Atascadero City Council
Staff Report – Fire Department

Authorization to Purchase Replacement Fire Engine

RECOMMENDATION:

Council authorize the City Manager to enter into a contract with Pierce Manufacturing Inc. to build and deliver a 2008, Model 34 style wildland fire engine at a cost of $271,350.

DISCUSSION:

Background: The Fire Department has one four-wheel drive wildland fire response vehicle. The high fire hazard area that makes up a majority of the City has provided opportunities for the engine to service the community well for the last twenty years. Back in the 1980’s when this engine was built, fire engine water tanks were generally made of sturdy metal with a waterproof resin lining. Over time and through use, the lining wears away and allows the water to come into contact with the metal, producing corrosive rust. Substantial rust has accumulated in the water tank and tool compartment areas, and water leakage is predicted within a year.

The adopted 2008-2009 budget includes $271,350 for the replacement of this vehicle. Considering the current fiscal condition of the City, staff has researched the potential to postpone the purchase of this vehicle. After completing the research, however, staff believes that replacing the vehicle now provides substantial economic benefits to the City, as follow:

- Preventing equipment failure – the tank that stores the water is becoming porous and soon will not have the capacity to retain the water used to fight wildland fires
- Mechanical cost savings – the old engine has already exceeded its life span of 15-20 years; and with every additional year in service, the costs to repair and maintain the engine increase
- Avoiding escalating replacement costs – due to the rapidly increasing costs of steel, the cost to replace the same engine next month (August 2008) is $283,648, over $12,000 more than this month. It is estimated that engine may
cost $296,148 in 2009, and will increase even more significantly, potentially 5% or more, in 2010 with the new Federal EPA compliance regulations

- **Increasing staff safety** – several firefighting personnel ride in the exposed crew compartment at the back of the engine, and are not protected in the event that flames overtake the vehicle
- **Forestry Service Contract Revenue** – the old vehicle does not meet Federal safety guidelines, and therefore cannot be used to generate revenue from the Forestry Service Contract.

The purchase of this vehicle was budgeted from the Vehicle and Equipment Replacement Fund. The City has been allocated money into this fund for the last 10 years to accumulate enough to replace the vehicle. This purchase will not affect the General Fund.

Staff recommends this purchase be made under an existing agreement with Pierce Manufacturing. This will save both time and money. Purchasing directly from Pierce not only guarantees the City the same pricing as a Federal GSA purchase, but it also capitalizes on time savings and allows the purchase to commence prior to the August cost increase. Additionally, the purchase of a Pierce vehicle standardizes repairs and operations for the department, providing increased safety and efficiency.

**Conclusion**: The City’s only four-wheel drive wildland fire engine is losing its capacity to hold the water which is necessary to fight wildland fires and has become inefficient to operate. Funds have been budgeted in the Vehicle and Equipment Maintenance Fund to the replace the vehicle. Due to the state of the City’s fiscal status, staff researched the potential of postponing the purchase. Staff feels that it is fiscally more responsible to purchase the vehicle now, rather than postpone the purchase. Staff recommends purchasing directly from Pierce Manufacturing, to get a GSA matched price, to avoid future price increases, to obtain the highest quality apparatus with the best warranty, and to further standardize the department’s equipment.

**FISCAL IMPACT:**


**ALTERNATIVES:**

1. Reject purchase and return the budgeted funds to the Vehicle & Equipment Replacement Fund
2. Postpone the fire engine replacement
3. Bid the purchase traditionally