

C-8

May 11, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary amendments, with South Coast Fire Equipment, Inc., of Ontario, CA, for the purchase of a Pierce Arrow XT fire ladder truck, with related equipment and accessories, on the same terms and conditions afforded to the Houston Galveston Area Council (HGAC), of Houston, TX, in an amount not to exceed \$1,565,259, inclusive of taxes and fees. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with South Coast Fire Equipment, Inc., for the purchase of a Pierce Arrow XT 102-foot ladder truck for use by the Fire Department. This purchase will be made using the same HGAC contract with South Coast Fire Equipment, Inc., approved on September 8, 2020 by the City Council for scheduled replacements of fire ladder trucks.

On January 21, 2020, fire ladder truck number 350 was in a maintenance bay at Fleet Services for routine service, when the shore power component, located under the main cab of the unit, caught fire. The fire alarm system was triggered, and the Fire Department responded and extinguished the fire, but the ladder truck was completely destroyed. An investigation was performed by an outside agency and did not identify a cause of the fire.

The City's insurance company, American International Group, Inc. (AIG), was contacted by the Risk Management Bureau in the Human Resources Department and a claim was submitted for replacement of the damaged fire truck (claim number 501-764237-002). AIG has submitted a partial payment of \$508,475 to the City for the replacement, which is equal to the salvage value of the destroyed truck. AIG has agreed to reimburse the City for the remaining balance, \$1,056,784, once the replacement truck has been delivered. The Fleet Services Fund Group will pay for the new unit, with full reimbursement coming from the insurance company.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

The Fleet Services Bureau and the Purchasing Division in the Financial Management Department, investigated procurement options, and the HGAC contract with South Coast Fire Equipment, Inc., of Ontario, CA (not a SBE, DBE, MBE, WBE, or Local), was determined to provide the best discounted price while allowing for timely acquisition and delivery. The HGAC contracts are competitively bid and offer the best available pricing. There are no dealers for this type of equipment in Long Beach.

This matter was reviewed by Deputy City Attorneys William R. Baerg and Taylor M. Anderson on February 25, 2021, by Business Services Bureau Manager Tara Mortensen on February 22, 2021, and by Revenue Management Officer Geraldine Alejo on February 26, 2021.

SUSTAINABILITY

The new fire ladder truck is exempt from regulations in the State of California and local air quality district rules. However, the replacement unit is equipped with a newer clean diesel engine, which significantly reduces greenhouse gas, nitrous oxides, and particulate emissions.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and execute the purchase contract is requested on May 11, 2021, to ensure the truck order can be placed expeditiously.

FISCAL IMPACT

The requested contract will not exceed \$1,565,259, inclusive of taxes and fees. Sufficient funds are budgeted in the Fleet Services Fund Group in the Financial Management Department. This cost is eligible for full reimbursement from the City's insurance company, AIG. The City has received \$508,475 for the destroyed truck, with the balance of \$1,056,784 to be reimbursed to the City upon showing proof of payment for the replacement unit. Revenue received from AIG will be deposited in the Insurance Fund Group in the Human Resources Department, then transferred to the Fleet Services Fund Group in the Financial Management Department to offset replacement costs.

Annual maintenance expense is estimated at \$37,811 and will be charged to the General Fund Group in the Fire Department. Ongoing charges will be collected through the regular Fleet Services Memorandum of Understanding (MOU) monthly billing process when the unit is delivered and in use. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENT – RESOLUTION

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH SOUTH COAST FIRE EQUIPMENT, INC. TO PURCHASE A PIERCE ARROW XT FIRE LADDER TRUCK, WITH RELATED EQUIPMENT AND ACCESSORIES, THROUGH THEIR CONTRACT WITH HOUSTON-GALVESTON AREA COUNCIL IN AN AMOUNT NOT TO EXCEED \$1,565,259, INCLUSIVE OF TAXES AND FEES

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, On January 21st, 2020, fire ladder truck # 350 was in a maintenance bay at Fleet Services for routine service. At approximately 2:00 a.m., the shore power component, located under the main cab of the unit, caught fire. The fire alarm system was triggered, and the Fire Department responded and extinguished the fire, but the ladder truck was completely destroyed by that time; and

WHEREAS, the City desires to purchase one (1) Pierce Arrow XT fire ladder truck, with related equipment and accessories ("Fire Ladder Truck") to replace fire ladder truck #350; and

WHEREAS, Houston-Galveston Area Council has a contract with South Coast Fire Equipment, Inc. for the purchase of these Fire Ladder Trucks("H-GAC Contract"); and

WHEREAS, the City's participation in the H-GAC Contract will facilitate the

1 City's ability to purchase as well as provide considerable cost benefits to the City; and

2 WHEREAS, if the City had to utilize a formal bid process rather than
3 participate in the H-GAC Contract considerably more funds would be required;

4 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
5 follows:

6 Section 1. The above recitals are true and correct and are incorporated
7 herein by this reference.

8 Section 2. The City Manager or designee is hereby authorized to enter
9 an agreement with South Coast Fire Equipment, Inc. to purchase one (1) Pierce Arrow
10 XT fire ladder truck, with related equipment and accessories, of the same type and kind
11 identified in the H-GAC Contract except as modified by mutual agreement of the City and
12 South Coast Fire Equipment, Inc., and the purchase by the City shall be on the same
13 terms and conditions afforded to Houston-Galveston Area Council in an amount not to
14 exceed One Million Five Hundred Sixty-Five Thousand Two Hundred Fifty-Nine Dollars
15 (\$1,565,259), inclusive of taxes and fees, extending until the warranty on the Fire Ladder
16 Truck expires.

17 Section 3. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2021, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk