

Item 24-0548: Approve the Sole Source Purchase of Fire Apparatus request from Appleton Fire Department

Finance Committee

Mon, May 06, 2024, 5:30PM

Aldersperson Chris Croatt (District 14) 05:15

Moving on to 24-0548 approve the sole source purchase of a fire apparatus request from the Appleton Fire Department. There were two attachments. Hopefully everyone had a chance to review those.

Aldersperson Denise Fenton (District 6) 05:29

Moved to appr—sorry.

Aldersperson Chris Croatt (District 14) 05:31

Chief Hanson or anyone from staff wanted to comment?

Attorney Amanda Abshire (City Attorney) 05:35

Before we do, can we get a motion on the—

Aldersperson Denise Fenton (District 6) 05:37

Move to approve.

Aldersperson Sheri Hartzheim (District 13) 05:37

Second.

Attorney Amanda Abshire (City Attorney) 05:39

Thank you.

Aldersperson Chris Croatt (District 14) 05:40

Motion and a second to approve. Okay. Chief Hansen, any comments?

Attorney Amanda Abshire (City Attorney) 05:45

We're turning on his microphone.

Fire Chief Jeremy Hansen 05:47

Thank you, Chair. This is the fire department's request to purchase a new fire truck, an engine specifically. Over the past three years, the lead time to get a truck has blown up. For this vehicle, the lead time is 50 to 53 months after we have a signed purchase order. So that falls right into our vehicle replacement plan with—the vehicle it is scheduled to replace, is scheduled to be replaced in 2027. So, purchasing this engine will be the fourth identical engine. So, we gain some efficiencies with staff training, with maintenance on that vehicle, and also with not having to develop a new spec for the truck. So additional information in that memo. If anyone has any questions, I'm happy to answer them.

Aldersperson Denise Fenton (District 6) 06:40

I have a question.

Alderson Chris Croatt (District 14) 06:42

Go ahead.

Alderson Denise Fenton (District 6) 06:43

All right. Um Chief Hanson or Director Ohman, either one—the PPI clause. So, if I am reading this correctly, the manufacturer can—we're talking 50 to 53 months. So, we're talking four years-ish. And so, they can raise the price 5% per year before delivery of the vehicle? Am I reading that correctly? It's on the estimate document that was attached.

Fire Chief Jeremy Hansen 07:39

I can defer to Finance Director, but I will tell you that in in the past they have not raised the price. Any of the vehicles that we have purchased with a long lead time (and we have three of them out there right now), those are the prices that they honor.

Fire Chief Jeremy Hansen 07:57

I believe the one hiccup with this vehicle and the one from two years ago was there is an emission requirement in 2027, that they are still not sure what the power unit, the actual engine that goes into the fire truck, what that's going to look like yet because of the new emission requirements. But they're—in a previous one there was actually a line item that held \$20,000 retainer for engine mounting because they weren't sure how to put it in the vehicle yet either. So, Director Ohman do—does that read like they could increase that price?

Alderson Sheri Hartzheim (District 13) 08:45

On my initial read through, that's how I'm reading it. I have not had any personal discussions with Pierce about this specific invoice or this clause within here. I feel like the verbal conversations have been we need to put the purchase order now in order to hold the price.

Fire Chief Jeremy Hansen 09:05

Correct.

Alderson Denise Fenton (District 6) 09:07

Okay.

Alderson Chris Croatt (District 14) 09:08

Yeah. And I think that's been the case with some past purchases, right, Chief? We were able to actually save money by ordering the vehicle instead of waiting?

Fire Chief Jeremy Hansen 09:19

That is true. One way we save money in the past was to do a prepayment where we actually paid the money up front. But with the rise of interest rates, it's not advantageous for the city to take out a loan on a vehicle that we won't see for, in this case, four and a half years.

Alderson Chris Croatt (District 14) 09:35

Right. Okay. Maybe we could get some clarification on the con—that's a good question, Alder Fenton, and I think it's important to get clarified to know that if we're going to see some sort of increases along the way, or if they're going to handle it like they like they've handled previous purchases from the city.

Fire Chief Jeremy Hansen 09:56

I'd be happy to reach out.

Aldersperson Chris Croatt (District 14) 10:01

Okay. I don't think we need to hold this up, but I think we it would be important to get some clarification to that before the Council meeting. If the committee is okay with that?

Aldersperson Chris Croatt (District 14) 10:10

Alder Croatt, we also have two other hands from committee members Hartzheim as well as van Zeeland.

Attorney Amanda Abshire (City Attorney) 10:12

Okay, let's go. I didn't see who was first. But let's go with Van Zeeland first and then Hartzheim.

Aldersperson Katie Van Zeeland (District 5) 10:23

Thank you. I'll make it quick. When I saw this earlier, I actually thought one at zero meant that this didn't—wasn't going to apply any charges. So, I would like to see a clarification on that, please.

Aldersperson Chris Croatt (District 14) 10:35

I agree. Thank you. Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 10:37

Thank you, Chair. I, too, am concerned about the PPI clause, but what it also brought up as I was listening to Chief Hansen was that this is going to have a different engine than the previous engines, and what does that do to us in terms of—you know, all the efficiencies that we have are because everything is alike in all of our other fire trucks. On this one, you're saying could quite possibly be significantly different so maintenance might be significantly different? Question mark.

Fire Chief Jeremy Hansen 11:08

There's a potential for that. With the new emission requirements, there could be different sensors or filters or regeneration burners inside that engine itself, but, you know, honestly, after 2027, you don't have a choice. You get the power unit that they put into the vehicle.

Aldersperson Sheri Hartzheim (District 13) 11:29

And that's probably less of a concern than all the other setup of where the hoses are and where all the other things are that are needed to actually fight a fire. Correct?

Fire Chief Jeremy Hansen 11:37

From the fire department's perspective, yes. From a mechanic that may be a whole nother...

Aldersperson Sheri Hartzheim (District 13) 11:41

Right. We won't speak for any mechanics right now. Thank you.

Aldersperson Chris Croatt (District 14) 11:44

Yeah. And I don't want to speak for Pierce, but I'm guessing it has to do with federal mandates on emissions, chief, and they just aren't sure what that exactly means yet, and that's why they're not completely clear on what they're what they're saying could happen with it.

Fire Chief Jeremy Hansen 11:57

Correct.

Aldersperson Sheri Hartzheim (District 13) 11:59

Thank you, chair. The one other thing I would like to say is if there's not a reason to vote on this, could we hold this until we have those answers, rather than...? I'd be concerned about what timeframe we're on.

Aldersperson Chris Croatt (District 14) 12:13

Yeah, I don't have a problem with that. Chief, is there any—is there any sense of urgency to this if we go another committee cycle?

Fire Chief Jeremy Hansen 12:22

Yes. We are hoping to have this approved by May 1 because there was a price increase—a small one of one and a quarter percent—May 1, but we were—because of the transition of the Council and the committees Pierce allotted us basically till the 17th of May to hold the current price. Otherwise, it would go up, like I said, \$15,000 roughly.

Aldersperson Sheri Hartzheim (District 13) 12:51

With that in mind, I don't see any reason to hold it up, but I would like to have that follow up during the Council meeting.

Aldersperson Chris Croatt (District 14) 12:58

Yeah. I might recommend that we get that clarification prior to Council, and if there's any reason at, you know, at Council to, you know, refer this back committee or hold that we could, but you know, the percentage seems small, but on a on an expensive vehicle, it, you know, it adds up. So, if the committee is okay with it, I would say let's, let's move this through and then take action necessary at Council if need be, but hopefully we can get some clarification to the language.

Aldersperson Sheri Hartzheim (District 13) 13:26

Agreed.

Attorney Amanda Abshire (City Attorney) 13:27

Chair, we do have Aldersperson van Zeeland next in the queue if that's okay with you.

Aldersperson Chris Croatt (District 14) 13:32

Yep. Alder Van Zeeland. Go ahead.

Aldersperson Katie Van Zeeland (District 5) 13:34

Thank you, chair. While we're getting clarification, I'm a little bit curious about the pre pay. It says discounts are available for any pre payments made before delivery. Is that payment in full? Is that we could do a payment plan prior to delivery? I'd be interested in hearing what those options might be because it doesn't say "full" it says "any". So, thank you.

Aldersperson Chris Croatt (District 14) 13:58

Okay. Anyone else?

Attorney Amanda Abshire (City Attorney) 14:02

Chair, I'm seeing no more hands.

Aldersperson Chris Croatt (District 14) 14:04

Okay. I think the Alders Wolff and Doran. Anything from them?

Attorney Amanda Abshire (City Attorney) 14:09

They are shaking their heads in the negative.

Alderson Chris Croatt (District 14) 14:11

Okay. All right. Great. Okay. We have a motion and a second to approve the sole source purchase of the fire apparatus. All those in favor signify by saying aye. Aye. All opposed? Okay, four, zero. That'll go as a recommendation to approve. And we'll watch for some clarification, Chief.