



Legislation Text

File #: 18-0166, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract with South Coast Fire Equipment, Inc., of Ontario, CA, for the purchase of two Pierce Arrow XT aerial fire ladder trucks, 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 \$2,400,645, inclusive of taxes and fees; and

Authorize City Manager, or designee, to execute a ten-year lease-purchase agreement and related financing documents with Banc of America Public Capital Corporation, a Kansas corporation, for the financing of two Pierce Arrow XT aerial fire ladder trucks, in an amount not to exceed \$2,913,000, including capital purchase, interest and fees. (Citywide)

City Council approval is requested to enter into a contract with South Coast Fire Equipment, Inc., for the purchase of one Pierce Arrow XT 102' tractor drawn aerial fire ladder truck and one Pierce Arrow XT 107' rear-mount aerial fire ladder truck, for use by the Fire Department.

These units are replacing aerial fire ladder trucks that are 22 years old and four years past their useful life expectancy. The current vehicles are becoming increasingly difficult to adequately provide support due to their age and condition. Downtime has increased with breakdowns and difficulty obtaining parts. Purchase of these units was authorized in the approved FY18 replacement plan.

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 of the City Council.

The Fleet Services Bureau and the Purchasing Division of the Financial Management Department investigated procurement options, and the Houston-Galveston Area Council's agreement with Pierce Manufacturing, Inc., of Appleton, WI (not a SBE, a DBE, MBE, WBE, or Local), was determined to provide the best discounted price while allowing for timely acquisition and delivery. Although the original HGAC contract was with Pierce Manufacturing, South Coast Fire Equipment, Inc. (not a SBE, DBE, MBE, WBE, or Local), assumed Pierce's contractual obligations under the HGAC agreement. All HGACs contracts are competitively bid and offer the best available pricing. There are no dealers for this type of equipment in Long Beach. Service, parts, and warranty support will be provided by South Coast Fire Equipment, Inc.

City Council approval is also requested to authorize the City Manager to execute a ten-

year lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corporation for the financing of aerial fire ladder trucks. The Master Lease Agreement was approved by the City Council on May 19, 2015.

In March 2015, the Department of Financial Management conducted a Request for Proposals (RFP) FM15-076 for a Master Lease Agreement Program in which Banc of America Public Capital Corporation was selected. The Master Lease Agreement Program provides lease financing for a variety of capital equipment purchases. The program was established to streamline the purchasing and financing process. Lease financing provides a cost-effective approach to facilitate the purchase of essential capital assets and allow the City to meet immediate service demands.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on February 5, 2018 and by Assistant Finance Director Lea Eriksen on January 26, 2018.

City Council action to adopt resolution and execute the contracts concurrently is requested on February 20, 2018, to ensure the contracts are in place expeditiously.

The lease-purchase agreement for the aerial fire ladder trucks, including sales tax, escrow fees, and principal and interest will not exceed \$2,913,000. The estimated annual lease payment will be approximately \$292,000 over the next ten years. Lease payments are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) and will be paid through regular lease charges to the Fire Department (FD) through Fleet Services' regular monthly billing process. There is no local job impact associated with this recommendation.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE TWO PIERCE ARROW XT AERIAL FIRE LADDER TRUCKS, WITH RELATED EQUIPMENT AND ACCESSORIES THROUGH THE AGREEMENT BETWEEN HOUSTON-GALVESTON AREA COUNCIL AND SOUTH COAST FIRE EQUIPMENT, INC.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER

