



## Legislation Text

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**File #:** 20-0893, **Version:** 1

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Adopt resolution authorizing City Manager, or designee, to execute a contract, and any necessary amendments, with FWD Seagrave Holdings, LP, of Clintonville, WI, for the purchase of ten Seagrave Model DB-50-CT Capitol Cab fire pumpers, 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 \$9,572,474, 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 Corp., of San Francisco, CA, for the financing of two fire ladder trucks and ten fire pumpers, in an amount not to exceed \$15.3 million, inclusive of capital purchase, interest, and fees. (Citywide)

City Council approval is requested to enter into contracts with South Coast Fire Equipment, Inc., for the purchase of two Pierce Arrow XT 102-foot ladder trucks and FWD Seagrave Holdings, LP, for the purchase of ten Seagrave Capitol Cab Pumpers, respectively, for use by the Fire Department.

The current fire ladder and pumper trucks have exceeded their 15-year lifecycles and are experiencing increased downtime due to the increasing need for repairs and delays in parts procurement. Due to their age and condition, the risk of breakdowns is more likely to occur, potentially interrupting critical services. These 12 units have been approved for purchase by the City Manager in the FY 20 Fleet Replacement Plan.

Timely replacement of fire equipment is critical to successful operations and the overall health of the fleet. The Fire Department has mutual aid agreements in place and often deploys strike teams to assist during wildfire events throughout the state. This requires sending front line equipment while still having the ability to backfill equipment needs within the City limits. Additionally, adequate spares are needed when units are down for routine maintenance or unplanned breakdowns. These purchases have very long build times and can take up to 18 months before they are placed in service, putting an extra strain on the existing fleet and can potentially impact availability.

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 in the Financial Management

Department investigated procurement options, and the HGAC contracts with South Coast Fire Equipment, Inc., of Ontario, CA (not a SBE, DBE, MBE, WBE, or Local), and FWD Seagrave Holdings, LP, of Clintonville, WI (not a SBE, DBE, MBE, WBE, or Local), were determined to provide the best discounted prices while allowing for timely acquisition and delivery. The HGAC contracts are competitively bid and offer the best available pricing. There are currently no dealers for fire ladder or pumper equipment in Long Beach.

City Council approval is 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 Corp., for the financing of two fire ladder trucks and ten fire pumpers. The Master Lease Agreement was approved by the City Council on September 18, 2018.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson and Deputy Finance Director Sandy Tsang-Palmer on August 24, 2020, and by Budget Management Officer Rhutu Amin Gharib on August 25, 2020.

## SUSTAINABILITY

The new fire ladder and pumper trucks are exempt from regulations in the State of California and local air quality district rules. However, the replacement units are equipped with newer clean diesel engines, which significantly reduce greenhouse gas, nitrous oxides, and particulate emissions. The more environmentally friendly engines qualify this purchase for grant offsets from the South Coast Air Quality Management Board's Carl Moyer Grant program.

City Council action to adopt the attached Resolutions and execute the purchase contracts is requested on September 8, 2020, to ensure the ladder trucks and fire pumpers orders can be placed expeditiously. Delay in approving this recommendation could result in a loss of grant funding offsets due to grant deadlines.

The requested contract with South Coast Fire Equipment, Inc., will not exceed \$3,130,518 and the contract with FWD Seagrave Holdings, LP, will not exceed \$9,572,474, inclusive of taxes and fees. The lease-purchase agreement for the fire ladder trucks and fire pumpers, including sales tax, escrow fees, and principal and interest will not exceed \$15.3 million. The annual lease payments will be approximately \$1.5 million for the next ten years, which is partially budgeted in the Fleet Services Fund Group in the Financial Management Department. An appropriation increase of \$723,253 will be requested for the balance of the annual lease financing payments during FY 21 when the first lease payment will come due. The total debt service budget for ongoing annual lease payments will be included as part of a future budget development process.

Fleet Services Bureau will collect an annual amount of \$1,020,000 from the Fire Department over the 15-year life span of the units from the General Fund Group in the Fire Department. Ongoing combined maintenance expenses for both the ladder trucks and pumpers are

estimated at \$533,452 annually. These charges are collected through the regular Fleet Services Memorandum of Understanding (MOU) monthly billing process, starting when assets are placed into service, which is currently anticipated for FY 22. Carl Moyer grant funds, in the amount of \$957,297, will be used to offset the impact of the annual collections from the Fire Department when the units are placed into service for the full amount in FY 22 and partially offset collections in FY 23. 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.

Approve recommendation.

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JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

XAVIER ESPINO  
FIRE CHIEF

APPROVED:

THOMAS B. MODICA  
CITY MANAGER