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FIRE DEPARTMENT

TO: Gregg Mandsager, City Administrator
FROM: Jerry Ewers, Fire Chief
DATE: July 17, 2017
SUBJECT: City Council Agenda Item – Aerial Ladder Truck Purchase

INTRODUCTION:

Request to purchase a new red Aerial Ladder Truck from Pierce Manufacturing in the amount of \$ 1,119,493.00. This will be for one (1) Pierce 2018 Arrow-XT Aerial 100' Steel Platform.

BACKGROUND:

The 2017/2018 Fire Department budget included a request for \$1,200,000 for the purchase of a new aerial ladder. The City's approved budget for 2017/2018 included "assigned" funding of \$1,200,000 from the Deft Service Fund accounts for general obligation (G.O.) bonds. This new purchase will be replacing a 20-year-old E-One 135' Bronto that cost \$ 825,000.

Staff has worked diligently on researching aerials that would fit our needs and has coordinated on-site aerial demonstrations of various aerial ladders in Muscatine from three different vendors over the past two years. Specs were sent out to three vendors and placed on the city's website for bid postings.

Only one bid was received from Pierce Manufacturing. The bid met all the specifications listed on the 152-page bid specification. No exceptions were listed. The bid also included pre-payment discount options which included a 100% performance and payment bond.

Option #1 – No advance payment discount. Payment due at delivery. \$ 1,178,755
Option #2 – Chassis & aerial payments due in advance of final payment. \$ 1,159,510
Option #3 – 100% Advanced Payment discount due at signing. \$ 1,119,493

Staff is recommending Option #3, which is paying for the aerial at the time of contract signing. This is a cost savings of \$ 59,262 or approximately a 5% discount for Option #3. We had \$ 1,200,000 budgeted for this purchase. This aerial purchase will be \$ 80,507 under budget. Delivery of the new aerial will be approximately 12-14 months after contract signing.

RECOMMENDATION/RATIONALE:

Request authorization to enter into a contract and to issue a purchase order to Pierce Manufacturing in the amount of \$ 1,119,493 for a new 2018 Pierce 100' Aerial Ladder Platform.