

Report to: General Committee

Date Report Authored: May 22, 2014

SUBJECT: 053-S-14 Supply and Delivery of Fire Apparatus
PREPARED BY: Laurie Canning, Ext. 4896
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RECOMMENDATION:

- 1) That the report entitled “053-S-14 Supply and Delivery of three (3) Fire Apparatus” be received;
- 2) That the supply of one (1) Pumper apparatus be awarded to Safetek Emergency Vehicles in the total amount of \$597,211.12 in US dollars (\$649,885.14 in CAD dollars), inclusive of HST;
- 3) That authority to approve the expenditure to equip the one (1) Pumper apparatus in the amount of \$50,000.00 CAD be provided to the Director of Operations (or his designate) or the Fire Chief (or his designate) as per the limits in accordance to the Expenditure Control Policy;
- 4) That the funds for the Pumper apparatus award and associated equipment be provided from account 057-6150-14231-005 “Corporate Fleet Replacement-Fire” in the amount of \$699,885.14 CAD dollars;
- 5) That the supply of one (1) Tanker apparatus be awarded to Safetek Emergency Vehicles in the total amount of \$247,465.06 in US dollars (\$269,291.48 in CAD dollars), inclusive of HST;
- 6) That the funds for the Tanker apparatus award be provided from account 057-6150-14231-005 “Corporate Fleet Replacement-Fire” in the amount of \$269,921.48 CAD dollars;
- 7) That the net shortfall in account 057-6150-14231-005 “Corporate Fleet Replacement-Fire” in the amount of (\$18,741.22) be funded from the Non-DC Capital Contingency account;
- 8) That the supply of one (1) Aerial Platform apparatus be awarded to Safetek Emergency Vehicles in the total amount of \$1,048,457.70 in US dollars (\$1,140,931.67 in CAD dollars), inclusive of HST;
- 9) That authority to approve the expenditure to equip the one (1) Aerial Platform apparatus in the amount of \$200,000.00 CAD be provided to the Director of Operations (or his designate) or the Fire Chief (or his designate) as per the limits in accordance to the Expenditure Control Policy;
- 10) That the funds for the Aerial Platform apparatus and associated equipment be provided from account 057-5350-13403-005 “Two New Fleet Vehicles-Fire” in the amount of \$1,340,931.67 CAD dollars;

- 11) That the balance remaining in account 057-5350-13403-005 "Two New Fleet Vehicles-Fire" in the amount of \$185,173.98 be returned to original funding source (Development Charges Reserve);
- 12) That the tender process be waived in accordance with purchasing By-Law 2004-341, Part II, Section 7 Non Competitive Procurement, item 1 (e) which states "Where the City is acquiring specialized equipment, in which case the sources of supply may be identified based on technical specifications prepared by the User Department staff, the Manager of Purchasing may negotiate purchases based on such specifications in consultation with the User Department;"
- 13) That the Pumper apparatus 9981 (2005 model year) be reassigned to the spare fleet and one existing spare pumper apparatus (2003 model year) and the Tanker apparatus 9954 (1991 model year) be disposed of in accordance with Purchasing By-Law 2004-341, Part V, Disposal of Personal Property and the proceeds be posted to account 890-890-9305 "Proceeds of Sale-Other F/A" upon placing the new apparatus into service;
- 14) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council Approval to award the life cycle replacement of two fire apparatus and the associated equipment, and the award of one new fire apparatus and the associated equipment.

BACKGROUND:

Council at its June 23, 2009 meeting resolved that Markham Fire and Emergency Services would be authorized to continue with the standardization of the City's fire apparatus fleet for an additional five year, concluding in 2014. The Fire Chief and the Manager of Purchasing, or their designates have the authority to negotiate with Safetek Emergency Vehicles, as the Canadian supplier for Smeal Fire Apparatus.

Unit 9981 (Pumper apparatus) and unit 9954 (Tanker apparatus) have been included in the 2014 Corporate Fleet Replacement Program. Currently, these units are front line fire apparatus and have experienced significant usage in their life cycle to date. Increased maintenance requirements due to severe duty usage render these units less reliable as front run apparatus. These vehicles also meet the criteria specified in the Corporate Fleet Policy with respect to the replacement criteria guidelines.

Considering the current number of front run apparatus in the Fire and Emergency Services fleet, mandatory annual vehicle inspections, preventative maintenance programs and the apparatus availability times related to these programs, it is necessary to maintain a spare fleet of four apparatus. The spare fleet compliment currently consists of three pumpers, 9831, 9841, 9881 and one aerial, 9896. First run apparatus are retired to spare

status when replacement criteria is met as identified in the Corporate Fleet Replacement Policy and the downtime and increased maintenance requirements due to severe duty render the apparatus less reliable.

The current 1991 tanker 9954 requires significant repairs and alterations to meet today's standards. Several of the components are outdated and require replacing. The city did not receive credit for this apparatus in the recent Fire Underwriters Survey due to its age. The current tanker will be disposed of upon placing the new tanker apparatus in service.

The replaced pumper apparatus, unit 9981 will become a spare apparatus, replacing one of the existing spare apparatus (units 9831, 9841, 9881) based on condition assessment.

OPTIONS/ DISCUSSION:

The preferred supplier arrangement enables Fire and Emergency Services staff to consider all aspects of apparatus management including post delivery service, original manufacturer resources, factory expertise and the longevity of vendors in the industry. Continuity in the fire apparatus manufacturing industry is a concern where there is a continuous cycle of re-alignment in the business relationships between Canadian and American affiliates.

The City has purchased eighteen pumper apparatus (including four aerials) since entering into the original preferred supplier agreement with Safetek in 2001. The City's experience with Safetek has proven to be a success from a product quality perspective, as well as being a financially sustainable approach to delivery of fire and emergency services to the citizens of Markham.

The recommended purchase of the Pumper includes a "green option" auxiliary diesel power unit (APU) which was also implemented on recently delivered apparatus (purchased in 2013). The APU can potentially reduce operation of the main diesel operating engine by up to 80% during idling periods, leading to significant reductions in emissions and fuel consumption. Fuel consumption will be monitored to verify the financial sustainability of the 'green option.'

After receipt of all information, Purchasing & Fire Staff undertook negotiations which reduced original price by \$6,500 (in USD) or 1%. The recommended purchase price for the 2015 model pumper (after negotiations) is 4.5% higher than the 2013 pumper purchase (represents an average 2.25% annual increase).

Note that Markham can take advantage of an early payment on the chassis of the three (3) apparatus to reduce the purchase price by 1.1%, if payment is made within 7 days of delivery of completed chassis to Smeal Fire Apparatus. This represents an additional saving of \$20,409 USD (or \$22,209.07 CAD), to be realized at time of payment. This saving has been included in the cost of award.

Staff is satisfied with the equipments manufactured by Smeal Fire Apparatus and continues to work with the vendor Safetek to identify further "value added" opportunities such as technical training for fleet technicians.

The Township of Woolwich went to the market with a request for proposal for a similar tanker apparatus. They had 8 companies bid with 16 bid submissions. The highest ranked bidder was Dependable Emergency Vehicle for \$289,669.00 CAD which included a custom designed chassis for \$70,000.00 for a total cost of \$359,669.00 CAD. This apparatus represents a 13.6% higher price than the tanker proposed by Safetek. Improved fuel economy and reduced emissions will be realized with Markham's new tanker as there have been 5 generations of emissions standards since the last tanker was purchased in 1991.

A similar aerial platform apparatus was purchased in 2012 by Central York. There was an additional custom traffic warning device on the back of the truck but the basic apparatus is the same as the one being recommended in this award. The cost of the recommended apparatus is 2.4% less than Central York's apparatus, which was purchased in 2012.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Vehicle	Account	Budget Allocated to Award in CAD	Award in CAD	Cost to Equip Vehicle	Budget Remaining in CAD
Pumper Apparatus (unit #9981)	057-6150-14231-005	\$720,800.00	\$649,885.14	\$50,000.00	\$20,914.86
Tanker (unit #9954)	057-6150-14231-005	\$229,635.40	\$269,291.48	\$0.00	(\$39,656.08)
Total	057-6150-14231-005	\$950,435.40	\$919,176.62	\$50,000.00	(\$18,741.22)
Aerial Platform apparatus (new)	057-5350-13403-005	\$1,526,105.65	\$1,140,931.67	\$200,000.00	\$185,173.98

Note: Equipment for Pumper and Aerial will be purchased in Canadian dollars only.

Shortfall in the amount of (\$18,741.22) in account 057-6150-14231-005 "Corporate Fleet Replacement-Fire" is due to the unfavourable US exchange rate and will be funded from the Non-DC Capital Contingency account.

The balance remaining in account 057-5350-13403-005 "Two New Fleet Vehicles-Fire" in the amount of \$185,173.98 will be returned to original funding source (Development Charges Reserve).

The exchange rate used in this report is \$1 USD to 1.0882 CAD. The exchange rate fluctuates and as a result, there could be a positive or negative foreign exchange impact.

The cost of the equipment to outfit a new pumper is approximately \$75,000.00 CAD. The reduced request from \$75,000.00 to \$50,000 for associated equipment resulted from re-using equipment from the apparatus being replaced. It is estimated the cost to outfit a new aerial will be \$200,000.00.

The Director of Operations (or his designate) or the Fire Chief (or his designate) will complete the purchase of the equipment for the one (1) Pumper apparatus, one (1) Tanker apparatus and one (1) Aerial Platform apparatus according to condition assessment at the time of apparatus delivery.

HUMAN RESOURCES CONSIDERATIONS

N/A

ALIGNMENT WITH STRATEGIC PRIORITIES:

N/A

BUSINESS UNITS CONSULTED AND AFFECTED:

N/A

RECOMMENDED

BY:

X

Bill Snowball
Fire Chief

X

Brenda Librecz
Commissioner, Community and Fire Services