

# CITY OF APPLETON

## FIRE DEPARTMENT



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## MEMORANDUM

May 25, 2023

To: CEA Review Committee, Finance Committee, 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 Pump Ultimate Configuration (PUC) Engine before July 15, 2023, to avoid any subsequent inflationary price increases that may occur later this year. For reference, the AFD purchased our last engine in April of 2022. Since then, there was a 7% increase on May 1, 2022, a 13.5% increase on September 30, 2022, on the Cummins power unit (engine), a 6.5% increase on November 1, 2023, a 1.65% increase on February 1, 2023, and a 1.25% increase on May 1, 2023.

The engine to be replaced is currently on the CEA replacement schedule to be purchased in January 2024. Due to supply chain delays and labor shortages, the anticipated delivery will be 38-41 months after a purchase order is issued. This represents a lead-time increase of 15-18 months since last April. The increased delay in delivery further emphasizes the need to get into the build queue earlier.

In late February, Cummins notified us that due to extended delivery times, new fire trucks would need to start including projected pricing for 2027 EPA emissions since the change is coming in 2026. The price increase for the new 2027 EPA compliant engines added about \$110,000 to the vehicle cost. The attached quote includes a 2027 EPA emissions compliant engine and a contingency charge of \$20,000. Manufacturers have not installed a 2027 engine yet and not yet sure if it will require modifications to the chassis/engine package. If the contingency charge is not needed it will be taken off the final price.

No payment is required until delivery, which would likely be late 2026 or early 2027.

The AFD has explored an option to pre-pay the entire vehicle cost with the hope of realizing some early payment savings, as we did with the purchase in April 2022. Pre-payment of the vehicle would amount to a \$70,365 savings. It is the Finance Director's recommendation that we do not pre-pay for the entire vehicle. The interest paid on capital borrowing would exceed the savings over the next 38-41 months.

The AFD has purchased identical PUC Engines in 2017, 2019, and 2022. This would be the fourth 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 to avoid any subsequent inflationary price increases prior to January 2024. Therefore, the AFD requests the approval to order 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.

