



City of Broken Arrow

Request for Action

File #: 18-1026, Version: 1

**Broken Arrow City Council
Meeting of: 09-04-2018**

Title:

Consideration, discussion and possible approval of and authorization to purchase two (2) Pierce aerial fire apparatus from Conrad Fire Equipment, Inc. pursuant to the Houston-Galveston Area Council (HGACBuy) contract, and authorization to pre-pay Conrad Fire Equipment, Inc. for such purpose for the Fire Department

Background:

The Fire Department is seeking to purchase two (2) aerial fire apparatus. The current building height and projected growth of the City of Broken Arrow compels staff to recommend purchasing aerial trucks with greater than 100' ladders. The Fire Department staff also recognizes that the aerial trucks will predominately be used for emergency medical response, which comprises 80% of the department's total run volume. The single axle trucks provide a significantly better turning radius that improves maneuverability in neighborhoods. It is for these reasons that a single axle aerial apparatus with a greater than 100' ladder is the best choice for the department. The addition of a platform to one (1) of the two (2) apparatus would improve the capability of the fire department by providing a more stable elevated work space that could accommodate multiple firefighters.

The State of Oklahoma requested bids for various fire trucks without specific specifications with regards to the size of apparatus and size of ladders as each manufacturer has its own specifications. Pierce was the only manufacturer that placed a bid with these specifications as they are the only manufacturer that makes this particular type of fire apparatus.

The Fire Department was able to locate the same fire apparatus sold by Pierce but at a lower price through the Houston-Galveston Area Council (H-GAC). H-GAC is the largest of 24 Councils of Government (COG) in Texas, and is a political subdivision of the State of Texas. It has been serving local governments for more than 40 years.

H-GAC's Cooperative Purchasing Program, known as HGACBuy, was established pursuant to Texas Interlocal Cooperation Act. The Act allows local governments and certain non-profits to contract or agree under the terms of the Act to make purchases or provide purchasing services and other administrative functions appropriately established by another government entity.

At the July 17, 2018 City Council Meeting, the Council approved of an Interlocal Contract (ILC) between the City of Broken Arrow and HGACBuy, and gives the City access to HGACBuy contracts. By entering into this agreement the City was able to verify that H-GAC's competitive bidding processes are in accordance with Oklahoma State Competitive Bid Act and City purchasing requirements. HGACBuy requested bids for various fire trucks as well without specifications with regards to size of apparatus and size of ladders. Once again Pierce was the only manufacturer that placed a bid that meets the needs of the fire department with a single axle with a greater than 100' ladder. However, the bid that Pierce submitted to HGACBuy was much less than the bid submitted to the State of Oklahoma. The quotes for the 107' aerial apparatus were \$959,440.75 via NASPO

and \$950,514.83 via HGACBuy with a savings of \$8,925.92. The quotes for the 110' aerial platform apparatus were \$1,034,040.17 via NASPO and \$1,025,809.79 via HGACBuy with a savings of \$8,230.38. The total savings using HGACBuy total \$17,156.30.

Pierce manufacturing routinely secures a loan to build each apparatus. The interest from that loan is passed along in the final purchase price of the vehicle if payment is made upon delivery. To avoid this interest, Pierce offers a "pre-payment discount" if payment is made upon ordering the vehicle. The total prepayment discount for the two Pierce aerial apparatus is \$44,200.76. The funds for this purchase are currently available should Council choose to accept the "pre-payment discount". If the City chooses to prepay, Conrad Fire Equipment, Inc. will provide a Performance Bond to the City in the amount of the full purchase price that will protect the financial investment that is being prepaid.

Thus, it is recommended that Council approve the purchase of the two (2) Pierce aerial fire apparatus pursuant to the HGACBuy program including the "pre-payment discount".

Cost: **\$1,932,123.86**

Funding Sources: 092-3501-422.70-02 Project number 183505 (2014 GO Bond)
030-3501-422.70-02 Project number 183506 (Sales Tax Capital)

Requested By: **Jeremy Moore, Fire Chief**

Approved By: **Michael L. Spurgeon, City Manager**

Attachments: Spreadsheet detailing pricing comparison including discounts.
Conrad Fire Equipment pricing quote for H-GAC.
Conrad Fire Equipment pricing quote for the Oklahoma state contract via
National Association of State Procurement Officials (NASPO).
Performance bond for the 107' aerial and for the 110' platform aerial.
HGAC vendor bid tab.

Recommendation:

Approval of and authorization to purchase two (2) Pierce aerial fire apparatus from Conrad Fire Equipment pursuant to the Houston-Galveston Area Council (HGACBuy) contract and authorize pre-payment for such purchase.