



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR
1500 GPM FIRE ENGINE
APPARATUS**

DATE: June 4, 2007

Approved

Ray Wines

Date

6/8/07

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Report on bids and award the purchase of three (3) 1500 GPM (gallon per minute) Fire Engine Apparatus to the lowest responsive bidder, Hi-Tech Emergency Vehicle Service, Inc. (Oakdale, CA), for a total amount not to exceed \$1,489,496 including taxes and fees and authorize the Director of Finance to:

- a. Execute the purchase order;
- b. Amend the initial purchase order to purchase additional quantities of 1500 GPM Fire Engine Apparatus on an as-required basis at the same unit pricing subject to appropriation of funding; and
- c. Execute purchase orders to acquire additional quantities for two additional years subject to manufacturer's price increase and appropriation of funding.

OUTCOME

With the purchase of these vehicles the Fire Department will be able to maintain existing service levels, while enhancing operational capabilities using the new technology available with this acquisition.

BACKGROUND

The General Services Department/Fleet Management Division requested the purchase of three (3) 1500GPM Fire Engine Apparatus for fiscal year 2006-2007 on behalf of the Fire Department.

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The San Jose Fire Department utilizes these units as their primary response vehicle. They are instrumental in delivering medical aid and fire suppression services to the residents of San José responding to at least 98% of all daily callouts. Modern day Fire Engines carry an extensive array of medical response equipment, rescue equipment, 4 fire fighters, and advanced fire suppression technology. In addition to the advanced operational capabilities, the new apparatus will offer state of the art occupant safety and cleaner emissions than their predecessors. Through this purchase, two units that exceed 100,000 miles and 17 years of service will be replaced. The two replacements and a fleet addition will be placed in the new Fire Station 35.

ANALYSIS

The bid was structured to allow the City to purchase the 1500 GPM Fire Engine Apparatus for the next three years. With this bid, the City will acquire three (3) vehicles in Fiscal Year 2006-2007. In addition, the authorization allows the City to purchase additional quantities at the bid price in the initial year, if needed. General Services anticipates that the City will order four (4) 1500 GPM Fire Engine Apparatus in Fiscal Year 2007-2008 based on the expected useful service life of the fleet.

A notice inviting bids was published on April 24, 2007. In addition, bid packages were e-mailed to twelve (12) vendors. A non-mandatory pre-bid conference was held on May 1, 2007, to answer questions from prospective vendors regarding the fire engine specifications. Six (6) bids were publicly opened on May 24, 2007 and are listed below. The bid submitted by KME (Nesquehoning, PA) was non-responsive for failing to meet specifications such as maximum wheelbase, minimum cramp angle, incomplete drawings, and mobile data computer.

KME submitted a longer wheel base and a reduced steering cramp angle than specified. The net result of these items reduces the maneuverability of the apparatus which is critical to its effectiveness and performance. The drawings provided lack critical information required in determining apparatus performance. The mobile data terminals are required in all new apparatus. The data terminal is used for communicating emergency incident information as well as dispatching the apparatus closest to the incident and provides navigational aid to the responding crew which reduces overall response time. Not providing the data terminal with the unit requires disassembling the apparatus after delivery, which is very costly, subjects the new equipment to damage, and delays in the service date.

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Vendor	Unit Cost	Local Business Preference	Small Business Preference	Bid Price for Three Units	Tax for Three Units	Bid Price for Three Units (Including Tax)
Hi-Tech Emergency Vehicle Service, Inc (Oakdale, CA)	\$458,659.00	N/A	N/A	\$1,375,977	\$113,519	\$1,489,496
Crimson Fire (Brandon, SD)	\$461,854.09	N/A	N/A	\$1,385,563	\$114,309	\$1,499,872
Smeal Fire Apparatus (Snyder, NE)	\$487,652.00	N/A	N/A	\$1,462,956	\$120,694	\$1,583,650
Seagrave (Clintonville, WI)	\$534,443.00	N/A	N/A	\$1,603,329	\$132,275	\$1,735,604
Ferrara Fire Apparatus (Holden, LA)	\$542,900.00	N/A	N/A	\$1,628,700	\$134,368	\$1,763,068

The Local and Small Business Preference had no effect on the award of contract. The bid analysis above is based on the on a bid quantity of three (3) vehicles. Staff issued a Notice of Intended Award on June 1, 2007 to start the ten-day protest period. In case the City's Chief Purchasing Officer receives a protest, the content of the protest and its resolution will be communicated via a supplemental memorandum.

Therefore, staff recommends the award to Hi-Tech Emergency Vehicle Service, Inc., the lowest responsive bidder meeting all specification in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.270.

The purchase orders issued as a result of this bid will facilitate a multi-year contract allowing timely delivery of future units that align with replacement schedules at a competitive price. To allow for price escalations or reductions, once during each of the option periods, the manufacturer may submit a price adjustment based on the percentage increase or decrease in the published Manufacturer's Suggested Retail Price for the model year offered. Through this larger volume contract, the acquisition time and administrative cost is significantly reduced.

As existing vehicles are replaced through the utilization of this contract, requests for vehicle replacements will be approved by General Services and the City Manager's Budget Office in accordance with the vehicle replacement process as recommended by the City Auditor's Office.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criteria 1 and the memorandum will be posted on the City’s website for the June 26, 2007 Council meeting. To outreach to potential contractors, this bid was advertised on the City’s internet Bid-Line and the Demand Star bid notification system. In addition, this bid was emailed to 15 vendors directly.

COORDINATION

This memorandum was coordinated with Fire and General Services Departments, the City Attorney's Office, and the City Manager’s Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo, General Principle #2, “We must focus on protecting our vital core city services”.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT: Not to Exceed Amount for Initial Purchase	<u>\$1,489,496</u>
2.	COST ELEMENTS OF AGREEMENT/CONTRACT: 1500 GPM Fire Engine Apparatus Taxes	\$1,375,977 \$ 113,519
	Not to Exceed Amount	<u>\$1,489,496</u>

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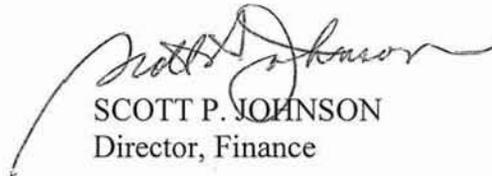
3. SOURCE OF FUNDING: Fire Apparatus Replacement Fund.
4. FISCAL IMPACT: Ongoing maintenance of the apparatus is available in departmental annual appropriations.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amount for Contract	2006-2007 Adopted Capital Operating Budget	Last Budget Action (Date, Ord. No.)
001	6363	Fire Apparatus Replacement	001562	\$2,125,000	N/A	Pg. V-389	10/17/2006 Ord. No. 27888

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at 408 535-7051.