



Agenda Report

File #: 19-0297

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 4/03/2019

TO: Honorable Mayor and City Council Members

FROM: Fire Department

SUBJECT:

City Council consideration of the purchase of fire apparatus from KME Fire Apparatus for the Corona Fire Department.

RECOMMENDED ACTION:

That the City Council:

1. Approve the purchase of four fire apparatus; two engines, one quint tractor drawn aerial and one quint rear mount aerial from KME Fire Apparatus in the amount of \$4,035,615.88 pursuant to Corona Municipal Code 3.08.140(E) as Exceptions to Competitive Bidding - Non-Public Projects, purpose of bidding is otherwise accomplished.
2. Approve an appropriation in the amount of \$4,035,615.88 from the General Fund (\$3,469,426.50 from City Equipment Reserve and \$566,189.38 from Fund Balance) to the Fire Department's operating budget.
3. Authorize the Purchasing Manager to issue a purchase order to KME Fire Apparatus in the amount of \$4,035,615.88 in accordance with duly authorized and executed agreements.

ANALYSIS:

The Fire Department requests the approval to purchase four fire apparatus to include two engines, one quint tractor drawn aerial (TDA) and one quint rear mount aerial (RMA). The legacy apparatus identified for replacement have become unreliable and require numerous costly repairs. This purchase replaces fire apparatus that are 17, 19, 20 and 21 years old with the highest mileage in excess of 185,000 miles. Older apparatus should be replaced based on industry standards such as the National Fire Protection Association and the American Public Works Association. Not only will the new apparatus be more reliable and cost-effective they will allow the Corona Fire Department to better carry out its core mission through advancements in technology and increased apparatus design capabilities. Both new pieces of aerial apparatus will now have a water tank and a pump,

thus increasing response capabilities.

The City has utilized KME fire apparatus exclusively for engines and aerial apparatus since 2003. On September 17, 2003, a City Council approved action identified KME as the standard for fire suppression apparatus for the City of Corona. This approval was based on several factors. KME is the only corporate-owned service center in the region operating as a full-service provider. Additionally, the Fleet Services Division is familiar with the maintenance and repair of KME fire apparatus and is able to stock a uniform set of parts to make quick repairs and keep a simple stock inventory reducing costs. Lastly, having a consistent apparatus manufacturer with like technical specifications decreases training requirements while at the same time increasing firefighter safety through standardization and consistency.

An additional positive outcome with this purchase will be returning the second aerial apparatus (aka: ladder truck) to the Corona Fire Department response model. This second aerial apparatus added to the fleet is the quint rear mount aerial (RMA). The second aerial apparatus was initially removed from service due to fiscal constraints on January 28, 2012. The 2013 Citygate Associates Standards of Coverage Analysis Audit indicated that Corona is too large to be adequately covered by only one aerial apparatus. This second aerial apparatus will be placed into service at Fire Station 3. This aerial apparatus will replace the current Engine 3; Engine 3 will be reassigned to replace another aging engine. No new personnel will be added with this service delivery enhancement.

The total amount of \$4,035,615.88 includes four fire apparatus, consisting of two engines, one quint tractor drawn aerial and one quint rear mount aerial, and associated apparatus warranties. Apparatus delivery time is estimated to be 12-18 months from the pre-construction meeting.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal to Promote Public Safety: Protect our Residents and Businesses; (b) Ensure adequate funding for facilities and equipment needed to support timely delivery of fire services to our community. (c) Ensure adequate funding for investments and improvement in infrastructure that supports public safety.

FISCAL IMPACT:

Approval of the recommended actions will result in an appropriation of \$4,035,615.88 from the General Fund (\$3,469,426.50 from the City Equipment Reserve and \$566,189.38 from Fund Balance) to the Fire Department's operating budget for the equipment purchases. The vendor did provide a pre-payment option for the City's consideration. With pre-paying for the equipment, performance bonds would need to be secured by the City. The discount, less the performance bonds would result in a net savings of \$74,098.72. The Administrative Services Department reviewed the savings from pre-payment, the recent return rate on investments, and time frame for equipment delivery and determined that the City will be financially better off not utilizing the pre-payment option for this purchase, as interest earned will be greater than the savings offered from KME.

With approval of the recommended actions, the balance in the Current City Equipment Reserve will

be reduced to zero for purchase of the noted equipment.

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| GENERAL FUND - City Equipment Reserve Balance | \$3,469,426.50 |
| Reduce Reserve for Fire Equipment Purchase | (3,469,426.50) |
| GENERAL FUND - City Equipment Reserve Balance - REVISED | \$ - |

| | |
|---|---------------------|
| GENERAL FUND | |
| Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures | \$6,626,911 |
| Previously approved budget adjustments (net) - includes revised revenue projections as presented at the Study Session on March 26, 2019 | <u>(5,205,235)</u> |
| Current Estimated Revenue Over Expenditures | 1,421,679 |
| Appropriation - Police Sergeant Position | <u>(566,189)</u> |
| Revised Estimated Revenue Over Expenditures | \$855,490 |
| Budget Balancing Measures Reserve - Actual 6/30/18 | \$25,182,735 |
| Estimated FY 2018-19 Change in Budget Balancing Measures | <u>855,490</u> |
| Budget Balancing Measures Reserve - Estimated Balance 06/30/19 | \$26,038,225 |

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: CHRIS COX, DEPUTY CHIEF

REVIEWED BY: BRIAN YOUNG, FIRE CHIEF

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: MICHELE NISSEN, ACTING CITY MANAGER

Attachments:

1. Letter from KME dated January 17, 2019
2. Letter from KME dated January 21, 2019
3. Letter from KME dated February 15, 2019
4. Example Fire Apparatus