

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR REPLACEMENT OF ENGINE #1

BACKGROUND:

Fire apparatus are essential for structural firefighting. The Fire Apparatus Replacement Program ensures replacement of fire apparatus at the end of their operational life. The City maintains its current fleet very well which facilitates keeping front line fire apparatus for a maximum of 15 years, after which our goal is to retain it as a reserve apparatus for an additional 10-15 years.

The City maintains two frontline engines, Engine 1 and Engine 2. Engine 1 was purchased new in 2005. Currently housed at Station #1, **Engine 1 is due for replacement, as identified in the City's Capital Improvement Plan.** This vehicle will not be eligible for refurbishment as the manufacturer of Engine 1 went out of business in 2014, making replacement parts nearly impossible to find. Additionally, the vehicle is also not aging well and experiencing corrosion and metal fatigue.

Five Fire Department staff from multiple ranks, with input from Fleet Services, made up the Engine Replacement Team. The team met over several months with multiple fire departments from across Iowa. In-person interviews and site visits were conducted with fire departments to evaluate different apparatus vendors and design configurations. Staff from outside departments were interviewed regarding what they valued about their most recent fire engine design and purchase and what they would do differently on their next fire engine purchase. **Data from the interviews were combined with specifications from our most recent aerial apparatus purchase to create a fire engine replacement specification.**

VENDOR EVALUATION:

On July 19, staff issued a Request for Proposals (RFP) to prospective fire engine vendors, and responses were received from the following three vendors:

	Toyne INC. (Toyne)	Feld Fire (Spartan)	Reliant Fire Apparatus, INC. (Pierce)
Purchase Price	\$726,359	\$774,838	\$778,629
Less Pre-Payment Discounts	0	(11,603)	(11,427)
Net Price	\$726,359	\$763,235	\$767,202
<i>Build Time (Days)</i>	<i>450</i>	<i>375</i>	<i>585</i>

Staff evaluated each vendor based on several factors including safety, operational costs, service, design, ease of operation, vendor’s technical ability, stability, experience, and references. Build time was also considered by the team; however, build time had limited impact on the decision-making process as the City maintains a reserve fleet of two fire engines, which could move into front line status for a limited period if needed. Additionally, the refurbishment of the City’s Truck 3 is expected to be complete in early 2023, which would make Truck 3 available for service as well.

Costs of the units were not included in the initial evaluation and were only scored by staff after scoring on the response quality factors was complete. Toyne INC. was eliminated from consideration because they scored the lowest during the evaluation process; this vendor was not able to secure and provide airbags in the fire engine, which is a significant safety concern.

The two highest-scoring vendors (Feld Fire and Reliant) were contacted to provide further clarification, along with needed additions and deletions to make the two vendor proposals comparable. Conversations with Reliant indicated that Cummins Manufacturing (the engine manufacturer) would be increasing prices on all engine orders not completed by October 1, 2022. Feld Fire, which also proposed the same engine, did not mention anything in their correspondence with the City about any price increases. Below are the cost proposals from the two vendors (including a pre-10/1 price and post-10/1 cost proposal from Reliant):

	Feld Fire (Spartan)	Reliant Fire Apparatus, INC. (Pierce) Prior to October 1	Reliant Fire Apparatus, INC. (Pierce) After October 1
Purchase Price	\$768,365	\$774,370	\$788,736
Less Pre-Payment Discounts	(9,265)	(11,353)	(11,353)
Final Price	\$759,100	\$763,017	\$777,383

Feld Fire originally proposed installing airbags but stated they would not be operational for an undetermined amount of time until further equipment, delayed due to supply chain issues, could be installed. Later, Feld Fire reported that they anticipated functioning airbags would be available in November. An additional concern with the Feld proposal is that their proposed contract language did not guarantee pricing and would obligate the City to pay for any price increases incurred during the build.

Reliant Fire Apparatus INC. scored substantially higher than the other vendors during the evaluation process before costs were considered. Reliant Fire Apparatus INC. was the only vendor to originally include fully functioning airbags, with rollover protection in their initial proposal.

Reliant Fire Apparatus INC. also outscored the other vendors due to their experience, technical ability, vendor stability and references. Reliant Fire Apparatus INC. is responsible for designing and building our most recent fire department apparatus (Tower 1 and Engine 2) and has invested time familiarizing themselves with Ames' operations and how Ames Fire deploys equipment off the apparatus to better meet department needs. This familiarization has allowed the Fire Department to move towards standardization across all its apparatus for improved efficiency, consistency, and safety.

FUNDING:

The Capital Improvement Plan includes \$747,000 for the replacement of Engine 1, including the cost to outfit it with new fire hose and other equipment.

	Feld Fire (Spartan)	Reliant Fire Apparatus, INC. (Pierce) Prior to October 1	Reliant Fire Apparatus, INC. (Pierce) After October 1
Final Purchase Price	\$759,100	\$763,017	\$777,383
Available CIP Funding	\$747,000	\$747,000	\$747,000
Funding Shortfall	\$12,100	\$16,017	\$30,383

Vehicle costs across all markets have experienced dramatic increases over the last year due to supply chain issues, demand, and equipment delays. The cost increase over the available CIP funding was minimized as much as possible after initial proposals were received by working with the vendors to identify possible deducts. **The funding shortfall will be covered using anticipated savings that have been identified in the current fiscal year from open firefighter positions that will be filled later this year.**

The costs to outfit the engine (firehose, extrication equipment, fans and other tools and equipment used at an emergency scene) was originally intended to be covered as part of the \$747,000 in CIP funding. Outfitting costs are estimated at \$40,000. Because the entire \$747,000 in CIP funding will be dedicated to the apparatus purchase, staff will attempt to cover outfitting costs through a combination of grants and future operating budget expenditures. Two grant applications are currently pending that would cover most of the outfitting costs. **Any additional costs to outfit the apparatus not covered by grant money will be split between this fiscal year's adjusted operating budget and next year's proposed budget.**

ALTERNATIVES:

1. Award a contract to Reliant Fire Apparatus, INC. (Pierce) for the purchase of a new fire engine at a cost of \$763,017.
2. Award a contract to Feld Fire (Spartan) for the purchase of a new fire engine at a cost of \$759,100.
3. Delay awarding a contract and request additional information from staff. **The Council should note that if a delay lasts until October 1, the purchase price from Reliant Fire Apparatus, INC. (Pierce) will increase to \$777,383.**
4. Reject the proposals and instruct staff to seek other options for acquiring a new fire engine.

CITY MANAGER'S RECOMMENDATION:

Engine 1 is due for replacement, as identified in the City's Capital Improvement Plan. The Capital Improvement Plan includes \$747,000 for the replacement of Engine 1. This apparatus will not be eligible for refurbishment as the manufacturer of Engine 1 went out of business in 2014, making replacement parts nearly impossible to find. Additionally, the vehicle is also not aging well and experiencing corrosion and metal fatigue.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.



This Purchase Agreement (together with all attachments referenced herein, the “Agreement”), made and entered into by and between Reliant Fire Apparatus, Inc., a Wisconsin corporation (“Reliant”), and the City of Ames, Iowa (“Customer”), is effective as of the date specified in Section 3 hereof.

1. Definitions.

- a. “**Product**” means the fire apparatus and any associated equipment manufactured or furnished for the Customer by Reliant pursuant to the Specifications.
- b. “**Specifications**” means the general specifications, technical specifications, training, and testing requirements for the Product contained in the Reliant Proposal for the Product prepared in response to the Customer’s request for proposal.
- c. “**Reliant Proposal**” means the proposal provided by Reliant attached as Exhibit C prepared in response to the Customer’s request for proposal.
- d. “**Delivery**” means the date Reliant is prepared to make physical possession of the Product available to the Customer.
- e. “**Acceptance**” The Customer shall have the opportunity, as described in Section 8(b) below, to inspect the Product for substantial conformance with the material Specifications; unless Reliant receives a Notice of Defect within the time frame described in Section 8(b), the Product will be deemed to be in conformance with the Specifications and accepted by the Customer.

2. Purpose. This Agreement sets forth the terms and conditions of Reliant’s sale of the Product to the Customer.

3. Term of Agreement. This Agreement will become effective on the date it is signed and approved by both Customer and Reliant (“Effective Date”) and, unless earlier terminated pursuant to the terms of this Agreement, it will terminate upon the Customer’s Acceptance and payment in full of the Purchase Price.

4. Purchase and Payment. The Customer agrees to purchase the Product specified on Exhibit A for the total purchase price of \$763,017.00 (“Purchase Price”). Prices are in U.S. funds. Accepted forms of payment include cash, check, money order, wire transfer, or ACH payment. Credit card or purchase card (P-Card) payments are not accepted.

5. Future Changes. Various state or federal regulatory agencies (e.g. NFPA, DOT, EPA) may require changes to the Specifications and/or the Product and in any such event any resulting cost increases incurred to comply therewith will be added to the Purchase Price to be paid by the Customer. In addition, any future drive train upgrades (engine, transmission, axles, etc.), or any other specification changes have not been calculated into our annual increases and will be provided at additional cost. To the extent practicable, Reliant will document and itemize any such price increases for the Customer.

6. Agreement Changes. The Customer may request that Reliant incorporate a change to the Products or the Specifications for the Products by delivering a change order to Reliant; provided, however, that any such change order must be in writing and include a description of the proposed change sufficient to permit Reliant to evaluate the feasibility of such change (“Change Order”). Within [ten (10) business days] of receipt of a Change Order, Reliant will inform the Customer in writing of the feasibility of the Change Order, the earliest possible implementation date for the Change Order, of any increase or decrease in the Purchase Price resulting from such Change Order, and of any effect on production scheduling or Delivery resulting from such Change Order. Reliant shall not be liable to the Customer for any delay in performance or Delivery arising from any such Change Order. A Change Order is only effective when counter-signed by Reliant’s authorized representative. Manufacturer and/or supplier cost increases or surcharges imposed after the time of contract execution, beyond the control of Reliant, that have not been calculated into the contract amount will be documented and itemized as increases for the Customer on the Change Order.

7. Cancellation/Termination. In the event this Agreement is cancelled or terminated before completion, Reliant may charge a cancellation fee. The following charge schedule based on costs incurred may be applied: (a) 10% of the Purchase Price after order is accepted and entered by Reliant; (b) 20% of the Purchase Price after completion of approval drawings, and; (c) 30% of the Purchase Price upon any material requisition. The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Reliant endeavors to mitigate any such costs through the sale of such Product to another purchaser; however, Customer shall remain liable for the difference between the Purchase Price and, if applicable, the sale price obtained by Reliant upon sale of the Product to another purchaser, plus any costs incurred by Reliant to conduct any such sale.

8. Delivery, Inspection and Acceptance. (a) Delivery. Delivery of the Product is scheduled to be within approximately [19.5 - 20.5] months of the Effective Date of this Agreement, F.O.B. Pierce Manufacturing, Inc. 2600 American Drive, Appleton, WI 54914. Risk of loss shall pass to Customer upon Delivery. (b) Inspection and Acceptance. Upon Delivery, Customer shall

have fifteen (15) days within which to inspect the Product for substantial conformance to the material Specifications, and in the event of substantial non-conformance to the material Specifications to furnish Reliant with written notice sufficient to permit Reliant to evaluate such non-conformance ("Notice of Defect"). Any Product not in substantial conformance to material Specifications shall be remedied by Reliant within thirty (30) days from the Notice of Defect. In the event Reliant does not receive a Notice of Defect within fifteen (15) days of Delivery, Product will be deemed to be in conformance with Specifications and accepted by Customer.

9. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

Reliant Fire Apparatus, Inc.
880 Enterprise Drive
Slinger, Wisconsin, 53086
Fax (262) 297-5022

Customer
City of Ames
515 Clark Ave.
Ames, IA 50010

10. Standard Warranty. Any applicable manufacturer warranties are attached hereto as Exhibit B and made a part hereof. Any additional warranties must be expressly approved in writing by Reliant's authorized representative.

a. Disclaimer. OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER RELIANT, ITS PARENT COMPANY, AFFILIATES, SUBSIDIARIES, LICENSORS OR SUPPLIERS, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS OR REPRESENTATIVES, MAKE ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS PROVIDED HEREUNDER OR OTHERWISE REGARDING THIS AGREEMENT, WHETHER ORAL OR WRITTEN, EXPRESS, IMPLIED OR STATUTORY. WITHOUT LIMITING THE FOREGOING, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, THE IMPLIED WARRANTY AGAINST INFRINGEMENT, AND THE IMPLIED WARRANTY OR CONDITION OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED AND DISCLAIMED. STATEMENTS MADE BY SALES REPRESENTATIVES OR IN PROMOTIONAL MATERIALS DO NOT CONSTITUTE WARRANTIES.

b. Exclusions of Incidental and Consequential Damages. In no event shall Reliant be liable for consequential, incidental or punitive damages incurred by Customer or any third party in connection with any matter arising out of or relating to this Agreement, or the breach thereof, regardless of whether such damages arise out of breach of warranty, tort, contract, strict liability, statutory liability, indemnity, whether resulting from non-delivery or from Reliant's own negligence, or otherwise.

11. Insurance. The Original Equipment Manufacturer (Pierce Manufacturing, Inc.) maintains the following limits of insurance with a carrier(s) rated A- or better by A.M. Best:

Commercial General Liability Insurance:

Products/Completed Operations Aggregate: \$1,000,000
Each Occurrence: \$1,000,000

Umbrella/Excess Liability Insurance:

Aggregate: \$25,000,000
Each Occurrence: \$25,000,000

The Customer may request: (x) Reliant to have Pierce provide the Customer with a copy of a current Certificate of Insurance with the coverages listed above; (y) to be included by Pierce as an additional insured for Commercial General Liability (subject to the terms and conditions of the applicable Pierce insurance policy); and (z) all policies to provide a 30 day notice of cancellation to the named insured.

12. Force Majeure. Reliant shall not be responsible nor deemed to be in default on account of delays in performance due to causes which are beyond Reliant's control which make Reliant's performance impracticable, including but not limited to civil wars, insurrections, strikes, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of government, delays in transportation, inability to obtain necessary labor supplies or manufacturing facilities, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or

certificates, acts of God or the public enemy or terrorism, failure of transportation, vehicle accidents during manufacturing and/or testing and/or delivery, epidemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

a. Commercial Chassis Price Volatility. Company shall not be responsible for any commercial chassis price increases enacted by a commercial chassis supplier after the execution of this contract. Any commercial chassis price increases will be passed through to end user and will be documented on a Change Order. Price reflects an estimate for the commercial chassis; final price of the contract may be adjusted upon final cost from the chassis manufacturer.

13. Default. The occurrence of one or more of the following shall constitute a default under this Agreement: (a) the Customer fails to pay when due any amounts under this Agreement or to perform any of its obligations under this Agreement; (b) Reliant fails to perform any of its obligations under this Agreement; (c) either party becomes insolvent or become subject to a bankruptcy or insolvency proceedings; (d) any representation made by either party to induce the other to enter into this Agreement is false in any material respect; (e) the Customer dissolves, merges, consolidates or transfers a substantial portion of its property to another entity; or (f) the Customer is in default or has breached any other contract or agreement with Reliant.

14. Manufacturer’s Statement of Origin. It is agreed that the manufacturer’s statement of origin (“MSO”) for the Product covered by this Agreement shall remain in the possession of Reliant until the entire Purchase Price has been paid and that payment has cleared Reliant’s financial institution. If more than one Product is covered by this Agreement, then the MSO for each individual Product shall remain in the possession of Reliant until the Purchase Price for that Product has been paid in full and that payment has cleared Reliant’s financial institution. In case of any default in payment, Reliant may take full possession of the Product, and any payments that have been made shall be applied as payment for the use of the Product up to the date of taking possession.

15. Independent Contractors. The relationship of the parties established under this Agreement is that of independent contractors and neither party is a partner, employee, agent, or joint venture of or with the other.

16. Assignment. Neither party may assign its rights and obligations under this Agreement unless it has obtained the prior written approval of the other party.

17. Governing Law; Jurisdiction. Without regard to any conflict of laws provisions, this Agreement is to be governed by and under the laws of the state of Iowa.

18. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.

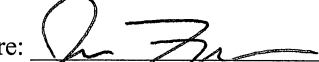
19. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Product. Additional or different terms proposed by the Customer shall not be applicable, unless accepted in writing by Reliant’s authorized representative. No change in, modification of, or revision of this Agreement shall be valid unless in writing and signed by Reliant’s authorized representative.

20. Conflict. In the event of a conflict between the Customer Specifications and the Reliant Proposal, the Reliant Proposal shall control. In the event there is a conflict between the Reliant Proposal and this Agreement, the Reliant Proposal shall control.

21. Signatures. This agreement is not effective unless and until it is approved, signed and dated by Reliant Fire Apparatus Inc.’s authorized representative.

Accepted and agreed to:

RELIANT FIRE APPARATUS, INC.

Signature: 

Name: Jason Krueger

Title: Sales Manager

Date: 9/23/2022

CUSTOMER: City of Ames, Iowa

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

PURCHASE DETAIL FORM

Reliant Fire Apparatus, Inc.
 880 Enterprise Drive
 Slinger, WI 53086
 Fax (262) 297-5022

Date: | |

Customer Name: City of Ames, Iowa

Quantity	Chassis Type	Body Type	Price per Unit
1	Enforcer	Pumper	\$774,370.00
			\$
			\$
			\$
			\$

The contract price of \$763,017.00 outlined on page #1 includes a chassis prepayment discount of \$11,353.00 per payment terms outlined below.

Warranty Period: Warranty includes one (1) year bumper to bumper. All other warranties and certifications of coverage are included in proposal #655 as presented to the fire department.

Training Requirements: New delivery orientation will be provided by Reliant Fire Apparatus, Inc. at a date to be later determined with the fire department post-delivery.

Other Matters: Due to the City of Ames requiring a pre-signed contract with Reliant Fire Apparatus, Inc. endorsement occurring first; Any changes notated on the contract after Reliant Fire Apparatus, Inc. signature will require approval of Reliant Fire Apparatus, Inc. and a new contract would be drafted to encompass said changes. Any changes made to the contract, digitally or written, after Reliant Fire Apparatus, Inc. signature without approval will be recognized as non-binding and a new unedited and reapproved agreement would be drafted in place of this original.

Pricing valid if executed by both parties prior to October 1, 2022.

This contract is available for inter-local and other municipal corporations to utilize with the option of adding or deleting any manufacturer available options, including chassis models. Any addition or deletion may affect the unit price.

Payment Terms: The chassis progress payment in the amount of \$378,459.00 is due 120 days after receipt and acceptance of contract or purchase order. Balance payment of contract price and changes (if applicable) is due Reliant Fire Apparatus, Inc. N10 days prior to final inspection and delivery.

[NOTE: If deferred payment arrangements are required, the Customer must make such financial arrangements through a financial institution acceptable to Reliant.] All taxes, excises and levies that Reliant may be required to pay or collect by reason of any present or future law or by any governmental authority based upon the sale, purchase, delivery, storage, processing, use, consumption, or transportation of the Product sold by Reliant to the Customer shall be for the account of the Customer and shall be added to the Purchase Price. All delivery prices or prices with freight allowance are based upon prevailing freight rates and, in the event of any increase or decrease in such rates, the prices on all unshipped Product will be increased or decreased accordingly. Delinquent payments shall be subject to a carrying charge of 1.5 percent per month or such lesser amount permitted by law. Reliant will not be required to accept payment other than as set forth in this Agreement. However, to avoid a late charge assessment in the event of a dispute caused by a substantial nonconformance with material Specifications (other than freight), the Customer may withhold up to five percent (5%) of the Purchase Price until such time that Reliant substantially remedies the nonconformance with material Specifications, but no longer than sixty (60) days after Delivery. If the disputed amount is the freight charge, the Customer may withhold only the amount of the freight charge until the dispute is settled, but no longer than sixty (60) days after Delivery. Reliant shall have and retain a purchase money security interest in all goods and products now or hereafter sold to the Customer by Reliant or any of its affiliated companies to secure payment of the Purchase Price for all such goods and products. In the event of nonpayment by the Customer of any debt, obligation or liability now or hereafter incurred or owing by the Customer to Reliant, Reliant shall have and may exercise all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code (UCC) as adopted by the state of Wisconsin.

THIS PURCHASE DETAIL FORM IS EXPRESSLY SUBJECT TO THE PURCHASE AGREEMENT TERMS AND CONDITIONS DATED AS OF [], 2022 [] BETWEEN RELIANT AND [THE CITY OF AMES, IOWA] WHICH TERMS AND CONDITIONS ARE HEREBY INCORPORATED IN, AND MADE PART OF, THIS PURCHASE DETAIL FORM AS THOUGH EACH PROVISION WERE SEPARATELY SET FORTH HEREIN, EXCEPT TO THE EXTENT OTHERWISE STATED OR SUPPLEMENTED BY RELIANT HEREIN.

EXHIBIT B

WARRANTY

WARRANTY CERTIFICATES OF COVERAGE ARE INCLUDED IN RELIANT FIRE APPARATUS PROPOSAL #655 PRESENTED TO THE CITY OF AMES, IOWA DATED SEPTEMBER 19, 2022.

EXHIBIT C

RELIANT PROPOSAL

PROPOSAL FOR APPARATUS TO BE PROVIDED UNDER THIS CONTRACT IS RELIANT FIRE APPARATUS PROPOSAL #655 PRESENTED TO THE CITY OF AMES, IA DATED SEPTEMBER 19, 2022.