



**Council Meeting: July 22, 2008**

**SUBJECT: Award of Bid No. F0608-20 for Four Fire Engines**

**REPORT IN BRIEF**

In February 2007 the City Council awarded a contract to Hi-Tech Emergency Vehicle Services, Inc., of Oakdale, California (Hi-Tech) for the purchase of four American LaFrance fire engines to replace existing obsolete units. The total amount of the contract was \$1,552,600. Since the contract was awarded, American LaFrance filed for bankruptcy protection and Hi-Tech Emergency Vehicle Services Inc. did not meet the contractually agreed upon delivery schedule. City staff notified Hi-Tech that it was in breach of contract and canceled the contract with Hi-Tech. Staff is now requesting approval for a contract award for four replacement fire engines to the second lowest bidder, Ferrara Fire Apparatus, Inc., of Holden, Louisiana (Ferrara). The total amount of the contract will be \$1,808,459 and funds are available in the Fleet Equipment Replacement Account.

**BACKGROUND**

On February 13, 2007, the City Council awarded a contract to Hi-Tech for the purchase of four American LaFrance custom-built fire engines to replace four existing units. The scheduled delivery date to the City was February 1, 2008. In January 2008, American LaFrance filed for federal bankruptcy protection. Shortly thereafter Hi-Tech notified the City that the delivery date of February 1, 2008 would not be met. The City then notified Hi-Tech that it was in breach of contract because of failure to deliver as specified in the contract. Although Hi-Tech provided assurances that the fire engines could still be built and delivered to the City once American LaFrance emerged from bankruptcy, the procurement team consisting of Public Safety, Fleet and Finance staff does not believe that Hi-Tech will be able to deliver the fire engines in a timely manner to meet operational requirements.

Subsequent to canceling the contract with Hi-Tech, staff contacted the second lowest bidder, Ferrara Fire Apparatus, to determine if they were willing to build the four fire engines as previously specified. Even though the original bid had been placed sixteen (16) months prior (and the

timeframe stipulated in the bid request had lapsed), Ferrara has indicated its willingness to build and deliver the four engines largely as specified in original bid.

### **EXISTING POLICY**

The Fiscal Sub-element contains City policy regarding the replacement of existing equipment:

#### **E.2: Internal Service Fund Reserves:**

E.2.1 The City will establish and maintain an Equipment Replacement Reserve to provide for timely replacement of the City's fleet, furniture and fixtures, technology and communications equipment.

E.2.2 Reserve levels for each type of equipment will be established based on the lifecycle of existing assets accounted for in the appropriate Sub-Fund of the General Services Fund.

E.2.3 Equipment replacement expenses should be amortized through the use of rental rate charges to be fully funded by users.

### **DISCUSSION**

Purchase of the four fire engines is necessary to replace the City's current Pierce engines that are at least 21 years old and are at the point of mechanical and technical obsolescence, as evidenced by high mileage, extensive down time due to increased repairs and maintenance, and high maintenance costs. The older Pierce engines currently in the City's fleet offer none of the fire fighter safety features on engines currently being produced. Awarding a contract to the second lowest bidder will allow the Department of Public Safety to receive the equipment sooner than if the purchase is rebid and will also save the substantial administrative time associated with a completely new bid process.

Research by Public Safety and Fleet staff on the second lowest bidder has determined that Ferrara fire engines are of quality design and are highly reliable. This equipment is used by numerous local fire agencies including the San Jose, San Francisco, Santa Clara County and Livermore-Pleasanton Fire Departments or Districts. The users, operators, administrators and fleet

personnel of these local agencies all gave favorable recommendations to Ferrara Fire Apparatus.

After verifying the satisfaction of users with the Ferrara Fire engines, Fleet and Public Safety staff then conducted an extensive review of the original bid specifications to identify any items that have changed due to technological improvements to the engines and other components since the 2007 bid. This review determined that several modifications need to be made. These improvements in technology will provide several advantages to the City in terms of operational effectiveness, operator safety, cost savings and the reduction of hazardous waste. For example, the Detroit Diesel 2006 model originally bid is no longer available and has been replaced by a 2007 compliant engine which is one of the cleanest units available in its power range. The 2007 engine has considerably reduced oxides of nitrogen, will easily meet all State and Federal emission standards, and produces fewer emissions than the City's current 1989 Detroit Diesel engines while consuming less fuel. As another example, the actual operation and maintenance of the fire engines will be simplified as compared to our existing units due to technological advancements to the engine, main pump and accessories.

The Ferrara fire engines will also provide greater safety to operators and the general public. The new LED lights will provide greater illumination during response calls. The cab and windshield are wider than previous versions and will provide greater operator visibility. Additional access handles provide safer entry to and exit from the vehicles. Finally, the gross vehicle weight has been slightly increased for better weight stabilization.

The proposed contract also includes two other benefits to the City. First, Ferrara has agreed to allow the City to become a "warranty station" which will allow many repairs to be made at the Corporation Yard, rather than towing or driving the vehicles to Ferrara's service center in Ceres, approximately 80 miles from Sunnyvale. Second, Ferrara has agreed to a penalty of \$100 per engine per day beyond the agreed-upon delivery date of 150 days, estimated to be December 15, 2008. City staff believes that this new provision is important to prevent the problems that occurred with the original purchase. The changes to the original specifications, as well as the two new provisions, have been included in an addendum to the contract.

The Council award to Hi-Tech in 2007 for a contract total of \$1,552,600 was based on the provision of Detroit Diesel 2006 model engines, which are no longer in production. Ferrara's original bid provided two alternatives: the 2006 Detroit Diesel engines at a cost of \$1,785,146 or the 2007 compliant

engines for a total cost of \$1,841,436. As indicated earlier, the 2006 model engines are no longer available. Based on the review of the bid specifications, the new cost is estimated to be \$1,808,459. This reflects a savings of \$32,977 from the initial 2007 compliant engine bid.

**FISCAL IMPACT**

The total contract amount for this purchase will be \$1,808,459. In keeping with the City's long-term planning approach, rental rates are charged to users of fleet equipment based on an established lifecycle, with funds placed into an Equipment Replacement Reserve for the planned replacement of vehicles. Funds from accumulated rental rates on the existing fire engines are available in Fleet Equipment Replacement Account 020700 for this purchase.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

**RECOMMENDATION**

It is recommended that Council award a contract, in substantially the same form as the attached draft Purchase Order and in the amount of \$1,808,459 to Ferrara Fire Apparatus, Inc., for four Ferrara Fire Engines.

Reviewed by:

Mary J. Bradley, Director of Finance  
Prepared by: Peter Gonda, Senior Management Analyst, Finance  
Tim Carlyle, Deputy Chief, Fire

Reviewed by:

Don Johnson, Director, Public Safety

Reviewed by:

Marvin Rose, Director, Public Works

Approved by:

Amy Chan  
City Manager

**Attachments**

A. Draft Purchase Order with an Addendum



City of Sunnyvale  
California

Draft Purchase Order NO

PO002417

<b>ORDERED FROM</b> 18366 - 001  Ferrara Fire Apparatus Inc 27855 James Chapel Rd Holden LA 70744  (800)443-9006	ORDER DATE 07/08/2008	<b>BILL TO:</b>  <b>City of Sunnyvale</b> <b>Finance Department</b> <b>Accounts Payable</b> <b>PO Box 3707</b> <b>Sunnyvale, CA 94088-3707</b>
	DELIVERY DATE 12/15/2008	
	PAYMENT TERMS N/30	
	BID NO/RFQ NO	
<b>DELIVER TO</b> PW/Fleet Maintenance  221 Commercial St Sunnyvale CA 94085 Phone: (408) 730-7570	FOB POINT DEST	FREIGHT CHARGES Destination, freight included in price
	REQ. NO RQ003669	REQUISITIONER: NDIETZ
	CHARGE/OBJ CODE(S): 020700 5135 \$1,808,459.14	

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	Provide 2007 Ferrara P501 Pumpers in accordance with the specifications, terms and conditions set forth in Invitation for Bids No. F0608-20, Addenda #1, 2 and 3 and bidder's response with the exceptions listed on Attachment A, which is incorporated herein by this reference.  Ferrara will pay a penalty of \$100 per engine per day beyond the agreed-upon delivery date of 150 days (estimated to be December 15, 2008).	4.00	EA	\$417,658.0000	\$1,670,632.00
2	Sales Tax (8.25%).  Requisition Number: RQ003669  Approved by City Council 7/22/2008, RTC#	1.00	LOT	\$137,827.1400	\$137,827.14
<b>TOTAL</b>					<b>\$1,808,459.14</b>



**BUYER:**

Howard, Dreama

**PHONE** (408) 730-7396

**FAX** (408) 730-7710

**ATTACHMENT A**

<b>Proposal Item Number</b>	<b>Description</b>	<b>Price</b>
28	Change engine to Detroit Diesel EPA 2007 with Particulate trap	\$13,000.00
28	Change the engine horse power to 455	\$513.00
27	Delete one auxiliary air inlet	(\$183.00)
50	Change the cab doors to full length doors	(\$1,105.00)
50	Change the interior lower door panels to aluminum tread plate	(\$159.00)
51	Change the cab suspension to fixed ILO air ride	(\$1,600.00)
52	Delete two (2) inboard forward facing seats	(\$1903.00)
52	Add two (2) outboard forward facing flip up seat bottoms	\$1284.00
86	Delete one (1) pair strobe lights above the front head lights	(\$397.00)
81	Delete one (1) pair of Whelen 73 scene lights	(\$501.00)
82	Delete one (1) pair of rear mounted hose bed lights	(\$298.00)
83	Delete one(1) pair of cab mounted spot lights	(\$364.00)
	Add one (1) Go-Light 20/20 mounted top of the light bar	\$404.00
87	Delete three (3) pair of Whelen 900 LED warning lights	(\$1,806.00)
87	Delete one (1) pair of rear mounted Whelen strobe lights	(\$397.00)
110	Change the water tank level indicator to Fire Research	N/C
126	Add one (1) 250# roll out tray in compartment 2 (L1)	\$776.00
126	Change one (1) roll out tray from 500# capacity to #250	(\$288.00)
128	Delete one (1) adjustable shelf	(\$346.00)
119	Add interior cover for the B-1 compartment roll up door	\$240.00
141	Change the water pump to single stage design	(\$3,215.00)
141	Add mechanical seal to fire pump	\$730.00
141	Add two (2) pump anodes	\$370.00
154	Delete one (1) right side electric intake valve	(\$3,632.00)
154	Add one (1) right side manual intake valve	\$2,555.00
160	Delete one (1) 4" tank to pump	(\$1,103.00)
160	Add one (1) 3" tank to pump	\$711.00
163	Add one (1) 2 ½" left rear discharge	\$1,384.00
163	Add 4" full flow valve to the 4 ½" rear discharge	\$425.00
114/170/171	Add vinyl covers with footmans loops and straps to crosslays(170), speedlays (171) and hose bed (114)	\$302.00
112	Add access panel to front of the pump compartment	\$375.00
188	Delete interior compartment finish	(\$1,223.00)
195	Delete one (1) electrical hot lead	(\$110.00)
119	Add equipment mounting tool boards in compartments #1 and #3	\$725.00
66	Add two (2) 12 volt plug in power points	\$220.00

Total additions \$24,014

Total deletions \$18,630

Difference \$ 5,384

	Base	Total (4 units + tax)
06 engine pumper bid	\$412,274	\$1,785,146.42
07 engine pumper bid	\$417,658	\$1,808,459.14
Difference	\$ 5,384	\$ 23,312.72

<b>Proposal Item Number</b>	<b>Description</b>	<b>Price</b>
page 29	Total length shall not exceed 32 feet, Actual length is 31 feet 5 inches.	N/C
11	GVW is now 44,000 lbs.	N/C
Section K	A train the trainer type of instruction will be provided	N/C
12	Huck-spin bolts were replaced with grade 8	N/C
13	Front axle shall be a Meritor model MFS-20	N/C
14	The front axle oil seal shall be a Stemco	N/C
20	The rear spring assembly shall consist of a 14-leaf main spring pack and a 4-spring auxillary pack with a total capacity of 27,000 lbs.	N/C
Section N	Ferrara shall provide the city the option of performing as a service warranty station.	N/C
71	Kussmall shall be located directly above the left front wheel well	N/C
50	The door pouches will be made of stainless steel	N/C
50	The door kick plate shall extend to the mid point of the door	N/C
51	The cab will tilt to 45 degrees	N/C
52	The two rear seats shall be outboard, forward facing flip-up style seats	N/C
52	The color of the seat will be a combination red/gray/black	N/C
53	The cab dashboard, overhead console, and pillar posts shall be painted with polyurethane ultraliner. The headliner, rear wall, and engine cover shall be covered with heavy duty light gray vinyl.	N/C
71	The Kussmall shall be a 20 amp model.	N/C
200	The bumper shall extend 18" to accommodate a holding compartment for 100 feet of 1 ½" pre-connected hose.	N/C
	The city will supply Ferrara with the antennas, the radios will be installed by city staff subsequent to delivery.	N/C
110	The water tank shall be "T" shaped	N/C
149	Delete the transfer valve.	N/C
	Replace oil less primer with oil primer.	N/C
160	The tank to pump valve will be modified from a 4" to a 3" and it will be a mechanical type vice an air operated style.	N/C
162	(3) 2-1/2" Akron valves will be replaced with (3) 2-1/2" Waterous valves.	N/C
163	Add (1) 2-1/2" waterous valve for new rear discharge.	N/C
116	Velcro straps added to running boards holding 33 feet of 5 inch supply hose.	N/C
200	Velcro straps added to front bumper hose bed holding 200 feet of 1 ½" hose).	N/C