



City Council Report

Date: February 11, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Renewal to the Term Contract for Fire Apparatus and Parts for the Mesa Fire and Medical Department **(Sole Source) (Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

Mesa Fire and Medical (MFMD) and Purchasing recommend authorizing the renewal with Pierce Manufacturing Inc. through their designated, local dealer, Hughes Fire Equipment Inc. Each apparatus purchase requiring Council approval, will be brought to Council for consideration during the term of the agreement. The annual dollar amount for repair parts is \$205,000, based on estimated requirements.

Background / Discussion

MFMD has been purchasing Pierce fire apparatus for more 30 years and began standardizing their fleet with Pierce fire apparatus manufactured by Pierce Manufacturing over 20 years ago. The Pierce product has proven to be an excellent performing apparatus with low cost per mile, low down time and cost effective through greater reliability and ease of repair and operation.

On 2/24/2014, Council approved the City of Mesa entering into a five-year fire apparatus purchase agreement with Pierce Manufacturing.

This is a sole source agreement. The Department is currently in the process of ordering three Aerials and one Pumper apparatus replacements and would like to renew this contract for the three-year term from 2/24/2019 to 2/23/2022. MFMD is in process of receiving the proposal pricing (end of January) and will be requesting Council approval for these apparatus. Pierce will be having price increases in February but because of our current contract, the proposal pricing will be honored for 120 days from the proposal pricing date.

MFMD has allocated budget for replacement fire apparatus in their Capital Improvement Plan:

FY 2019 - \$5,500,000 for 1 Pumper and 3 Ladders
FY 2020 - \$5,900,000 for 4 Pumpers, 1 Ladder and 1 ARFF Unit
FY 2021 - \$4,500,000 for 3 Pumper and 1 Air/Light Unit
FY 2022 - \$5,300,000 for 1 Tanker, 2 Pumpers and 3 Rescues
FY 2023 - \$3,500,000 for 1 RRT and 1 Pumper

Hughes Fire Equipment Inc. is the sole distributor of Pierce fire apparatus for Arizona.

Purchase Information

Action: Renewal (1st of 1 Possible) (from 2/24/2019 to 2/23/2022)

Procurement Type: Sole Source

Contract Number: 2014173

Original Council Award Date: 2/24/2014

Initial Contract Term: Five years