



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 5, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Resolutions Authorizing a Contract With Seagrave Fire Apparatus, LLC, to Purchase Fire Fighting Vehicles (Citywide)

DISCUSSION

The Fleet Services Bureau of the Public Works Department is requesting authorization for Fiscal Year 2004 to purchase two fire fighting aerial ladder vehicles as scheduled replacements of vehicles that are past their normal life and/or mileage. Both aerial ladders recommended for replacement are in deteriorating condition and are over 20 years old; the ladder on one of the units can no longer be utilized and repair is cost prohibitive. These vehicles are required to be ready for deployment 24 hours a day, 7 days a week.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council. The Fleet Services Bureau investigated various procurement options and learned that the City of Grand Rapids, Michigan and the Village of Ridgefield Park, New Jersey had recently completed a competitive bid process for aerial ladder vehicles and has contracts with Seagrave Fire Apparatus, LLC, which meet the City's needs. Purchasing the fire fighting vehicles through these contracts will expedite the acquisitions at competitive prices.

The units to be purchased provide different fire fighting capabilities. One apparatus is a tractor-drawn aerial ladder truck with rear tiller; the unit price is \$611,304, plus tax, for a total of \$661,737. The second unit has a rear mount platform with front basket for elevating multiple firefighters into position; the unit price is \$685,636, plus tax, for a total of \$742,201. The combined total cost is \$1,403,938. Both units will require approximately ten months to build.

The Three-Year Financial Strategic Plan called for a reduction in the number of fleet vehicles Citywide. The recent Fleet Study, conducted by the City Auditor and an outside contractor, identified vehicles for reduction and neither of the units being

replaced were considered for elimination from the fleet. However, an overaged spare aerial ladder was identified for reduction in the Fleet Study and will be turned in for sale after the removal of usable equipment has been completed. In addition, both the outside contractor and the City Auditor emphasized the importance of maintaining the City's long-term vehicle replacement plan in order to reduce the age of the fleet and decrease maintenance and parts costs. The replacement plan also decreases the amount of spare vehicles required to offset equipment breakdowns once the age of the Fire fleet is reduced.

These vehicles are available under the Cooperative Purchase Agreement Provision of Grand Rapids, Michigan, Purchase Order No. 0400158808 (basket unit), and Village of Ridgefield Park, New Jersey, Contract dated December 17, 2003 (tiller unit).

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on September 14, 2004 and by Budget Management Officer David Wodynski on September 23, 2004.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolutions and award the contract concurrently is requested on October 5, 2004 to ensure that the fire fighting vehicles are purchased in an expeditious manner to better serve the community and begin realizing immediate maintenance cost savings.

FISCAL IMPACT

The Fleet Services Bureau has ceased charging capital recovery on the three aerial ladders. The annual capital recovery charges to the Fire Department were \$53,931 annually for the three units. The capital recovery collected to date on the two units being replaced totaled \$643,062, which was transferred back to the General Fund in FY 04. The three units to be sold at auction are Nos. 101, 108 and 110 and are expected to sell for \$10,000 to \$20,000 each.

The acquisition cost, in an amount not to exceed \$1,403,938, will be lease-financed at the time of delivery. This financing mechanism for large vehicles was recommended in the Fleet Study. The Department of Financial Management will issue a Request for Proposal to solicit competitive bids for the proposed lease financing for an eight- to ten-year term, with lease payment and estimated at \$170,000 annually. The useful life of the ladder trucks is 18 years. The estimated annual lease payments of \$170,000 will be paid directly out of the Fire Department (FD) from the General Fund (GP) and are included in the FY 05 Adopted Budget. The Department of Financial Management will proceed with the lease-financing process and return to City Council for approval and for a budget adjustment for purchasing the units with the lease proceeds.

HONORABLE MAYOR AND CITY COUNCIL

October 5, 2004

Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Adopt the attached Resolutions authorizing the City Manager to execute a contract with Seagrave Fire Apparatus, LLC, for the purchase of two fire fighting vehicles pursuant to the Cooperative Purchase Agreement Provision of Grand Rapids, Michigan, Purchase Order No. 0400158808, and Village of Ridgefield Park, New Jersey, Contract dated December 17, 2003, on the same terms and conditions, in an amount not to exceed \$1,403,938.

Respectfully submitted,



MICHAEL A. KILLEBREW

ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



GERALD R. MILLER

CITY MANAGER

MAK:JV:cm

ResoCouncilLtr-SeagraveFireApparatusLLC

Attachments