

**CITY OF PALMER
ACTION MEMORANDUM NO. 13-057**

Subject: Authorize the City Manager to Negotiate and Execute an Agreement with Pierce Manufacturing in the Amount Not to Exceed \$413,227 to Purchase a New 3500 Gallon Fire Tanker Apparatus

Agenda of: September 10, 2013

Council Action: Authorized _____

Approved for presentation by:

City Manager (Acting)  _____
City Attorney  _____
City Clerk  _____

Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>413,227</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>413,227</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted.	
Funds are budgeted from this (these) line item(s):	
a) ➤ 08-10-12-6253 Equipment 13-DC-421	\$ <u>413,227</u>
b) ➤	\$ _____
a) Funds originally budgeted in line item :	\$ <u>780,000</u>
Difference in budgeted funds:	\$ _____
b) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
<input type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ _____
Affected line item(s):	
➤	\$ _____
➤	\$ _____
➤	\$ _____
<input type="checkbox"/> General fund unassigned balance (after budget modification)	\$ _____
<input type="checkbox"/> Enterprise unrestricted net position (after budget modification)	\$ _____
Director of Finance signature certifying funds:	 _____

Attachment(s):

- Bid Documents
- Frontiersman advertisement
- Addendum #1
- Price Quote, Bid Bond and Insurance documents from Pierce
- Notice of Intent to Award

Summary statement: On June 5, 2013 the City of Palmer went out to bid for a new 3500 gallon fire tanker. The bid was advertised in the Frontiersman on June 9 and June 16, 2013. On July 17, 2013 at 2:00 PM, a bid opening was held in Palmer City Hall Council Chambers. There was one bidder.

The bid was evaluated by a three member panel, consisting of the Palmer Deputy Fire Chief; the Acting Fire Chief; and the City's fleet mechanic. The panel unanimously agreed that the proposal from Pierce Manufacturing Inc. meets the requirements of the specifications detailed in the bid documents. The panel recommended that the bid be awarded to Pierce Manufacturing Inc. of Appleton, Wisconsin.

Per PMC 3.21.190 a notice of intent to award was sent to Pierce Manufacturing.

The not-to-exceed price for this tanker is \$413,227. If the City pre-pays the entire amount, the City will receive a discount bringing the purchase price to \$398,871. The City has requested approval from the Division of Community and Regional Affairs to receive an advance payment to the City but prior to manufacture and delivery of the fire apparatus.

Administration recommendation: Approve action memorandum 13-057.



July 17, 2013

City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645

Pierce Manufacturing, Inc. and Hughes Fire Equipment, Inc. are pleased to offer for your consideration the enclosed proposal for one (1) 3500 Gallon Fire Tanker your Bid #13-01PS.

The price for this International Pierce Tanker is **\$413,227.00** F.O.B. Palmer, Alaska. The unit would be ready for delivery from the factory in 7-8 months of execution of the contract. Final payment is due 30 days after the unit leaves the factory for delivery.

If the City will pay any remaining balance due upon completion of the unit at the factory **\$4,684.00 will be deducted** from the bid price.

If the City elects to pre-pay for the entire unit, upon execution of the contract and or receipt of the performance bond if required, an additional **\$9,672.00 will be deducted** from the bid price. This deduction is in addition to all other discounts listed above. If this option is elected, final payment for any changes processed during manufacturing will be due prior to the unit leaving the factory for delivery. If the City would like to consider a pre-payment of less than 100% the available deduction will be provided upon request.

If the City elects to transport the unit from the factory in Weyauwega, Wisconsin to Springfield, Oregon, **\$4,500.00 will be deducted** from the bid price. The unit will be required to be delivered to a Hughes Fire Equipment facility for a pre-delivery inspection. If this option is elected payment in full and proof of insurance must be provided prior to leaving the factory and the City is responsible for compliance with all state, local and federal D.O.T. requirements including the driver possessing a valid CDL license.

If the City elects to transport the unit from Springfield, Oregon to Anchorage, Alaska, **\$4,738.00 will be deducted** from the bid price.

If the City elects to transport the unit from Anchorage, Alaska to Palmer, Alaska, **\$2,000.00 will be deducted** from the bid price.

Please Note: The above referenced transportation funds have been included to drive the unit under its own power from the factory to Springfield, Oregon and from Anchorage, Alaska to the customer location. If, due to Federal and/or State DOT requirements or customer preference, delivery via flatbed or rail system is necessary additional transportation charges will be required. If transportation, other than driving under the unit's own power is required, Hughes Fire Equipment, Inc., our dealer representative for your area, will coordinate the transportation, provide an estimate and bill the customer directly for those additional charges. Payment of the invoice from Hughes Fire Equipment, Inc. for additional charges will be due immediately upon receipt of the invoice. This requirement will become part of the contract terms.

If the City elects to remove the performance bond requirement, **\$1,115.00 will be deducted** from the bid price.

If all of the above options and payment deductions were elected, the net unit price would be **\$386,518.00** F.O.B. Weyauwega, Wisconsin.



Price Recap

Description	Dollar Amount
One (1) International Pierce Tanker AK438	\$413,227.00
Less Payment at time of Completion at the Factory Discount	(4,684.00)
Less 100% Pre-Payment Discount	(9,672.00)
<i>Subtotal including all pre-payment discounts</i>	<i>\$398,871.00</i>
Less Customer Transport Discount (Weyauwega, WI to Springfield, OR)	(4,500.00)
Less Customer Transport Discount (Springfield, OR to Anchorage, AK)	(4,738.00)
Less Customer Transport Discount (Anchorage, AK to Palmer, AK)	(2,000.00)
Less Performance Bond Requirement	(1,115.00)
Total Unit Price Including all Available Discounts	\$386,518.00

One (1) factory inspection trip for one (1) fire department customer representative is included in the above pricing. The inspection trip will be scheduled at a time mutually agreed upon between the manufacturer's representative and the customer. Airfare, lodging and meals while at the factory are included.

Hughes Fire Equipment, Inc., located in Springfield, Oregon, is the Pierce dealer for your territory and can be reached by calling 800-747-6510.

Pierce Manufacturing, Inc., a subsidiary of Oshkosh Corporation, has been in the manufacturing business since 1913 in Appleton, Wisconsin, and also has facilities located in Weyauwega, Wisconsin and Bradenton, Florida.

This proposal may be utilized for Cooperative Purchasing by other public agencies.

We would like to thank you for inviting us to submit a bid for this equipment. If we can be of further assistance, please feel free to contact us.

Sincerely,

Rex Hughes
Sales Representative
Pierce Manufacturing, Inc.

Andy Klein
Sales Representative
Pierce Manufacturing, Inc.
AK/st