



# City of Huntington Beach

File #: 23-400

MEETING DATE: 5/2/2023

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Al Zelinka, City Manager

**VIA:** Sunny Han, Acting Chief Financial Officer

**PREPARED BY:** Sunny Han, Acting Chief Financial Officer

**Subject:**

**Authorize the City Manager or designee to purchase 112 3M Scott Self-Contained Breathing Apparatus (SCBA) Replacement Units in the amount of \$1,088,199 through a sole source procurement, two (2) Triple Combination Pumper Engines in the amount of \$1,212,623 each, one (1) 100-foot Aerial Quint Truck in the amount of \$2,151,085; and authorize the City Manager or designee to enter into all documents necessary to acquire and finance the purchase of these items and other vehicles and capital equipment for a total not to exceed \$7,742,143 at an interest rate not to exceed 3.837%**

**Statement of Issue:**

City Council approval is requested to purchase and finance 112 3M Scott Self-Contained Breathing Apparatus (SCBA) replacement units, two (2) replacement Triple Combination Pumpers and one (1) replacement 100-foot Aerial Quint, three (3) ambulances, and other replacement vehicles and equipment; and authorize the City Manager or designee to enter into any and all documents necessary to finance the purchase of the vehicles.

**Financial Impact:**

The replacement of 112 3M Scott Self-Contained Breathing Apparatus (SCBA) replacement units, two replacement Triple Combination Pumpers and one replacement 100-foot Aerial Quint, three ambulances, and other replacement vehicles and equipment is included in the City's Capital Equipment Replacement program for the upcoming fiscal year. Due to the lengthy lead times in securing these essential pieces of equipment and current competitive interest rates, staff recommends financing these purchases at a total cost not to exceed \$7,742,143 for a seven-year term. Based on a conservative interest rate estimate of 3.837%, the estimated annual debt service payment would be \$1,282,157, which is included in the FY 2023/24 proposed budget.

**Recommended Action:**

**Authorize the City Manager or designee to purchase 112 3M Scott Self-Contained Breathing Apparatus (SCBA) Replacement Units in the amount of \$1,088,199 through a sole source**

procurement from AllStar Fire Equipment; approve the purchase of two (2) Triple Combination Pumper Engines in the amount of \$1,212,623 each, one (1) 100-foot Aerial Quint Truck in the amount of \$2,151,085 from Rosenbauer America; and authorize the City Manager or designee to enter into all documents necessary to acquire and finance the purchase of these items and other vehicles and capital equipment for a total not to exceed \$7,742,143 at an interest rate not to exceed 3.837%.

**Alternative Action(s):**

Do not approve the recommendation and direct staff accordingly. Due to the supply-chain issues and fluctuations in interest rates, delay may result in the delivery times of these essential pieces of equipment and the amount of annual debt service to be adversely impacted.

**Analysis:**

Section 6 of City Budget Resolution 2022-28 requires that the acquisition of any capital items which exceed \$500,000 be approved by the City Council. The value of the proposed replacement SCBAs, two (2) Triple Combination Pumper Engines, and one (1) 100-foot Aerial Quint Truck each exceed this amount; hence, they require City Council approval.

**Self-Contained Breathing Apparatus (SCBA) Replacement Units**

The current SCBA units that are used by Huntington Beach firefighters are 12 years old and are currently out of warranty. SCBA units allow firefighters to make entry to smoky environments and hazardous materials incidents. The proposed 3M Scott replacement units contain safety mechanisms that are compliant with the most up to date regulations from the National Fire Protection Association (NFPA) and industry standards. One of the features included is a universal PASS (Personal Alert Safety System) whereas all air-packs will have a standardized alarm sound for personal safety and better locating abilities. Having a difference in EBSS (Emergency Breathing Support System) and UBESS (Universal Breathing Emergency Support System) creates a safety concern where the department would not be able to supply air in an emergency to any other department that has a newer version air-pack and vice versa. The proposed replacement units also have a lifetime warranty, thus reducing the amount of time and cost spent on repairs. Scott has a restrictive supply chain that involves the designation of specific authorized vendors to sell its products, based on geographical territory and customer type. As a public agency in Southern California, the City is in a sales territory exclusively assigned to AllStar. The cost of 112 replacement units and related apparatus totals \$1,088,199 utilizing a sole source procurement.

**Triple Combination Pumper Engines (2) and 100-foot Aerial Quint Truck**

The current reserve truck was manufactured in 2002 and has reached its 20 year operational life span. Two of our current engines were manufactured in 2005 and are currently in need of replacement as well. The National Fire Protection Association (NFPA) provides best practice recommendations for the fire service and recommends that the following factors be considered when replacing fire apparatus. NFPA Standard 1911-100 - Annex D, page 103 states:

“In the last 10 to 15 years, much progress has been made in upgrading functional capabilities and improving the safety features of fire apparatus. Apparatus more than 15 years old might include only a few of the safety upgrades required by the recent editions of the NFPA fire department apparatus standards or the equivalent Underwriters Laboratories of Canada (ULC) standards. Because the

changes and upgrades, and fine tuning to NFPA 1901 have been truly significant, especially in the area of safety, fire departments should seriously consider the value (or risk) to fire fighters of keeping fire apparatus more than 15 years old in first-line service.”

Due to industry slowdowns and supply chain issues, the current wait time for an engine is at least 2 years, and the wait time for a truck company is 3-4 years once a purchase agreement is issued. The current price for the purchase of the two engines is \$2,425,247 and the price for the truck is \$2,151,084, for a total of \$4,576,331. The pricing is competitive and bids were obtained through Sourcewell, a national cooperative purchasing program that complies with Municipal Code 3.02.190.

### **Ambulances and Other Replacement Vehicles and Equipment**

The ambulances proposed for replacement have been in service for 11-14 years with mileage varying between 190,000-331,000 miles. Braun Northwest, Inc. has manufactured all of the City’s eight (8) frontline ambulances. These are of a very high quality and are used by several municipal agencies, including the City of Los Angeles. This manufacturer was selected by the City’s Fleet Management Division following extensive research regarding the most reliable chassis and platform to provide emergency transport services. Maintaining standardization of the ambulance fleet provides interoperability and facilitates the highest level of ambulance services. The quoted price of \$330,004 for each ambulance is also competitive, with bids obtained through the Houston-Galveston Area Council of Governments (HGAC), a cooperative purchasing program that complies with Municipal Code Section 3.02.190.

The proposed 14 vehicle purchases will replace aging vehicles that have been in service for 14-21 years, with mileage varying between 105,000-145,000. The replacement vehicles will be obtained from National Auto Fleet Group. The pricing for the vehicles will be obtained through Sourcewell, a cooperative purchasing program that complies with Municipal Code Section 3.02.190. Eight (8) Arrow Board trailers are also being recommended for replacement, half of which have been in service for 31 years and the old being 40 years old. These Arrow Boards are well beyond the life expectancy of the manufacturer and have become increasingly difficult to maintain due to the lack of available replacement parts. Arrow Boards provide advance warning and directional information around maintenance and through construction zones to ensure work zone safety.

City Council approval is also requested for the City Manager, or his designee, to enter into any and all documents necessary to finance the purchase of the vehicles and equipment listed above. The City’s existing Master Lease Agreement would need to be amended to include the total financing of \$7,742,143. Based on the current estimated 3.837 percent interest rate, annual debt service payments would equal \$1,282,157 over a seven-year period.

The purchase of these vehicles and equipment are necessary to continue to provide essential services to the residents and visitors of Huntington Beach. As the FY 2023/24 Proposed Budget contains funding for the lease financing of this equipment, staff recommends proceeding with the replacement of these important items as soon as possible to ensure the continuity of City services.

### **Environmental Status:**

Not applicable

**Strategic Plan Goal:**

Financial Sustainability, Public Safety or Other

**Attachment(s):**

1. Lease Documents and Opinion of Counsel
2. Amortization Schedule
3. Master Lease-Purchase Agreement
4. Quote from AllStar Fire Equipment for SCBAs and Sole Source Justification
5. Quote from Rosenbauer for Two (2) Triple Combination Pumpers and 100-Ft Aerial Quint
6. Quote from Braun Northwest, Inc. for Three (3) North Star 167-1 Ambulances
7. PowerPoint presentation