

RESOLUTION NO. 2020-142

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING A REVISED PURCHASE PRICE OF \$726,000 DUE TO LOSS OF AN EQUIPMENT DISCOUNT AND APPROVING ALLOCATION OF \$226,000 FOR THE ROSENBAUER AVENGER FIRE ENGINE FROM GENERAL FUND UNASSIGNED FUND BALANCE AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES.

WHEREAS, a “type one” fire engine is designed and typically used by municipal fire departments for fighting structural fires; and

WHEREAS, Marina Fire Department has budgeted \$300,000 towards a new Fire Engine in the Vehicle Replacement fund in FY20/21; and

WHEREAS, after evaluating all available data, the Apparatus Specification Committee recommends the purchase of a type one fire engine manufactured by the Rosenbauer America (“Rosenbauer”) firm as the Rosenbauer engine meets or exceeds all the specification requirements of the Marina Fire Department; and

WHEREAS, the City of Marina is a member of Sourcewell, formerly the National Joint-Powers Agency (NJPA), a cooperative purchasing program to assist local government in reducing costs through a nationwide government-to-government procurement service; and

WHEREAS, staff has verified that the proposed agreement with Rosenbauer has properly utilized the Sourcewell bidding process which conforms to California law and City purchasing policies.

WHEREAS, Resolution 2020-21 was approved authorizing a \$200,000 deposit towards the purchase of a Type One Fire Engine as identified in our Capital Improvement vehicle replacement plan; and

WHEREAS, Resolution 2020-117 was approved authorizing the purchase of a Type One Rosenbauer Avenger (Diesel Powered) Fire Engine utilizing all available discounts totaling \$700,000.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby;

1. Authorizing the updated purchase price of \$726,000 due to loss of a \$26,000 equipment discount.
2. Approving the remaining allocation of \$226,000 for the Rosenbauer Avenger Fire Engine from General Fund unassigned fund balance.
3. Authorizing the Finance Director to make necessary accounting and budgetary entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on 4th day of November 2020 by the following vote:

AYES: COUNCIL MEMBERS: Burnett, Berkley, O’Connell, Morton, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

October 29, 2020

Item No. **8k(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of November 4, 2020

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020-,
AUTHORIZING A REVISED PURCHASE PRICE OF \$726,000 DUE TO LOSS OF
AN EQUIPMENT DISCOUNT AND APPROVING THE ALLOCATION OF
\$226,000 FOR THE ROSENBAUER AVENGER FIRE ENGINE FROM GENERAL
FUND UNASSIGNED FUND BALANCE AND AUTHORIZING THE FINANCE
DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY
ENTRIES.**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020-, authorizing revised purchase price of \$726,000 due to loss of \$26,000 equipment discount; and
2. Approving the allocation of \$226,000 for the Rosenbauer Avenger Fire Engine from General Fund unassigned fund balance; and
3. Authorizing the Finance Director to make necessary accounting and budgetary entries.

BACKGROUND:

At the March 3, 2020 City Council Meeting, Resolution 2020-21 was approved authorizing the purchase of a Type One Fire Engine as identified in our Capital Improvement vehicle replacement plan. Council also authorized a \$200,000 refundable deposit on a Rosenbauer Battery/Electric Type One Fire Engine to secure a spot in the production line. The original timeline to issue a Purchase Order for the refundable deposit was 90 days. Because of the Pandemic and the uncertain economic times associated with the Pandemic, we asked for and received from Rosenbauer an extension to September 9, 2020.

At the September 1, 2020 City Council Meeting Resolution 2020-117 was approved authorizing the purchase of a Type One Rosenbauer Avenger (Diesel Powered) Fire Engine. The resolution directed staff to request the \$200,000 dollar deposit back from Rosenbauer and apply the amount to the new Avenger Fire Engine and to use the 100% pay option to save money. The cost of the Avenger without any discounts was and still is \$750,000 and with \$50,000 in available discounts, the projected cost was \$700,000 after discounts.

ANALYSIS:

When Rosenbauer provided the quote February of 2020, the quote included \$50,000 in discounts. The \$50,000 in discounts consisted of utilizing the 100% Pre-Pay option along with a Demo Period to demo the Avenger Fire Engine and Akron Fire Equipment featured on the Engine. The Akron Fire Equipment discount added up to \$26,000 dollars. The unfortunate news is from IDEX, the parent company of Akron. Due to the timing which was effective on September 1, 2020 IDEX shifted their demo program and moved to a new demo platform called SAM (System for Apparatus Management) as their demo system. They do not offer the same component discount that was quoted in February 2020. The Akron discount with tax was just under \$26,000.00. Rosenbauer has attempted to work with IDEX, speaking with many people throughout the hierarchy of IDEX but was not successful in getting them to extend the discount. Without this discount, the cost of the Avenger will be \$726,000 if we take advantage of the 100% prepay and the demo period discounts.

FISCAL IMPACT:

The City of Marina is a member of Sourcewell, member number 27263. Sourcewell is a national municipal cooperative purchasing agency. The Rosenbauer fire engine has been competitively bid through Sourcewell which ensures that the City is receiving competitive pricing in accordance with the requirements of California law and City policies.

The City is eligible for a \$24,000 discount in the purchase price if the City pre-pays for the Avenger diesel fire engine and allows Rosenbauer to use the Engine as a demo. Staff recommends this option to maximize cost savings, by taking advantage of these discounts the total cost of the Avenger will be \$726,000.

In FY19/20 resolution 2020-21 authorized \$200,000 towards the Type 1 Fire Engine, and as a part of the FY20/21 vehicle replacement fund \$300,000 was authorized towards a Type 1 Fire Engine. Because the City's General Fund resources for this fiscal year have been fully committed, the remaining \$226,000 is requested to be allocated from General Fund unassigned fund balance. Unassigned fund balance as of the last audit was approximately \$5.0 million, please see **EXHIBIT A**.

The current reserve balance of the Vehicle Replacement Fund is \$3.1 million. With the purchase of the engine, the replacement cost will be amortized over the expected life of the engine and funds will be set aside into the vehicle replacement fund accordingly.

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

Doug McCoun
Fire Chief
City of Marina

REVIEWED/CONCUR:

Brian McMinn
Public Works Director
City of Marina

Marisol Gomez
Interim Finance Director
City of Marina

Layne Long
City Manager
City of Marina