



City of Broken Arrow

Request for Action

File #: 19-1534, **Version:** 1

Broken Arrow City Council
Meeting of: 1-7-2020

Title:

Approval of and authorization to purchase one (1) Pierce fire apparatus from Conrad Fire Equipment, Inc. pursuant to the Houston-Galveston Area Council (HGACBuy) contract, using the “prepay” option, for the Fire Department.

Background:

The 2018 Bond package includes funding to replace fire apparatuses over the life of the bond. The Fire Department is seeking to replace the 2007 fire apparatus.

In November, Council approved the purchase of a fire apparatus for fire station 3. The current request is for an identical fire apparatus.

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.

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. Pierce offers a “pre-payment discount” if payment is made upon ordering the vehicle, since the loan interest can be avoided. The prepayment discount for this Pierce apparatus is \$17,984.19. 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.

Cost: \$585,304.84

Funding Source: 2018 General Obligation Bond

Requested By: Jeremy Moore, Fire Chief

Approved By: City Manager's Office

Attachments: HGAC Itemized Pricing
Conrad Quote

Recommendation:

Approve and authorize the purchase of one (1) Pierce fire apparatus from Conrad Fire Equipment, Inc. pursuant to the Houston-Galveston Area Council (HGACBuy) contract, using the “prepay” option, for the Fire Department.