

COUNCIL MEETING – FEBRUARY 28, 2005

FIRE APPARATUS PURCHASE

Recommendation

The Fire Chief, in consultation with the Director of Purchasing and the Director of Reserves and Investments, recommends:

1. That the City enters into a sole source agreement with Smeal Fire Apparatus, Snyder NE. USA, for the Supply and Delivery of:
 - i. THREE (3) – 2005 Smeal Custom 6000 L/min Triple Combination Pumpers, as per the Capital Budget Projects #3137-0-04, #3175-0-05 and #3176-0-05, for the sum of \$265,000 US dollars each plus applicable taxes or approximately \$332,681 Canadian Dollars each for a total of \$997,982 Canadian Dollars and,
 - ii. ONE (1) – 2005 SMEAL Custom 6000L/min 17 M Aerial Ladder Quint per the Capital Budget Project #3180-0-05, for the sum of \$420,000 US Dollars plus applicable taxes or approximately \$527,268 Canadian Dollars from Smeal Fire Apparatus Company, Snyder, NE. USA.
2. That the Mayor and Clerk be authorized to sign the necessary documents.

Purpose

To seek approval for the sole source award and issuance of purchase orders to Smeal Fire Apparatus (Safetek Emergency Vehicles – Canadian Representative) for three triple combination pumpers (#3137-0-04, #3175-0-05, #3176-0-05) and one 17M aerial response vehicle (#3180-0-05), funded from the Fire Equipment Reserve Fund and CWDC Fund respectively. Due to the March break, this item would not proceed to Council until March 21. Approval of this purchase at this time would further expedite delivery of the new fire truck deferred from the 2004 budget process, which is to be assigned to the new Fire Station 7-9 on Islington Avenue.

Background - Analysis and Options

The City of Vaughan was an original partner in the York Region Fire Cooperative Purchasing Program, which issued RFPs for the supply of various models of fire apparatus for various municipalities in the Region, and has been active for the past several years. Over that time the City has purchased nine (9) fire apparatus units from Smeal Fire Apparatus (Safetek), utilizing the bulk purchasing power of several municipalities working together and the vendor's ability to extend original pricing for extended periods. Monitoring the trend of apparatus sales, it appears that we have been successful in that regard.

The Toronto Fire Services adopted our RFP process in the fall of 2000 and sought out a vendor for their fire apparatus needs. Smeal Fire Apparatus, who had been successful with the York Region Fire Cooperative Purchasing Program, was also successful on the Toronto RFP process, especially in the recent sale of 20 pumpers and 15 aerials. The most recent Toronto Pumper (January 2005) pricing is CDN \$445,000 while VFRS negotiated price is CDN \$332,681. The TFS trucks are normally purchased with approximately \$30,000 worth of equipment but no on-board foam system like VFRS vehicles – for a net difference of approximately CDN \$70,000 less for VFRS vehicles. Our status as an Authorized Warranty Center for Spartan Motors, Smeal Fire Apparatus and Safetek Emergency Vehicles has enabled VFRS to consistently negotiate best price for our emergency response vehicles.

The Vaughan Fire and Rescue Service currently has purchased its last nine (9) apparatus from Smeal fire Apparatus (Safetek) with the same Spartan Advantage MFD chassis model, with the same Cummins diesel engine and Allison transmission etc. that Toronto and other York Region municipalities have purchased and we desire to purchase again.

Capital Project # 3137-0-04 – a replacement Triple Combination Pumper was ready for award in late 2004, when it was determined that consolidating the purchase to coincide with the pending 2005 Capital projects could achieve full advantage of a volume purchase as well as assurance that all of these vehicles would meet the latest NFPA 1901: Standard for Automotive Fire Apparatus, as well as the new CAN/ULC S515 Second Edition National Standard of Canada for Automobile Fire Fighting Apparatus.

The Purchasing Authorization Bid Limit Policy allows for sole sourcing of goods and services greater than \$100,000 without requiring public advertisement and subject to award by Council.

The purchase of these vehicles is within the budget-approved amounts of \$489,000 each for the Pumpers and \$721,000 for the aerial unit and funding is available. The Administrative Fee is in addition to the purchase amount and some equipment will be purchased and installed locally to complete the projects within the approved budget amounts.

Although there are other fire apparatus manufacturers, it is recommended to sole source the acquisition of these four fire apparatus from the same manufacturer of the last NINE (9) units purchased by the City of Vaughan. This will provide standardized chassis and fire-package components, servicing and parts inventory, and training/operator familiarity.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

The recent RFP process in Toronto and other York Region municipalities demonstrate that the recommended vendor, Smeal Fire Apparatus, through its local sales agent Safetek Emergency Vehicles Ltd., continues to provide a high quality product at the best price, and that award of this proposal will eliminate an extended bid-process that would unlikely produce better pricing, yet alone a standardized product from another vendor.

Attachments

1. Proposal Letter January 14, 2005 from Safetek Emergency Vehicles Ltd. (4 pages)

Report prepared by:

G.R. Senay
Deputy Fire Chief

Respectfully submitted,

John B. Sutton
Fire Chief



3233 CHARTWELL LANE
COQUITLAM, B.C. V3E 3N1
TEL: 1 866 723 3835
FAX: 604 942 1723
EMAIL: sales@safetekev.com
WEBSITE: www.safetekev.com

January 14, 2005

City Of Vaughan Fire & Rescue Department
2141 Major Mackenzie Drive
Annex Building
Vaughan, Ontario L6A 1T1

Attention: Deputy Chief Greg Senay

Reference: **New Apparatus Proposal Pricing**

Dear Deputy Chief Senay:

We are pleased to submit for your consideration our proposal pricing for supply and delivery of the new Smeal 2005 fire apparatus consisting of Three (3) Custom 6000 LPM Side Mount Pumpers and One (1) 17M 6000 LPM Aerial Ladder Quint that fully meet the VFRD specifications as the numerous previous built Smeal apparatus supplied and delivered by Safetek.

The apparatus proposed will meet the latest NFPA 1901-2004 Standard and the new ULC 515-2005 Standard and offer a number of safety and performance advantages as well as our competitive pricing structure based on our long established relationship with the VFRD.

The pricing proposed is as follows based in **USD** as requested utilizing Spartan Advantage MFD Custom Cab & Chassis's the same as the last 5 apparatus we have delivered to the VFRD.

2005 Smeal Custom 6000 LPM Triple Combination Pumpers **\$265,000.00** Ea.

2005 Smeal Custom 6000 LPM 17M Aerial Ladder Quint **\$420,000.00**

These prices are FOB City of Vaughan and the payment terms are that Chassis upon completion and balance upon delivery and inspection.

Page Two

We would also be pleased to provide you with a trade in allowance for your surplus apparatus if desired of \$15,000.00 for your Pierce Javelin Pumper.

The City of Vaughan Fire & Rescue Department has been a valued customer of both Safetek and Smeal for a number of years based we believe on our quality, service and parts support and finally competitive pricing.

As you know we have enjoyed a high majority of apparatus in the GTA with a number of sole/single source contracts both past and present with the cities in the York region and GTA as well as many other major Canadian cities such as Edmonton, Calgary and now London.

In addition we have been the selected vendor for the City of Toronto Fire Services for the past 5 years consisting of over 30 apparatus consisting of Pumpers and Aerials.

In addition we have established a mutually beneficial PPP with the VFRD for handling the Smeal, SVI and Spartan warranty service requirements in the GTA and this has in fact been a revenue source for the city as well.

The Single/Sole Source procurement process has become increasingly more popular for a number of reasons as I'm sure you are no doubt aware based on our previous business with the VFRD;

- Standardization of apparatus for training and maintenance
- Innovative and modern technology in design to enhance safety and performance
- Prompt after sales service and parts support and lower non warranty parts costs
- Single Source Warranty authorization for warranty claim reimbursement
- ULC Listed Aerial Device

I have enclosed under separate a number of reports and cost pricing documents by a number of other agencies who have both Single/Sole Source purchased as well as competitively Tendered or RFP comparisons for your information.

These clearly show the justification and confidence that these other cities as well as yours have determined in the past and that we clearly offer the best value and product as you can see from those examples of competitive bidding situations. You will note that we have been successful in over 90% of the tendered competitions.

We also currently enjoy over 85% of the Canadian aerial apparatus market and have recently received a number of multi-year single source contracts from Edmonton and Calgary.

Page Three

In addition, we have recently just delivered a new SVI Heavy Rescue and Hazmat to the City of London and will be shortly delivering a Technical Rescue vehicle that we were awarded based on a RFP proposal and we are in the final stages of negotiating a Single/Sole Source contract for upgrade and replacement of their Engine and Aerial fleet.

To provide you with an overview of our successes in the GTA and other major FD's in Canada

| | |
|---------------|--|
| Vaughan | 3 Pumpers 2001 (Single Sourced) 3 17M Quints 2001/2002 (Single Sourced) 1 32M Quint 2001 (Single Sourced) 1 Tanker 2004 (Single Sourced) |
| Markham | 2 32M Quints (Single Source Multi-Year Contract) 4 Pumpers 2004 (Single Source Multi-Year Contract) 1 Pumper 2005 (Single Source Multi-Year Contract) |
| Richmond Hill | 1 Pumper 1999 (Tendered) 2 17M Quints 2001 (Single Sourced) 1 32M Quint 2001 (Single Sourced) 1 17M Quint 2003 (RFP) |
| Ajax | 1 Pumper 2000 (Single Sourced) 1 23M Quint 2000 (Single Sourced) 1 Pumper 2004 (Single Sourced) 1 Pumper 2005 (To Be Single Sourced) 1 32M Quint 2005 (To Be Single Sourced) |
| Toronto | 20 Pumpers 2001-2004 Tendered 15 Aerials 2000-2005 Tendered |
| Mississauga | 4 Pumpers 2000 Single Sourced 1 30M Quint 2000 (Single Sourced) 1 32M Quint 2000 (Single Sourced) 1 17M Quint 2002 (Single Sourced) 2 Pumpers 2003 (Tendered/RFP) 1 32M Quint 2004 (Single Sourced) |
| Burlington | 1 17M Quint (RFP Only Bidder) 1 Pumper 2003 RFP 1 Rescue 2003 RFP 1 Tanker 2003 RFP 1 17M Quint 2003 (Single Sourced) 1 32M Quint 2004 (RFP Only Bidder) |
| Hamilton | 2 32M Quints 2002 RFP 1 Command 2003 Single Sourced |
| London | 1 Heavy Rescue RFP 1 HazMat RFP 1 Technical Rescue RFP |

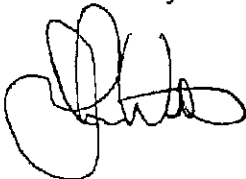
Page Four

| | |
|-------------------|--|
| Calgary | 1 30M ALPQ 2004 (Single Sourced) 1 32M Aerial 2004 (Single Sourced) 2 HazMats 2004 (Single Sourced) 2 Heavy Rescues 2005 (Single Sourced) |
| Edmonton | 3 30M ALPQ 2004 (Single Sourced) 5 Year Contract 2 Heavy Rescues 2004 RFP 5 Year Contract 1 Haz Mat 2004 RFP 1 Mobile Command 2004 RFP 5 Pumpers 2004 RFP 7 Year Contract 3 Pumper Tankers 2005 2 30M ALPQ 2005 1 Heavy Rescue 2005 |
| Fort MacMurray AB | 1 23M Aerial 2001 RFP 3 Pumpers 2003 (Single Sourced) 1 32M Aerial 2004 (Single Sourced) |
| Surrey BC | 3 23M Aerials 2002 RFP 1 23M Aerial (Single Sourced) |

As well Safetek currently enjoys the majority of purchases by the paid larger FD's in the Greater Vancouver area and the District of North Vancouver has just single sourced their 2nd 17M Quint and I've sent you a copy of the Council Report for Single Sourcing.

I hope the enclosed information is satisfactory and we look forward to being selected as your supplier again for your apparatus needs.

Sincerely



John R. Witt
President