



Meeting Date: 12 /15 /09

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Brad Windsor, Assistant Fire Chief *BW* Agenda Item No. I-7

Reviewed By: City Manager *MMML* City Attorney *[Signature]* Finance *[Signature]* Police Chief

**DATE:** December 3, 2009

**TO:** City Council

**FROM:** W.J. Milligan, Fire Chief *W.J. Milligan*  
Fire Department

**SUBJECT:** Purchase Order with Pierce Manufacturing, Inc.

**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute a purchase order with Pierce Manufacturing, Inc. in the amount of \$1,028,201 for the purchase of two fire engines.

**DISCUSSION**

The City Council approved a Master Equipment Lease Purchase Agreement (A-7211) on September 9, 2009. Included in the lease purchase was funding for two fire engines. These two fire engines will replace engines that have 152,000 miles and are overdue for replacement.

**FINANCIAL IMPACT**

Funds were appropriated for this purpose at the time the lease purchase agreement was approved by City Council.

Attachment #1 - Purchase Order



**PURCHASE ORDER**  
 CITY OF OXNARD  
 300 WEST 3RD STREET  
 OXNARD, CA 93030

**PURCHASE  
 ORDER NO.  
 003497**

DATE: 11/23/2009

**VENDOR #:** 7394  
**VENDOR ADDRESS:** PIERCE MANUFACTURING INC.  
 P.O. BOX 2017  
 APPLETON, WI 54912-2017

**SHIP TO:** FIRE DEPT  
 251 SOUTH C ST, 2ND FL  
 OXNARD, CA 12345

*Our P.O. # MUST Appear on ALL Invoices, Packages and Correspondence*

<b>DELIVER BY</b>		<b>REQUISITION #</b>	<b>REQUISITION DATE</b>	<b>CONFIRMED BY</b>	
06/30/2010		0000000270	11/20/2009		
<b>FOB</b>		<b>ACCOUNT NUMBER</b>		<b>AUTHORIZED BY</b>	
		30122608268606 - 042201		HEATHER MOONEY	
<b>ITEM #</b>	<b>QUANTITY/ UNIT</b>	<b>DESCRIPTION ARTICLE OR SERVICE</b>		<b>UNIT COST</b>	<b>EXTENDED COST</b>

1      2.00 / EA    PIERCE ARROW XT ENGINE      472,736.00    945,472.00

PIERCE ARROW XT ENGINE PER PROPOSAL BY CARY ECKARD  
 PRICE IS FOR TWO ENGINES. SAID APPARATUS AND  
 EQUIPMENT ARE TO BE BUILT AND SHIPPED IN  
 ACCORDANCE WITH THE SPECIFICATIONS PROVIDED ON  
 NOVEMBER 2,2009. DELIVERY WITHIN APPROXIMATELY 6  
 TO 7 MONTHS FROM RECEIPT OF ORDER. SPECIFICATIONS  
 SHALL FORM A PART OF THE FINAL CONTRACT AND ARE  
 SUBJECT TO CHANGES DESIRED BY THE CITY OF OXNARD.  
 VENDOR IS SUBJECT TO ALL SPECIFICATIONS,  
 INSTALLATIONS REQUIREMENTS, WARRANTIES AND OTHER  
 VENDOR OBLIGATIONS IMPOSED BY PIERCE PROPOSAL  
 ATTACHED HEREIN AND REFERENCED AS EXHIBIT A AND  
 THE CITY OF OXNARD TERMS AND CONDITIONS ATTACHED  
 HEREIN AND REFERENCED AS EXHIBIT B.

2      1.00 / DL    SALES TAX @ 8.75%      82,729.000    82,729.00

**TOTAL PURCHASE AMOUNT      \$1,028,201.00**



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CITY OF OXNARD  
300 WEST 3RD STREET  
OXNARD, CA 93030

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Send Original and One Copy of Invoice to:  
**PURCHASING**  
300 W. THIRD ST, #202  
OXNARD, CA 93030

AUTHORIZED SIGNATURE \_\_\_\_\_  
City of Oxnard                      Dr. Thomas E. Holden, Mayor



November 2, 2009

Joe Milligan, Fire Chief  
 Oxnard Fire Department  
 251 South "C" Street  
 Oxnard, California 93030

Dear Chief Milligan:

I am enclosing our proposal for your two new engines with this cover letter. Based on the input from Chief Donabedian and the committee, we have selected the *Arrow XT* chassis as before and have configured the units to match your existing engines with some modifications identified by your personnel. Some of the significant features you'll find include:

- ✓ 470 horsepower Detroit Series 60 motor (EPA 2007 compliant) with an Allison EVS 4000 transmission.
- ✓ Waterous two-stage 1500 gpm pump.
- ✓ Independent front suspension that improves the ride and handling, reduces maintenance costs, and extends the life expectancy of the cab and its components.
- ✓ Stainless steel plumbing that includes a ten-year warranty.
- ✓ Ten-year warranty on paint.
- ✓ Seating for five and a very large crew area with plenty of headroom.
- ✓ A Husky 12 foam system with refill pump.

The cost of the unit described in this proposal is dependent on how the City may choose to purchase it. As in the case of your previous purchases, Pierce Manufacturing, Inc., deducts certain prepayment credits from the final invoice, depending on the selected purchasing option. Please review the information and figures below.

Option #1 (Purchase)

This amount would be due when the apparatus is completed at Pierce and ready for pick up. The cost per unit includes the apparatus and an extensive inventory of required equipment for fire suppression and emergency incident mitigation. Payment would be made directly to Pierce Manufacturing, Inc., in Appleton, WI.

	<i>Price</i>	<i>Sales Tax</i>	<i>Total</i>
Two (2) <i>Arrow XT</i> engines	\$ 945,472	\$ 82,729	\$ 1,028,200

Option #2 (Purchase w/chassis prepayment)

Should the department elect to pay **\$524,936** for the two chassis within 60 days of issuing a signed contract or a purchase order, the contract cost of the units is reduced **\$15,748**. The effect of this discount changes the net unit costs to the following:

	<i>Price</i>	<i>Sales Tax</i>	<i>Total</i>
Two (2) <i>Arrow XT</i> engines	\$ 926,076	\$ 81,032	\$ 1,007,107

Pierce Manufacturing, Inc., will carry adequate insurance on the chassis while it is in its possession and until delivery and acceptance by the City of Oxnard.

Option #3 (Purchase w/100% prepayment)

If, instead, the department chooses to pay the entire amount within 60 days of issuing a signed contract or the purchase order, the contract cost of the two units would be reduced by **\$29,846**. This would reduce the subsequent total cost to the following:

	<i>Price</i>	<i>Sales Tax</i>	<i>Total</i>
Two (2) Arrow XT engines	\$ 909,277	\$ 79,562	\$ 988,839

The specific payment terms would depend on which purchase option was chosen. We can provide more specific information should you need it. I would also like to add that, in the case of chassis prepayment, Pierce Manufacturing carries more than adequate insurance on the chassis and/or the entire unit while it is in their hands.

Sales tax is computed at a rate of 8.75%.

If the City approves the purchase of the unit, a purchase order can be issued to:

Pierce Manufacturing, Incorporated  
P. O. Box 2017  
Appleton, WI 54912-2017

If lease/purchase is a possible consideration, Pierce can utilize Oshkosh Capital as a source. I can call for a quote anytime. If selected, they would base their terms on the price shown in Option #3, since they fund the entire amount upfront. Also, payment is one year in arrears which means the first payment would not be due until one year after the agreement is signed, thus placing it in a successive budget year.

If for any reason the City requires a performance bond, I must add the cost at a rate of approximately \$6 per \$1,000 of purchase amount. Although rates have increased significantly recently, Pierce's rate remains the lowest in the industry.

A "Turning Performance Analysis" and an "Electrical Analysis Report" are included for your review along with a preliminary drawing. You will also find a component list that offers a quick way to evaluate options.

I appreciate the opportunity to submit this information, and look forward to going over any questions you might have. I have also enjoyed meeting with your apparatus committee members. They are very knowledgeable about apparatus and specifications and a pleasure to work with. Let me know if there's anything else I can help with and feel free to give me a call. My cell number is (661) 342-1670 and thanks again.

Sincerely,

Cary Eckard  
South Coast Fire Equipment  
(661) 342-1670

PURCHASE ORDERS  
TERMS AND CONDITIONS

The City Purchasing Officer and the Vendor agree as follows:

1. Vendor shall furnish to City the labor, materials, equipment, supplies and/or services described in the Purchase Order on the reverse side hereof.
2. City shall pay to Vendor the price, or prices, specified in the Purchase Order upon delivery of the labor, materials, equipment, supplies and/or services, and acceptance thereof by the City Purchasing Officer, or upon the completion of the services to be performed and acceptance thereof.
3. If the Purchase Order is continuing in nature, City shall pay to Vendor the amount due Vendor for labor, materials, equipment or supplies furnished, or services completed and accepted.
4. Vendor shall deliver the labor, materials, equipment or supplies, or cause the services to be performed, within the time and in the manner specified in the Purchase Order. Vendor shall be excused in performance for delays resulting from causes beyond the control of Vendor.
5. If services are performed or labor furnished to City under the Purchase Order, Vendor agrees to indemnify, hold harmless and defend City, its City Council, and each member thereof, and every officer, employee, representative or agent of City, from any and all liability claims, demands, actions, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any acts or omissions related to this Agreement performed by Vendor or its agents, employees, subcontractors, consultants and other persons acting on Vendor's behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, willfulness or acts for which Vendor or its agents, employees, subcontractors, consultants and other persons acting on Vendor's behalf would be held strictly liable. Vendor's obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Vendor is obligated to indemnify and hold harmless.
6. Insurance
  - a) Vendor shall obtain and maintain during the performance of any services under this Agreement the following insurance coverage issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Vendor obtain and maintain such insurance coverage.
    - i. Commercial general liability insurance, including a contractual liability endorsement, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability coverage (Occurrence Form CG0001ED, November 1988);
    - ii. Business automobile liability insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Auto Liability Insurance Services Office coverage (Occurrence Form CA000TED, June 1992) covering Code No. 1, "any auto";
    - iii. Workers' compensation insurance in compliance with the laws of the State of California, including employer's liability insurance in an amount not less than \$1,000,000 per claimant.
7. Vendor, in the performance of any services or the furnishing of any labor under this Purchase Order, shall be considered an independent contractor, and Vendor and Vendor's agents and employees shall not be considered officers or employees of the City.
8. Vendor, without the written consent of the City Purchasing Officer, shall not:
  - a) Assign the Purchase Order, or any interest therein, or any money due thereunder; or
  - b) Make any changes, alterations or variations in the terms of the Purchase Order.
9. The cost of inspection on deliveries, or offers to make deliveries that do not meet specifications, will be paid by Vendor or deducted by City from amounts due Vendor.
10. Vendor shall indemnify and hold harmless City, its officers and employees, from liability, claims, loss or expense of any kind or nature on account of any copyrighted or uncopyrighted composition, patented or unpatented process or invention, article or appliance furnished or used under this Purchase Order.
11. Vendor shall comply with all applicable federal, state and local ordinance, laws and regulations and shall obtain and pay for all required licenses and permits, including a City of Oxnard business license.
12. Return or exchange of materials, equipment or supplies will not be permitted without written approval by the City Purchasing Officer.
13. All materials, supplies and equipment furnished under the Purchase Order shall, where applicable, be in full compliance with the Safety Orders and Regulations of the Division of Industrial Safety of the State of California and the Williams-Steiger Federal Occupational Health and Safety Act of 1970.
14. City may terminate this Purchase Order at any time by giving written notice of termination to Vendor. If termination is for cause, termination shall become effective on the date of the notice or at a later date, specified in the notice. If termination is without cause, termination shall become effective five days after the date of the notice or at a later date specified in the notice.
15. Vendor shall comply with all applicable equal employment opportunity requirements of the California Department of Fair Employment and Housing in performing or contracting for any services under this Purchase Order.
16. For public projects, Vendor shall pay prevailing wages in accordance with Labor Code Sections 1720 et seq.

## ADDITIONAL REQUIREMENTS FOR GRANT-FUNDED PROJECTS

17. The following requirements apply to any Purchase Order funded in whole or in part by federal grant funds.
  - a) Upon expiration of the time specified on the reverse side, this Purchase Order shall terminate unless City and Vendor have mutually agreed in writing to an extension of time.
  - b) If legal action is brought by either party because the other has failed to comply with terms or conditions of this Purchase Order, the prevailing party shall be awarded its attorney's fees and costs in addition to its damages and/or equitable relief.
  - c) Vendor shall comply with all applicable requirements of Executive Order 11246 as amended by Executive Order 11375 and the regulations adopted pursuant thereto (41 CFR Chapter 60), which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin.
  - d) Vendor shall insure that the grantee (City), the Federal Grantor Agency, the Comptroller General of the United States, or any duly authorized representative, shall be access to any books, records, documents and papers, specifically relating to this Purchase Order, for the purpose of making audit, examination, excerpts and transcriptions for not less than three years after completion of the project and/or until the completion of the final project audit as required by the Federal Grants Agency.