



City of Richmond

Report to Committee

*to Community Safety, May 13, 2003*

To: Community Safety Committee

Date: May 5, 2003

From: Jim Hancock  
Fire Chief

File: 0650-01

Re: MOU FOR THE SUPPLY AND DELIVERY OF FIRE APPARATUS

Staff Recommendation

It is recommended that:

1. Richmond Fire-Rescue (RFR) exercise the option of obtaining the fourth fire apparatus as noted in Tender Contract T.5129.
2. A Memorandum of Understanding (MOU) be used to ensure the supply and delivery of one fire apparatus by Federal Signal Corporation in an amount not to exceed \$759,984.00, inclusive of applicable taxes.

Jim Hancock  
Fire Chief  
(tel: 303-2700)

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<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Budgets .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

## Staff Report

### Origin

In 2002, Council approved awarding a contract to Federal Signal Corporation for the supply and delivery of three identical fire apparatus.

Included in the 2003 budget is the replacement of one fire apparatus with a unit identical to those purchased in 2002. RFR's Apparatus and Equipment Team has developed specifications for multi-functional "rescue-pumper" apparatus, which function primarily as fire-fighting vehicles, while also being well suited to respond to the wide variety of calls for service received by the RFR.

As part of the 2002 tender submission, the bidders were requested to identify the costs if the City of Richmond were to consider the purchase one additional rescue-pumper in 2003. The low bidder meeting specification quoted a cost of \$663,741.00, exclusive of taxes.

The City wants to exercise the option of acquiring the fourth apparatus.

### Analysis

In March 2002, the City released a tender for the supply and delivery of three multi-functional "rescue-pumper" apparatus. In response to Tender T.1529, bids were received from Emergency Response Systems and Federal Signal Corporation. Based on a review of the evaluation criteria, Council approved awarding a contract to Federal Signal Corporation for the supply and delivery of three identical "rescue-pumper" apparatus.

City policy dictates that the acquisition of fire apparatus is through a tender called by invitation and/or public advertisement or by a request for proposal (RFP) in those situations where the specifications of a product or service cannot be specifically identified. However, according to Corporate Purchasing Policy, purchases may also be acquired through negotiation under certain conditions. More specifically, "*where at the discretion of the Department head, with the approval of the Chief Administrative Officer, it is deemed to be in the best interest of the municipality to negotiate with a single vendor*".

Federal Signal Corporation is the only manufacturer of fire apparatuses in North America **that can meet the City's specifications**. In this case, there is no advantage to issuing a tender or RFP. There is however, sufficient information available to confirm both a competitive price and adherence to specification, with Federal Signal Corporation, as a result of the City's RFP process for acquiring fire apparatus in 2002.

The recommendation in this report is in accordance with RFR's vehicle and equipment strategic plan that recommends the standardization of the fleet to the extent possible. In this way the objectives of lowering operating and training costs are also met.



**Financial Impact**

By exercising the option to acquire the fire apparatus from Federal Signal Corporation, the normal costs associated with issuing and administering a tender or RFP are avoided.

The price would not exceed \$759,984.00 inclusive of taxes as noted in the supplemental schedule of Tender Contract T.1529. There is sufficient funding in the Fire Vehicle Replacement Statutory Reserve to proceed with this acquisition.

**Conclusion**

Federal Signal Corporation is the only manufacturer that can supply and deliver the apparatus as specified. There is sufficient data available to ensure a competitive price though negotiation with a single vendor. A Memorandum of Understanding, (MOU), will be to ensure supply and delivery of the apparatus in 2003.

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