

PUBLIC SAFETY COMMITTEE

12-0290R

RESOLUTION AUTHORIZING THE TAX-EXEMPT PURCHASE AND DELIVERY OF A FIRE TRUCK WITH AERIAL APPARATUS FROM KOVATCH MOBILE EQUIPMENT CORP. FOR A TOTAL AMOUNT OF \$907,944.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to contract with Kovatch Mobile Equipment Corp. for the tax-exempt purchase and delivery of a fire truck with aerial apparatus in accordance with city-approved specifications and the vendor's bid of \$907,944, payable as follows:

- (a) \$370,000, from Capital Equipment Fund 250, Dept./Agency 015 (Administrative Services), Div. 2011 (Fiscal Year), Object 5580 (Capital Equipment), Project No. CE250-V1101;
- (b) \$480,000, from Special Projects Fund 210, Dept./Agency 030 (Finance), Div. 3169 (FEMA Assistance to Firefighters), Object 5580 (Capital Equipment);
- (c) \$57,944, from Capital Equipment Fund 250, Dept./Agency 015 (Administrative Services), Div. 2012 (Fiscal Year), Object 5580 (Capital Equipment). Project No. CE2501-V1201.

Approved:



Department Director
Purchasing Agent 

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIRE/PRCH DS:1e 06/05/2012

STATEMENT OF PURPOSE: This resolution awards a contract to Kovatch Mobile Equipment Corp. for the tax-exempt purchase of a fire truck with aerial apparatus for \$907,944.00, payable from the capital equipment and special projects funds. This purchase is based on a grant of \$480,000.

The purchasing division posted a request for bids April 9, 2012, on the city's website, and sent requests via email to approximately ten vendors. The purchasing staff received two complete bids by the May 15, 2012, closing date and transferred bid responses to the fire department for expert review and evaluation.

The fire department committee of experts determined that even though Custom Fire/Smeal had the lowest bid, they did not meet all the specifications as required. Great Plains Fire/Kovatch provided the best value in terms of function for the Duluth fire department. Their written evaluation is outlined in Public Document No. _____ on file in the office of the city clerk.

FIRE TRUCK WITH AERIAL APPARATUS BID TABULATION Bid No. 12-0241 Bid Opening May 15, 2012		
Vendor	City/State	\$ Base Bid
Great Plains Fire/ Kovatch Mobile Equipment Corp.	Fergus Falls, MN Nesquehoning, PA	\$907,944
Custom Fire Apparatus, Inc./ Smeal Fire Apparatus Company	Osceola, WI Snyder, NE	\$872,025

Requisition No. 12-0241



City of Duluth Fire Department
602 W. 2nd St. - Duluth, MN 55802 - 218-730-4390

Date: May 22, 2012
To: Dennis Sears, Purchasing Agent
From: Bryan Bushey, Deputy Fire Chief
Subject: Bid Award – 12-0241, Aerial Fire Apparatus

Dennis,

On May, 21, 2012, our rig purchasing committee got together to review the 2 bids we received for this apparatus. The committee consists of myself, Carmine Langlois, and Bill Chopskie. It is our collective recommendation that we accept the bid from KME apparatus. While Custom Fire/Smeal was the low bidder, their bid does not meet minimum specifications in at least one category. In addition, we have several significant concerns regarding the apparatus they propose to build for us.

First, I would like to express my disappointment that we did not receive more bids. We felt there were 8 vendors who should be able to bring forward a competitive bid. We were very surprised we did not receive at least 4 bids based on pre-bid contacts with vendors. As you know, and as we discussed at our pre-bid, it was not our intent to exclude vendors from the process based on anything proprietary in the bid specification. The specification was developed to provide us with a functional piece of equipment.

It is disappointing that we cannot recommend the purchase from the lower priced Smeal Fire Apparatus. Smeal was represented in this process by their body builder Custom Fire Apparatus. As you know, we have purchased our last 3 pieces of fire equipment from Custom Fire. They have been a good vendor for us and supplied a good product. Today, we feel the proposal by the higher bidder KME, provides a much better value in terms of function for the City of Duluth Fire Department.

Minimum Specifications

1. Section 53.1 – Water Tank “The water tank shall have a capacity of 500 U.S. gallons”

The bid proposal received from KME meets this requirement. The one from Smeal/Custom does not. Smeal’s bid only provides us with a 450 gallon water tank. When we contacted their representative on the morning of 5-21-12, we were told they were unable to configure their tank for 500 gallons.

It would be difficult to reject the low bid over 50 gallons of water. There are many additional concerns.

These concerns are exacerbated by an email received this afternoon where Smeal/Custom is attempting still to reconfigure and find space for the water. It appears from the email string they may have to add weight to the rig and possibly remove one of the aerial access set of steps to give us the water. Making these types of changes “on the fly” on an almost one million dollar complex purchase is extremely concerning to us.

Conclusion: The bid submitted by Smeal/Custom does not meet minimum specifications as presented.

2. Rope Rescue Anchor/ Receiver Hitch – Section 58.33 requires 2 rope rescue anchors on each side of the apparatus. On their provided list of exceptions, Custom/Smeal states that they will provide only one anchor on each side, not two. KME’s proposal provides the required 2 anchors.

Conclusion: Smeal/Custom does not meet minimum bid specifications.

While these are the only absolute failure to meet minimums, there are several additional concerns that clearly tip the balance toward KME.

Additional Considerations

1. Compartment Space – Section 57.0 Apparatus Body and Configuration states in part: “the design of the apparatus body shall provide for maximum compartments ahead of, above, and back of the tandem rear wheel well housing, driver’s side and passenger’s side of vehicle”

Calculations provide by each bidder show a **significant difference** in usable side compartment space. Since this rig is designed to act as both a fire engine, and an aerial device, compartment space is extremely important.

KME Side Space: 310 cubic feet

Smeal/ Custom Side Space: 160 cubic feet

Conclusion: The storage space provided by the apparatus design proposal of KME almost double the space available on the Smeal/Custom proposal. KME clearly better meets the needs of our department in terms of available space on this critical piece of fire apparatus.

2. Speed lays vs. Crosslays – Section 48.10 Speedlays “preferred”. The proposal provided by KME provides speedlays for our pre-connected hoses. The proposal submitted by Smeal/Custom does not. Operationally, we feel speedlays are safer and easier to use for our firefighters at the scene of an emergency.

Conclusion: KME’s proposal provides the documented preferred method for storage of pre-connected hose lines. The Smeal/Custom proposal does not.

3. Design – Section 5.0 states in part: “Note: Designs that incorporate single source construction may receive priority consideration. While not meant to eliminate bidders, this sentence

expresses our concerns over selecting a rig that is put together from multiple different source manufacturers. The rig we are replacing was put together from multiple vendors much like this one and has been a repair nightmare. To be clear, we have purchased pumpers from Custom Fire where they purchase a chassis and build a rig for us around it. This is a commonly accepted practice for pumpers. For the Smeal/Custom bid, there would be 3 different manufacturer's associated with the completed rig. There is one for the chassis, one for the aerial configuration, and a third for the body. We feel this increases the chance of problems and/or design issues that result from unintended consequences of our bid parameters.

Conclusion: KME is a single source manufacturer and we stated in our bid specification that this may receive priority consideration. In light of the other issues we are analyzing, we believe we should exercise such consideration and award the bid to KME.

4. Intake Relief Valve – Section 46.6 specifies a Waterous pilot valve. Smeal/Custom proposes using an Elkhart. The committee feels this is an inferior product.
5. Chassis Modifications – In its list of exceptions, Smeal/Custom Fire describes significant modifications to the cab interior to get in the Engine we specified. It appears these modifications will impact the room in the cab and layout we ways we cannot clearly ascertain.
6. Prepay – When we called Smeal/Custom Fire to inquire why no prepay deducts were included in their proposal, we were informed that **THEIR BASE BID PRICE ASSUMES A CHASSIS PREPAY**. We were told there may be an upcharge without a prepay.
7. The proposed Smeal/Custom rig is one foot longer than the proposed KME rig.

Note: Subsequent to completing this memo, we have received information from Custom that they can meet the 500 gallon water requirement. I am dis-inclined to accept this information for two reasons. First, they had their opportunity to meet minimum specifications in their initial proposal and told us they were unable to. Now, after opening, they want to redesign the rig. The second and more important reason (that actually reinforces accepting the KME proposal) is it is concerning when we are redesigning “on the fly” for a rig as sophisticated as this. We have a history of this causing significant issues during and post construction.

I will attach proposed accepted pricing on the next page.

KME Base Bid: \$907,944.00

Deduct: Driver Control Differential Lock: (\$1,440.00)
Arctic Package: (\$3180.00)
Electric Master Intakes: (\$1550.00)
Auto-Eject Outlets: (\$375.00)

**Chassis Prepay in September (\$5455.63)

** This would require a payment to KME of \$327,338.00 in September, 2012. I would expect this would be Your/Finance Director call.

Total Price with Chassis Prepay: \$895,943.37

Total Price with NO Chassis Prepay: 901,399.00