

R-18

September 8, 2020

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 two Pierce Arrow XT 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 \$3,130,518, inclusive of taxes and fees;

Adopt a Resolution authorizing the 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 the 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)

DISCUSSION

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.

TIMING CONSIDERATIONS

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.

FISCAL IMPACT

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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



XAVIER ESPINO
FIRE CHIEF

ATTACHMENTS – RESOLUTIONS (2)

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE AN AGREEMENT WITH SOUTH
6 COAST FIRE EQUIPMENT, INC. TO PURCHASE TWO
7 PIERCE ARROW XT FIRE LADDER TRUCKS, WITH
8 RELATED EQUIPMENT AND ACCESSORIES, THROUGH
9 THEIR CONTRACT WITH HOUSTON-GALVESTON AREA
10 COUNCIL IN AN AMOUNT NOT TO EXCEED \$3,130,518,
11 INCLUSIVE OF TAXES AND FEES

12
13 WHEREAS, the Charter of the City of Long Beach (the "City"), Section
14 1802, permits the City to purchase services, supplies, materials, equipment and labor
15 with other government agencies by purchasing under their contracts on a voluntary and
16 selective basis when authorized by resolution; and

17 WHEREAS, the City desires to purchase two (2) Pierce Arrow XT fire
18 ladder trucks, with related equipment and accessories ("Fire Ladder Trucks"); and

19 WHEREAS, Houston-Galveston Area Council has a contract with South
20 Coast Fire Equipment, Inc. for the purchase of these Fire Ladder Trucks, Contract No.
21 19-01022 ("H-GAC Contract"); and

22 WHEREAS, the City's participation in the H-GAC Contract will facilitate the
23 City's ability to purchase as well as provide considerable cost benefits to the City; and

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

26 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
27 follows:

28 Section 1. The above recitals are true and correct and are incorporated

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4511

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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 FWD SEAGRAVE HOLDINGS, LP TO PURCHASE TEN SEAGRAVE MODEL DB-50-CT CAPITOL CAB FIRE PUMPERS, WITH RELATED EQUIPMENT AND ACCESSORIES, THROUGH THEIR CONTRACT WITH HOUSTON-GALVESTON AREA COUNCIL IN AN AMOUNT NOT TO EXCEED \$9,572,474, 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, the City desires to purchase ten (10) Seagrave Model DB-50-CT Capitol Cab fire pumpers, with related equipment and accessories ("Fire Pumpers"); and

WHEREAS, Houston-Galveston Area Council has a contract with FWD Seagrave Holdings, LP for the purchase of these Fire Pumpers, Contract No. 19-00917 ("H-GAC Contract"); and

WHEREAS, the City's participation in the H-GAC Contract will facilitate the City's ability to purchase as well as provide considerable cost benefits to the City; and

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

NOW, THEREFORE, the City Council of the City of Long Beach resolves as

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager or designee is hereby authorized to enter
5 an agreement with FWD Seagrave Holdings, LP to purchase ten (10) Seagrave Model
6 DB-50-CT Capitol Cab fire pumpers, with related equipment and accessories, of the
7 same type and kind identified in the H-GAC Contract except as modified by mutual
8 agreement of the City and FWD Seagrave Holdings, LP, and the purchase by the City
9 shall be on the same terms and conditions afforded to Houston-Galveston Area Council
10 in an amount not to exceed Nine Million Five Hundred Seventy Two Thousand Four
11 Hundred Seventy Four Dollars (\$9,572,474), inclusive of taxes and fees, extending until
12 the warranty on the Fire Pumpers expire.

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

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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 _____, 2020, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
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