

**South Portland City Council**  
***Position Paper of the Interim City Manager***

***Subject:***

**ORDER #75-16/17 – Award of Bid #15-17 to Pierce Manufacturing, Inc., of Appleton, WI, for the purchase of a fire truck for the South Portland Fire Department and to sign an Interlocal Contract with H-GACBuy regarding a cooperative purchasing program. Passage requires majority vote.**

***Position:***

This award of bid is for the purchase of a new fire engine for the South Portland Fire Department. The FY17 Capital Improvement Program included \$580,000 for this purchase.

This unit will replace Engine 1, which is our reserve truck. Engine 1 is a 1991 E-One Navistar with 28,806 miles on it and is at the end of its useful life. The new truck will be a twin unit to Engine 8 and be placed in service as Squad 4 located at the Western Avenue Fire Station. The current unit at that station, a 2003 Hackney, will be placed in reserve and used when one of our full time engine companies is out of service for repairs.

A bid was advertised, posted on the City's website and emailed to four vendors. The City received one bid in the amount of \$599,224. This bid was made by Minuteman Fire and Rescue Apparatus, Inc. in association with a cooperative purchasing program offered by the Houston-Galveston Area Council of Governments (H-GACBuy). H-GACBuy is a political subdivision of the State of Texas. The H-GACBuy Program is over 30 years old and specializes in high ticket, capital intensive products and services that require technical, detailed specifications and extensive professional skills to evaluate bid responses. All products offered through H-GACBuy have been awarded by virtue of a public competitive process. The City Purchasing Agent and Finance Director (having never participated in this cooperative purchasing program) felt it would be best to do a formal RFP and see if other vendors might be able to provide alternative bids. Unfortunately, no other bids were received.

With this bid, the City was provided a 100% prepay option. Under the 100% prepay option, the City would receive a discount of \$19,533 bringing the total cost down of the fire truck to \$579,691. Historically, the City has done the 60% prepay option so we requested a second option for which the City would receive a discount of \$15,911.00 bringing the total cost down of the fire truck to \$583,313.

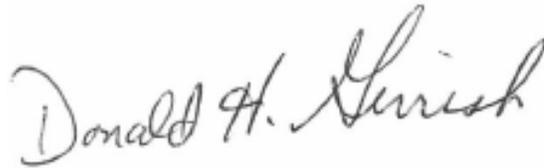
I asked the City Finance Director Greg L'Heureux to evaluate these two options. He determined both options had solid discount rates (100% -4.88% and 60% -6.41%) over the 36-week period. Although the 60% option had a greater discount rate the savings differential of \$3,622 would equate to a 2.33% rate of return for the 36 weeks. Given the City investment rate of return is considerably below that, he recommends -the City select the 100% prepay option. It should be noted that before any prepayment would be made, the City would require an acceptable executed performance bond.

The vehicle is a 2017 Pierce Arrow XT Stainless Steel Pumper. Two major influences of the increased cost from the purchase in 2012 for a similar vehicle is a) this vehicle unlike the previous engine will be equipped with a foam system and b) routine market inflation.

Attached is a memorandum from Chief Jim Wilson regarding this bid. Chief Wilson and Finance Director Greg L'Heureux will be at Monday's meeting to answer any questions.

***Requested Action:***

Council passage of ORDER #75-16/17.

A handwritten signature in cursive script that reads "Donald H. Gerish". The signature is written in dark ink and is positioned above a horizontal line.

Interim City Manager



**FIRE DEPARTMENT**

**JAMES P WILSON**  
CHIEF OF DEPARTMENT

TELEPHONE  
(207) 799-3314

E-MAIL  
JWILSON@SOUTHPORTLAND.ORG

October 19, 2016

To: Don Gerrish, Interim City Manager

From: Chief James Wilson

Subject: Award of Bid to Minute Man Fire & Rescue Apparatus, Inc. for Fire Engine (Bid # 15-17)

As part of the FY 2017 Capital Improvement Program the Fire Department was approved the purchase of a new fire engine/foam pumper to replace a 1991 International Emergency One engine. After spending several months developing the specifications and, sending the RFP to four (4) vendors, the city received one bid from Minute Man Fire & Rescue, Inc. The last engine purchased by the fire department was approved by the council, I believe, four years ago. That unit is currently Engine 48 and was also purchased from the same vendor.

Though there was only one bid, this fire engine that was bid will be almost identical to the current fire engine at Central Station, which was delivered in 2013. Over the past few years we have tried to standardize our apparatus so that training, operations, and maintenance are improved by having similar equipment. We are currently doing this with our Ambulances, as we have two twin units in service currently.

The bid price for the engine is \$599,224.00, which has been reduced significantly by agreeing to participating in a nationwide bid process (HGACBuy). If the city decides to prepay, a discount of \$19,533.00 will be applied. Using the prepayment discount the price is \$579,691.00, which comes in just under the budgeted amount of \$580,000.00. The price increase over the last fire engine is due to two reasons; first is the normal market increases, which we were able to limit somewhat by participating in a nationwide bid process. The 2<sup>nd</sup> reason is there is one difference between this unit and the previous unit. A foam system was specified for this unit due to the fact our two current foam units are 23 and 14 years old, and the 23-year-old unit is currently out of service due to the inability to get parts. With the volume of petroleum storage in this city, two major highways, a railway, and the jetport all of which have product traveling on them every day, we feel it is necessary to add the foam system to this unit.

I would respectfully request that you forward to the council for formal approval the purchase of this fire engine at the November 7<sup>th</sup> meeting.

Funding Source: previously approved 2017 CIP in the amount of \$580,000

If you have any questions, please let me know.

Respectfully,

Chief James Wilson



**INTERLOCAL CONTRACT  
FOR COOPERATIVE PURCHASING**

ILC

No.: \_\_\_\_\_

Permanent Number assigned by H-GAC

THIS INTERLOCAL CONTRACT ("Contract"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the Houston-Galveston Area Council, hereinafter referred to as "H-GAC," having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, and \* \_\_\_\_\_, a local government, a state agency, or a non-profit corporation created and operated to provide one or more governmental functions and services, hereinafter referred to as "End User," having its principal place of business at \* \_\_\_\_\_

**WITNESSETH**

WHEREAS, H-GAC is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, H-GAC is authorized to contract with eligible entities to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, in reliance on such authority, H-GAC has instituted a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, End User has represented that it is an eligible entity under the Act, that its governing body has authorized this Contract on \* \_\_\_\_\_ (Date), and that it desires to contract with H-GAC on the terms set forth below;

NOW, THEREFORE, H-GAC and the End User do hereby agree as follows:

**ARTICLE 1: LEGAL AUTHORITY**

The End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a local government, as defined in the Act (a county, a municipality, a special district, or other political subdivision of the State of Texas or any other state), or a combination of two or more of those entities, a state agency (an agency of the State of Texas as defined in Section 771.002 of the Texas Government Code, or a similar agency of another state), or a non-profit corporation created and operated to provide one or more governmental functions and services, and (2) it possesses adequate legal authority to enter into this Contract.

**ARTICLE 2: APPLICABLE LAWS**

H-GAC and the End User agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Contract.

**ARTICLE 3: WHOLE AGREEMENT**

This Contract and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

**ARTICLE 4: PERFORMANCE PERIOD**

The period of this Contract shall be for the balance of the fiscal year of the End User, which began \* \_\_\_\_\_ and ends \* \_\_\_\_\_. This Contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the End User may make any payment due an H-GAC contractor beyond the fiscal year in which such obligation was incurred under this Contract.

**ARTICLE 5: SCOPE OF SERVICES**

The End User appoints H-GAC its true and lawful purchasing agent for the purchase of certain products and services through the H-GAC Cooperative Purchasing Program. End User will access the Program through HGACBuy.com and by submission of any duly executed purchase order, in the form prescribed by H-GAC to a contractor having a valid contract with H-GAC. All purchases hereunder shall be in accordance with specifications and contract terms and pricing established by H-GAC. Ownership (title) to products purchased through H-GAC shall transfer directly from the contractor to the End User.

(over)

**ARTICLE 6: PAYMENTS**

H-GAC will confirm each order and issue notice to contractor to proceed. Upon delivery of goods or services purchased, and presentation of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay H-GAC's contractor the full amount of the invoice. All payments for goods or services will be made from current revenues available to the paying party. In no event shall H-GAC have any financial liability to the End User for any goods or services End User procures from an H-GAC contractor.

**ARTICLE 7: CHANGES AND AMENDMENTS**

This Contract may be amended only by a written amendment executed by both parties, except that any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal and State law or regulations are automatically incorporated into this Contract without written amendment hereto and shall become effective on the date designated by such law or regulation.

H-GAC reserves the right to make changes in the scope of products and services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

**ARTICLE 8: TERMINATION PROCEDURES**

H-GAC or the End User may cancel this Contract at any time upon thirty (30) days written notice by certified mail to the other party to this Contract. The obligations of the End User, including its obligation to pay H-GAC's contractor for all costs incurred under this Contract prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Contract, until performed or discharged by the End User.

**ARTICLE 9: SEVERABILITY**

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

**ARTICLE 10: FORCE MAJEURE**

To the extent that either party to this Contract shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed; provided, however, force majeure shall not excuse an obligation solely to pay funds. Determination of force majeure shall rest solely with H-GAC.

**ARTICLE 11: VENUE**

Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.

**THIS INSTRUMENT HAS BEEN EXECUTED IN TWO ORIGINALS BY THE PARTIES HERETO AS FOLLOWS:**

\*  
\_\_\_\_\_  
Name of End User (local government, agency, or non-profit corporation)

\*  
\_\_\_\_\_  
Mailing Address

\*  
\_\_\_\_\_  
City State ZIP Code

\*By:  
\_\_\_\_\_  
Signature of chief elected or appointed official

\*  
\_\_\_\_\_  
Typed Name & Title of Signatory Date

**Houston-Galveston Area Council**  
3555 Timmons Lane, Suite 120, Houston, TX 77027

By: \_\_\_\_\_  
Executive Director

Attest: \_\_\_\_\_  
Manager

Date: \_\_\_\_\_

*\*Denotes required fields*

## \*Request for Information

To expedite service, please complete the following blanks relevant to your agency's administrative/elective personnel and return the completed for to **H-GAC, Cooperative Purchasing Program,**  
**P.O. Box 22777, Houston, TX 77227-2777.**

Name of End User Agency: \_\_\_\_\_ County Name: \_\_\_\_\_  
*(Municipality/County/District/etc.)*

Mailing Address: \_\_\_\_\_  
*(Street Address/P.O. Box) (City) (State) (ZIP Code)*

Main Telephone Number: \_\_\_\_\_ FAX Number: \_\_\_\_\_

Physical Address: \_\_\_\_\_  
*(Street Address, if different from mailing address) (City) (State) (ZIP Code)*

Web Site Address: \_\_\_\_\_

Official Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
*(Point of Contact for HGACBuy Interlocal Contract)*

Mailing Address: \_\_\_\_\_ Ph No.: \_\_\_\_\_ - \_\_\_\_\_  
*(Street Address/P.O. Box) Fx No. : \_\_\_\_\_ - \_\_\_\_\_*

\_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
*(City) (State) (ZIP Code)*

Authorized Official: \_\_\_\_\_ Title: \_\_\_\_\_  
*(Mayor/City Manager/Executive Director etc.)*

Mailing Address: \_\_\_\_\_ Ph No.: \_\_\_\_\_ - \_\_\_\_\_  
*(Street Address/O.O. Box) Fx No. : \_\_\_\_\_ - \_\_\_\_\_*

\_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
*(City) (State) (ZIP Code)*

Official Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
*(Purchasing Agent/Auditor etc.)*

Mailing Address: \_\_\_\_\_ Ph No.: \_\_\_\_\_ - \_\_\_\_\_  
*(Street Address/O.O. Box) Fx No. : \_\_\_\_\_ - \_\_\_\_\_*

\_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
*(City) (State) (ZIP Code)*

Official Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
*(Public Works Director/Police Chief etc.)*

Mailing Address: \_\_\_\_\_ Ph No.: \_\_\_\_\_ - \_\_\_\_\_  
*(Street Address/O.O. Box) Fx No. : \_\_\_\_\_ - \_\_\_\_\_*

\_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
*(City) (State) (ZIP Code)*

Official Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
*(EMS Director/Fire Chief etc.)*

Mailing Address: \_\_\_\_\_ Ph No.: \_\_\_\_\_ - \_\_\_\_\_  
*(Street Address/O.O. Box) Fx No. : \_\_\_\_\_ - \_\_\_\_\_*

\_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
*(City) (State) (ZIP Code)*

\* denotes required fields



CITY OF SOUTH PORTLAND

THOMAS E. BLAKE  
Mayor

DON H. GERRISH  
Interim City Manager

SALLY J. DAGGETT  
Jensen Baird Gardner & Henry

EMILY F. SCULLY  
City Clerk

**IN CITY COUNCIL**

**ORDER #75-16/17**

District One  
CLAUDE V. Z. MORGAN

\_\_\_\_\_

District Two  
PATRICIA A. SMITH

\_\_\_\_\_

District Three  
EBEN C. ROSE

\_\_\_\_\_

District Four  
LINDA C. COHEN

\_\_\_\_\_

District Five  
BRAD FOX

\_\_\_\_\_

At Large  
MAXINE R. BEECHER

\_\_\_\_\_

At Large  
THOMAS E. BLAKE

**ORDERED**, that award of bid be and hereby is made to Pierce Manufacturing, Inc., of Appleton, WI, in the amount of five hundred seventy-nine thousand six hundred ninety-one dollars (579,691) for the purchase of a foam engine for the Fire Department.

**BE IT FURTHER ORDERED**, that the Interim City Manager be authorized to sign an Interlocal Contract with H-GACBuy regarding their cooperative purchasing program.

\$579,691 shall be charged to the CIP FY17 Squad 4 Replacement Account #406465-651000-17642

Fiscal Note: \$579,691

November 7, 2016