

ITEM # 15
DATE: 07-14-20

COUNCIL ACTION FORM

SUBJECT: WAIVER OF PURCHASING POLICIES FOR PURCHASE OF FIRE APPARATUS

BACKGROUND:

Fire apparatus are essential equipment for firefighting. The replacement program ensures the replacement of fire apparatus at the end of their operational life. Front line apparatus are kept for approximately 15 years, with the goal of rotating apparatus to serve as backups for another 10 to 15 years. The City currently has only one ladder truck (Truck 3). It is due for replacement, as identified in the Capital Improvements Plan. This truck was purchased in 2001, and after replacement it will be refurbished and used as a reserve. This will mitigate the need for assistance from neighboring communities for unit stand-by when a ladder truck is out of service.

Current City of Ames Purchasing Policies call for formal bids for purchases over \$50,000. For Fleet purchases this would typically involve writing a specification for the vehicle based on the needs of the department for the vehicle. Due to the complexity of fire apparatus, writing specifications could lead to manufacturers creating custom engineered apparatus to meet the City's specifications. **As an alternative, City staff believes that working with vendors on standard models with their options will provide a quality apparatus at a reduced cost.** This was the process used to buy Truck 3 in 2001.

In February, staff issued a Request for Information to prospective ladder truck vendors. Responses were received from six vendors. Staff evaluated each vendor based on several factors including safety, operational costs, service, and references. Costs of the units were not included in this evaluation. After this review, staff determined that two vendors met the needs of the department and would provide the best apparatus for the City. Those two vendors are Pierce and Rosenbauer.

For the previous purchase, the City negotiated with the vendor and bought directly through that vendor. After discussions with vendors, staff would also like to explore the purchase through a cooperative purchasing organization. A cooperative purchasing organization assists local governments by aggregating demand, to create a national cooperative of contract purchasing opportunities that results in lower purchasing costs and time spent writing specifications. Staff talked to ten other fire departments from across the state that have successfully utilized this process to their benefit, including Des Moines, Ankeny and Waterloo. Staff has identified that both Sourcewell and the Houston-Galveston Area Council would allow the purchase of the type of apparatus that is being proposed. **It is staff's intent to work with the vendors and cooperatives to find the best value for purchase.**

The FY 2020/21 Budget includes \$1,250,000 for this purchase from G.O. bond proceeds.

ALTERNATIVES:

1. Waive City's formal bidding procedures and authorize staff to negotiate the purchase of a ladder truck with two vendors, Pierce and Rosenbauer, and through a cooperative. The staff will return to the City Council for approval of the purchase once negotiations have been concluded.
2. Direct staff to buy the ladder truck utilizing traditional purchasing procedures that could result in more costly customized specifications.

CITY MANAGER'S RECOMMENDED ACTION:

Ladder Truck 3 is almost 20 years old and is due for replacement. It is the City's only aerial apparatus capable of rescuing people from buildings three stories or higher, with the ability to apply water from an elevated platform in any direction.

By approving the ability to negotiate with two vendors, Pierce and Rosenbauer, and use a cooperative, staff will be able to focus on standard models rather than custom apparatus. This process should help reduce the cost of the purchase. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.