

### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize the Issuance of a Purchase Order for Four (4) Fire Pumper Apparatuses (F19-021)

#### **REPORT IN BRIEF**

Approval is requested to authorize the issuance of a purchase order to Golden State Fire Apparatus of Sacramento in the amount of \$2,270,742 (including tire fees and delivery fees), excluding sales tax, for four (4) fire pumper apparatuses. Approval is also requested for a 1% contingency in the amount of \$22,707. Contingencies are typically not requested for vehicle purchases, but historically a nominal amount has been requested for fire apparatuses to make minor required modifications during the manufacturing process.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and services exceeding \$100,000 in any one transaction.

Further, Section 2.08.220(b) of the Sunnyvale Municipal Code authorizes the purchasing officer to direct the city's participation with one or more governmental, public or quasi-public agencies in a cooperative agreement for the procurement of goods and/or services, provided that at least one of the agencies has solicited bids.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

Economic operations of the City's fleet require that vehicles be replaced before operating costs become excessive. This year, the vehicle replacement schedule includes the replacement of four American LaFrance fire apparatuses (pumpers). Of the four apparatuses to be replaced, two units have exceeded 10,000 engine hours and have reached a life of 20-years. The other two units have over 10,000 engine hours, reached 18 years in the vehicle life cycle and have maintenance costs, which make their replacements appropriate now.

It is important to note that as of January 17, 2014, American LaFrance ceased operations. This has caused extreme difficulty in acquiring repair parts for these aged units. Therefore, two of the units have been accelerated for replacement by two years due to these vehicles obsolescence and the complex nature of attaining parts which results in extended downtimes for maintenance and repair.

The corresponding budget modification was approved by City Council on March 6, 2018 (RTC No. 18-0106).

Traditionally, the City has purchased fleet vehicles through a cooperative purchasing agreement or through California State Contract pricing. The City has used cooperative agreements in the past to identify vendors and has experienced better pricing than when bidding the goods individually. The fire pumper apparatuses that meet the specified requirements can be provided by Pierce Manufacturing and are available through NPPGov, a national cooperative procurement organization offering publicly solicited contracts to government entities nationwide. It is in the best interest of the City to purchase through the NPPGov contract with Golden State Fire Apparatus, its local authorized dealer, as utilizing the NPPGov contract pricing saves time developing vehicle specifications while benefiting from established vehicle pricing. Therefore, it is recommended that Council authorize the issuance of a purchase order to Golden State Fire Apparatus for four (4) fire pumper apparatuses.

### **FISCAL IMPACT**

Fleet equipment is budgeted for and accounted for in the Fleet Services Internal Service Fund. The Fund estimates \$2,400,000 in replacement cost for these vehicles. The old apparatus will be auctioned as part of the surplus process. Funds in excess of the planned expenditure will be returned to fund balance and re-allocated during the budget process.

### **Funding Source**

Purchases of fleet equipment are funded in the Fleet Services Internal Service Fund, which receives annual contributions from other funds based on equipment usage.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

1) Authorize the issuance of a purchase order to Golden State Fire Apparatus in the amount of \$2,270,742, in substantially the same form as Attachment 1 to the report; and 2) approve a 1% contingency in the amount of \$22,707.

Prepared by: Gregory S. Card, Purchasing Officer  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Chip Taylor, Director, Public Works  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Draft Purchase Order