

Lompoc City Council Agenda Item



City Council Meeting Date: July 2, 2013

TO: Laurel M. Barcelona, City Administrator

FROM: Kurt Latipow, Fire Chief
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Anthony Garcia, Fleet and Facilities Superintendent
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Ray Ambler, Purchasing and Materials Manager
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SUBJECT: Award of Contract to Purchase New Type III Brush Engine

Recommendation:

Staff recommends the City Council authorize award of a contract to purchase a new Type III Brush Engine (Brush Truck) from KME/Kovatch Fire Apparatus in the amount of \$339,982.06.

Background/Discussion:

During the FY 2013-15 budget (Budget) development process, Council supported the acquisition of a Brush Truck for use by the Fire Department. Following approval of the Budget, staff researched several vendors and determined that the same vendor who manufactured our three structure engines had recently been awarded a bid from Orange County Fire Authority (Authority) to build two of the same type of Brush Trucks the City is planning to purchase. Staff has met with the vendor, reviewed the specifications, the Authority's bid and associated documents, and has determined that it is in the best interests of the Department and the City to purchase the Brush Truck using the cooperative authority provided in the Authority's RFP #DC1799 for one new Type III Brush Engine.

Purchasing the Brush Truck in this manner will afford the City the economy of scale of the larger Authority, save numerous staff hours associated with a formal bid process, and accelerate the process to allow the delivery of the new Brush Truck before the next fire season.

This purchase meets the requirements of Lompoc Municipal Code Subsection 3.36.040(D) authorizing cooperative purchasing and of purchasing policy for cooperative purchases.

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Fiscal Impact:

Council approved the Fire Department's request to obtain a new Brush Truck, obtain financing for the Brush Truck, allocate the resulting proceeds to the Fleet Management and Maintenance Services Division (Fleet), and use the appropriation of funds in Fleet for the purchase of a new Brush Truck with the approval of the Budget on June 4, 2013. The amount approved for the purchase of the Brush Truck in the Budget is \$414,299. The \$414,299 includes all necessary outfitting of the vehicle (hoses, ancillary equipment, etc.), as well as the vehicle itself, so that it is ready for service upon delivery. The costs proposed for this portion of the acquisition of the vehicle are within the range identified in developing the original budget of the \$414,299 in service amount. The \$339,982.06 expenditure under the Authority's RFP #DC1799 will leave sufficient appropriations to fully outfit the Brush Truck, such that it is in operational status upon final delivery of the vehicle.

As the Brush Truck will be added to the complement of Replacement Fund vehicles managed by Fleet, the repayment of financing proceeds will be incorporated into the allocation methodology for use of Fleet services beginning with the FY 2015-17 Budget. This is consistent with the allocation of all Fleet Replacement Fund vehicles purchased for use by City Divisions at their time of replacement, as determined by the Fleet and Facilities Superintendent.

As the Brush Truck is intended as a complement to the City's Fire Department core services, and is anticipated to provide revenue over its useful life, Staff recommends any direct revenue derived from the rental of the Brush Truck for services rendered be deposited in a separate restricted cash and revenue account in the Fleet budget to offset operational and capital costs related to the Replacement Fund and Carryover Fund Brush Trucks and to set aside funds for the eventual replacement of the Replacement Fund Brush Truck. This new mechanism will allow for tracking of revenues derived from Brush Truck operations and would pay for operational costs of the Brush Truck in excess of the "normal" operational costs, were the Brush Truck used exclusively for City-related services.

The previous Brush Truck, obtained as surplus from Santa Barbara County, has generated approximately \$250,000 in rental income since it was placed in service in 2007. Past procedure directed these funds be deposited directly into the General Fund and used to reduce Fire Department operational costs. (Fire Department costs were reduced in total by approximately \$1,900,000 in reimbursements for the same FYs 2007-2012 period for all reimburseable services provided to outside agencies.) The previous procedure did not provide for the eventual replacement of the Carryover Fund Brush Truck.

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The combination of the financing of the Brush Truck, anticipated rental opportunities, and the inclusion of the Brush Truck in the Fleet Replacement Fund, will minimize the lifetime cost of the Brush Truck to the Fire Department and the City.

Conclusion:

Staff recommends the City Council approve the award of contract for the purchase of one Type III Brush Engine from KME/Kovatch. Staff also recommends issuance of a Purchase Order by the Purchasing and Materials Manager. The proposed award has been reviewed and recommended by Purchasing and Materials Manager, Ray Ambler, and by Fleet and Facilities Superintendent, Anthony Garcia. The process for this award of contract is in compliance with all City Purchasing requirements.

Respectfully submitted,

Kurt Latipow Fire Chief

Anthony Garcia, Fleet and Facilities Superintendent

Ray Ambler, Purchasing and Materials Manager

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Kevin McCune, Public Works Director

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Laurel M. Barcelona, City Administrator