



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the issuance of a Purchase Order to Golden State Fire Apparatus for Two (2) Triple Combination Fire Pumpers (F21-041)

REPORT IN BRIEF

Authorize the issuance of a purchase order in the amount of \$1,212,182 (includes delivery, performance bond and tire fees), excluding sales tax, in substantially the same form as Attachment 1 to the report to Golden State Fire Apparatus of Sacramento for Two (2) Triple Combination Fire Pumpers. Approval is also requested to include a 2% contingency in the amount of \$24,242 to pay for minor 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/or services exceeding \$100,000 in any one transaction.

Further, Section 2.08.220(a) 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

The economical operation of the City's fleet requires that vehicles be replaced prior to the time when operating costs exceed the life cycle cost in accordance with an established vehicle replacement schedule. The Fleet Maintenance Division has calculated the useful life expectancy of Fire Pumpers to be twenty years, or 10,000 engine hours, whichever occurs first. The Fire Pumpers scheduled for replacement have either met or exceeded these criteria.

The City has retained Regional Government Services (RGS), a Joint Powers Authority, to oversee and facilitate the Fire Pumper acquisition. RGS identified Sourcewell, a Public Service Cooperative, as a potential source for the new Fire Pumpers. The City has effectively used cooperative agreements in the past and has experienced favorable pricing results compared to bidding goods and services publicly. RGS worked with the Departments of Public Works and Public Safety to develop equipment specifications for this complex equipment purchase through a City committee

review process.

Sourcwell posted a Request for Proposal (RFP) for Fire Apparatus on seven (7) prominent websites, advertised nationally in regional newspapers, and sent out RFP's to 63 prospective respondents. Eighteen (18) proposals were received and evaluated with 10 cooperative agreements awarded. The Fire Pumpers that meet the specified requirements are available through one of these agreements with Golden State Fire Apparatus (GSFA), the local authorized distributor for Pierce Manufacturing.

In consideration of the City budget impact from the Covid-19 pandemic, the City Manager requested that only a minimal increase be allowed for the purchase of these new Fire Pumpers as compared to the last purchase of four fire trucks two years ago. Initially, the price quote obtained from GSFA exceeded the City Manager's directive. Subsequently, RGS was able to successfully negotiate additional price reductions.

GSFA offered two concessions:

- An additional 2% discount; and,
- Several favorable pre-payment discount options.

Staff recommends a 75% pre-payment option, provided a 100% payment and performance bond is issued to guarantee delivery. As a result of these concessions, Sunnyvale will spend just 1.4% more for the new Fire Pumper acquisition than the prior purchase made in November 2018.

It is in the best interest of the City to utilize the Sourcwell cooperative agreement. Cooperative agreements leverage economy of scale benefits, reduce administrative time and expense, increase competition, and incorporate favorable terms and conditions. Therefore, staff recommends that Council authorize the issuance of a purchase order to Golden State Fire Apparatus for two Triple Combination Fire Pumpers. Additionally, 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.

FISCAL IMPACT

Fleet equipment is budgeted and accounted for in the Fleet Services Internal Service Fund. The Fund estimates \$1,400,000 in replacement cost for these vehicles. The apparatus' being replaced will be processed in accordance with the disposition of surplus property. Funds in excess of the planned expenditure will be returned to fund balance and may be 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, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

RECOMMENDATION

Take the following actions:

- Authorize the issuance of a purchase order in the amount of \$1,212,182 (includes delivery, performance bond and tire fees), excluding sales tax, in substantially the same form as Attachment 1 to the report to Golden State Fire Apparatus; and
- Approve a 2% contingency in the amount of \$24,242.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Purchase Order