

SOLE SOURCE

20. **Authorize Sole Source Procurement to acquire Fire Apparatus, parts and repairs services for such apparatus, with Pierce Manufacturing, Inc., Appleton, Wisconsin and their sole representative Ten-8 Fire Equipment, Inc., Bradenton, Florida (Fire apparatus approved through the budget process).**

Pursuant to Seminole County Chapter 330.2, the Purchasing Committee met on March 27, 2006 to review and approve the request for standardization of Fire Apparatus based on the following findings:

The Purchasing and Contracts Division publicly advertised a Request for Information for Fire Apparatus (RFI-8002-03/BJC). The purpose was to obtain technical information regarding fire apparatus and availability in the marketplace with an attempt to standardize the Seminole County Fire Apparatus to a selected Manufacturer/Contractor. The intent of the specifications was to allow the unit's manufacturer the flexibility to implement best practices to the maximum extent possible while still providing product which meets the County performance needs.

The County received one (1) submittal in response to the solicitation, Pierce Manufacturing, Inc, Appleton, Wisconsin. An evaluation of the proposal was based on the following:

1. Pierce Manufacturing, Inc. is one of the largest manufacturers of fire apparatus in the United States.
2. Pierce Manufacturing, Inc. is a subsidiary of Osh Kosh Truck Corporation, one of the largest specialized vehicle and heavy-truck manufacturers in the world. Both of these companies have been in business for over 85 years in the fire service industry and has a solid financial stability.
3. Public Safety has acquired multiple Pierce Manufacturing fire engines since 1999 and has extensive experience related to training and operational knowledge about the equipments. Presently 100% of the County primary fire engines fleet (14 engines) is manufactured by Pierce.
4. **Replacement parts** – Fire truck manufacturers are individually unique in their construction processes. Standardizing to one manufacturer will reduce the need to maintain a large inventory for common replacement items. This is beneficial in reducing onsite inventories of parts and the close proximity of the Pierce service center where many common parts are warehoused.

5. Pierce has a policy whereby critical parts not locally available can be obtained from the manufacturer on a priority basis. This reduces the down time for apparatus, thus maintaining our response readiness status.
6. **Trade in values** – The trade in value of our apparatus would be significant. The end-stage value (residual value) of apparatus made by Pierce Manufacturing is much higher than apparatus made by any other manufacturer, according to current comparisons obtained in trade journals advertising and the sale of used fire apparatus.
7. **One source for warranty** – Pierce has a local dealership in Sanford with their main dealership in Bradenton Florida. With the many different warranted components that make up the County apparatus, having one source makes warranty repairs much easier to accomplish; thus less man hours are spent in scheduling and transporting our apparatus for warranty issues.
8. **Technician advantages** – Training firefighters to operate apparatus from one manufacturer will standardize the County training regarding apparatus operations. This action can reduce the man hours involved in training.

In addition to the approval of the Standardization of Fire Apparatus, it is required to submit for approval a Sole Source request because the submittal addressed the issue that Pierce Manufacturing, Inc is represented in the State of Florida by Ten-8 Fire Equipment, Inc., which is headquartered in Bradenton, Florida. The standardization was approved for a period of six (6) years and the Purchasing and Contracts Division will coordinate the review of this standardization and sole source every two (2) years to ensure that the information in this memo is current and the justification provided continues to support the standardization decision. The acquisition of equipment will be based on approved annual budget.

Public Safety Department and Fiscal Services/Purchasing and Contracts Division recommend the Board to approve the Sole Source Procurement and authorize the issuance of Purchase Orders to acquire fire apparatus, parts and repair services as indicated.

RFI-8002-06/BJC FIRE APPARATUS STANDARDIZATION LETTER OF SUPPORT/JUSTIFICATION

Seminole County Fire Department has been a user of fire apparatus exclusively built by Pierce Manufacturing, Inc. for the past five years. These purchases have been made by accessing contracts that are already in place with other municipalities in the State of Florida. At this time, Seminole County is seeking to standardize its fleet with one manufacturer and the following information is offered to support justification of standardizing with Pierce Manufacturing, Inc.

Pierce Manufacturing, Inc. is located in Appleton, Wisconsin and is the largest manufacturer of fire apparatus in the United States, offering an extensive and complete line of fire apparatus. Pierce Manufacturing, Inc. is a subsidiary of Osh Kosh Truck Corporation, one of the largest specialized vehicle and heavy-truck manufacturers in the world. From a financial standpoint, this would provide Seminole County and its employees a high level of protection and security in the areas of engineering, new product development, product liability and insurance protection, and product support. Both of these companies have been in business for over 85 years with a long-term commitment in the fire service industry and great financial stability.

Pierce Manufacturing, Inc. is represented in the State of Florida by Ten-8 Fire Equipment, Inc., which is headquartered in Bradenton, Florida. Ten-8 Fire Equipment also owns and operates a Pierce factory-authorized service and warranty center in Sanford, Florida. The Ten-8 Sanford service center is a fully staffed facility and is capable of complete service, repair, and maintenance. This facility is currently supporting and assisting Seminole County's service provider with parts, support, and technical information.

Direct and indirect cost savings as defined in the following paragraphs are summarized in the areas of fleet uniformity, close proximity of factory-authorized warranty and service center, maintenance and operational benefits due to commonality of apparatus, and benefits due to decreased cost of ownership as related to service and repair, and better life-cycle value as a result of end-stage value of used apparatus.

Service and Repair

Logistically, this is a tremendous benefit to Seminole County in the areas of parts availability and transportation of apparatus for service and warranty administration. This translates into large savings in respect to direct and indirect labor costs. It also keeps Seminole County employees operating within the County, even while out of service.

Commonality of components is of direct and indirect benefit as well. Reduced inventory for common replacement items is beneficial to the County's service provider and the close proximity of the Pierce service center further reduces this inventory requirement. In addition, it is technically advantageous to service and maintain a consistent fleet, rather than a mixed fleet, of apparatus. Fire truck manufacturers are individually unique in their construction processes, technical support systems, and service.

Operations

From a fire department operations standpoint, it is beneficial and quite necessary to move personnel to different stations of operations. This is due to many factors including vacations, PTO, training, changes in coverage area during heavy response times, training, etc. As such, it is of operational benefit to have consistency in the design and manufacture of its apparatus. Consistency in the areas of training and redundancy of design yield an increase in operational readiness regardless of the station of operation. The very nature of fire department operations requires adaptability, fluidity, and responsiveness in periods of rapidly changing environments. Commonality and consistency of apparatus would control one of the potential variables that could affect response readiness.

Cost of Ownership

Seminole County will benefit by standardizing on fire apparatus made by Pierce Manufacturing in three areas in relation to cost of ownership: reduced initial purchase price, reduced repair and maintenance costs, and end-stage apparatus value.

In the open competitive bidding environment, profit percentages will generally range about 8%. In an environment where the bidding process is not utilized, either by accessing existing contracts or by negotiating pricing based upon standardization, the profit percentage will be at 5 to 6%. These savings directly impact Seminole County by standardizing the fleet with Pierce Manufacturing.

Pierce Manufacturing is recognized as the industry leader of high quality fire apparatus. As related to apparatus made by other manufacturers, the cost of ownership of Pierce apparatus is less due to reduced failure of components and a reduction of apparatus down time. Direct cost information may be obtained by your own service provider and further substantiated by fleet maintenance and repair information available from other municipalities such as the City of Jacksonville, Miami-Dade Fire Rescue, the City of Tampa, and others.

In addition, the end-stage value (residual value) of apparatus made by Pierce Manufacturing is much higher than apparatus made by any other manufacturer. A spreadsheet is included under Tab 2 of Part I of the RFI package which illustrates the retail value of Pierce apparatus as compared to other brands.

Conclusion

Seminole County Fire Department, and the people they serve, would benefit greatly by standardizing its fleet with fire apparatus made by Pierce Manufacturing, Inc.

DEPARTMENT OF FISCAL SERVICES

PURCHASING AND CONTRACTS DIVISION



MEMORANDUM

March 28, 2006

TO: Don Fisher, Acting County Manager
FROM: Ray Hooper, CPCM, Purchasing and Contracts Manager
SUBJECT: Standardization of Fire Apparatus

Pursuant to Seminole County Chapter 330.2, the Purchasing Committee met on March 27, 2006 to review and approve the request for standardization of Fire Apparatus based on the following findings:

The Purchasing and Contracts Division publicly advertised a Request for Information for Fire Apparatus (RFI-8002-03/BJC). The purpose was to obtain technical information regarding fire apparatus and availability in the marketplace with an attempt to standardize the Seminole County Fire Apparatus to a selected Manufacturer/Contractor. The intent of the specifications was to allow the unit's manufacturer the flexibility to implement best practices to the maximum extent possible while still providing product which meets the County performance needs.

The County received one (1) submittal in response to the solicitation, Pierce Manufacturing, Inc, Appleton, Wisconsin. The valuation of the proposal was based on the following:

1. Pierce Manufacturing, Inc. is one of the largest manufacturers of fire apparatus in the United States.
2. Pierce Manufacturing, Inc. is a subsidiary of Osh Kosh Truck Corporation, one of the largest specialized vehicle and heavy-truck manufacturers in the world. Both of these companies have been in business for over 85 years in the fire service industry and has a solid financial stability.
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5. Pierce has a policy whereby critical parts not locally available can be obtained from the manufacturer on a priority basis. This reduces the down time for apparatus, thus maintaining our response readiness status.
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8. **Technician advantages** – Training firefighters to operate apparatus from one manufacturer will standardize the County training regarding apparatus operations. This action can reduce the man hours involved in training.

The Standardization Committee and the Purchasing and Contracts Division are requesting the approval of Fire Apparatus for a period of six (6) years from the date of acceptance.

In addition to the approval of the Standardization of Fire Apparatus, it is required to submit for approval a Sole Source request because the submittal addressed the issue that Pierce Manufacturing, Inc is represented in the State of Florida by Ten-8 Fire Equipment, Inc., which is headquartered in Bradenton, Florida. This action requires the approval of the Board of County Commissioners and this item will be presented at their regular Board meeting scheduled for April 11, 2006.

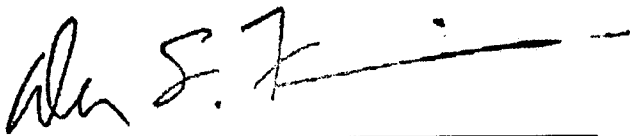
The Purchasing and Contracts Division will coordinate the review of this standardization and sole source every two (2) years to ensure that the information in this memo is current and the justification provided continues to support the standardization decision. The acquisition of equipment will be based on approved budget.



Approve



Disapprove



Don Fisher
Acting County Manager

3/29/06

Date