

CITY OF APPLETON

FIRE DEPARTMENT



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MEMORANDUM

April 06, 2022

To: Katie Van Zeeland, Chair – Safety & Licensing Committee and Common Council

From: Jeremy Hansen, Fire Chief

Cc: Ryan Weyers, Deputy Fire Chief

Re: Request to Purchase Fire Truck via Sole Source

The Appleton Fire Department (AFD) is requesting to purchase a PUC Engine prior to May 1, 2022 to avoid a 7% price increase and any subsequent inflationary price increases that may occur later this year. Lead time for receiving a fire truck after it is ordered has increased from 17 to about 23 months. Here is a quick cost breakdown:

Purchase Date	Price	Savings before May 1 st
Prior to May 1, 2022	\$790,800	\$55,200
After May 1, 2022	\$846,000	

Under this scenario, no payment would be required until delivery. However, prepayment discounts are available based on interest rates. The estimated prepayment saving is:

Purchase Date	Price	Savings before May 1 st	Prepayment Savings	Total Savings
Prior to May 1, 2022	\$790,800	\$55,200	\$35,000	\$90,200
After May 1, 2022	\$846,000		\$38,000	\$38,000

Historically, the city has exercised the prepayment option. I have no doubt this option will exist in the future. Which brings the known savings to \$ 55,200 if we purchase the vehicle prior to May 1, 2022. What we don't know is if there will be additional price increases between May 1st and the end of the year.

The AFD has purchased identical PUC Engine in 2017 and 2019. This would be the third nearly identical vehicle purchased. The department has identified that standardizing our fleet will improve efficiencies and safety by providing consistency from one truck to the next for personnel moving from one station to another. Efficiencies will also be gained relating to maintenance of the vehicles. By ordering the same PUC Engine, the department will save significant staff time by eliminating the need to develop specifications for each truck. The department will also save significant staff time training on the new truck prior to putting it in service.

The AFD has a long-standing relationship with Pierce Manufacturing and has seen the innovation, cooperation, improved pricing, as well as their commitment and direct involvement in the growth of our city. When the department has encountered issues with our vehicles, Pierce Manufacturing has been extremely responsive to our needs.

Plans are currently underway to proceed with the order prior to May 1, 2022 to avoid the 7% price increase. Therefore, the AFD requests the approval to order and prepay the PUC Engine via sole source with Fire Apparatus & Equipment, Pierce Manufacturing.

If you have any questions or concerns, please do not hesitate to contact me at (920) 832-5810. Thank you for your consideration.

