes to purchase the proposed apparatus Hughes Fire Equipment will provide the Customer its form of Purchase Agreement for the Customer's review and signature. If the Customer desires to use its standard form of purchase order as the Purchase Agreement, the purchase order is subject to review for any required revisions prior to acceptance. **All purchase orders shall be made out to Hughes Fire Equipment Inc.**