



Legislation Text

File #: 18-627, **Version:** 1

Report Prepared by: Janet German, Secretary III, Fire Dept.

SUBJECT: Acceptance of Refund of Residual Contingency Funds from Pierce Manufacturing Inc., in the Amount of \$27,294 from the 2017 Purchase of a Fire Engine and Tractor Drawn Aerial Tiller Truck and Approval of a Supplemental Appropriation of \$27,294 to the Equipment Operations and Maintenance Account

REPORT IN BRIEF

Accepts a refund in the amount of \$27,294 from Pierce Manufacturing Inc., for unspent residual contingency funds paid under the contracts for the 2017 purchase of a fire engine and Tractor Drawn Aerial Tiller Truck and considers appropriating the funds to the Equipment Operations and Maintenance Account for the purchase of accessory equipment.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting the refund and authorizing a \$27,294 revenue increase in account 001-0901-360.01-61 (Reimbursement Special Department Expense); and
- B. Appropriating \$27,294 in account 001-0901-522.26-00 (Other Equipment Operations and Maintenance); and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than as recommended by staff; or,
- 3. Deny; or,
- 4. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Article XI. Fiscal Administration. Section 1105. - Budget Appropriations.

CITY COUNCIL PRIORITIES

This action is consistent with the city's operating principal to promote Public Safety, as provided for in the 2018-19 Adopted Budget.

DISCUSSION**Background - History**

On June 5, 2017, City Council approved the acquisition of one:

- Pierce Quantum 107' Tractor Drawn Aerial aka Tiller Truck and equipment for \$1,660,937.85 with \$30,000 set aside for contingencies and
- Pierce Quantum Fire Engine and equipment for \$806,029.78 with \$10,000 set aside for contingencies.

Tiller Truck**OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING**

| # | Description | Each |
|---|--|---------------------|
| A | One (1) Pierce 107' Quantum Tractor Drawn Aerial | 1,360,965.22 |
| B | Discount for HGAC contract number FS12-15, TA10 | (64,495.00) |
| C | Fire Fighting Equipment Package | 258,000.00 |
| D | Three (3) Factory Inspection Trips (4 MFD representatives on pre-construction, 4 MFD representatives on midpoint inspection and 4 MFD representatives on final inspection) | 16,800.00 |
| E | Delivery / Dealer Preparation | 5,200.00 |
| F | Merced FD Pre-Construction Contingency Fund | 30,000.00 |
| G | DISCOUNT FOR FULL PAYMENT AT CONTRACT SIGNING | (76,265.71) |
| H | SUBTOTAL | 1,530,204.51 |
| I | State Sales Tax @ 7.75% | 118,590.85 |
| J | Performance Bond | 4,491.47 |
| K | TOTAL PURCHASE PRICE | 1,653,286.83 |

Fire Engine**OPTION A: 100% PRE-PAYMENT AT TIME OF CONTRACT SIGNING**

| # | Description | Each |
|---|---|-------------------|
| A | One (1) Pierce Quantum PUC Pumper | 660,938.38 |
| B | Discount for HGAC contract number FS12-15, TC07 | (38,004.00) |
| C | Fire Fighting Equipment Package | 134,571.00 |
| D | Two (2) Factory Inspection Trips (3 MFD representatives on midpoint inspection and 3 MFD representatives on final inspection) | 8,400.00 |
| E | Delivery / Dealer Preparation | 4,250.00 |
| F | Merced FD Pre-Construction Contingency Fund | 10,000.00 |
| G | DISCOUNT FOR FULL PAYMENT AT CONTRACT SIGNING | (37,693.83) |
| H | SUBTOTAL | 742,461.55 |
| I | State Sales Tax @ 8.25% | 61,253.08 |
| J | Performance Bond | 2,315.15 |
| K | TOTAL PURCHASE PRICE | 806,029.78 |

On June 20, 2017, the city issued a check in the amount of \$2,466,967.64 (including \$40,000 for contingencies) to Pierce Manufacturing for production of the tiller truck and fire engine and all related equipment.

On December 3, 2018, the city received its final accounting for all costs of manufacturing the tiller

truck and fire engine and all related equipment. The \$40,000 contingency cost was less than estimated, therefore, total final production cost was less than anticipated and a refund check in the amount of \$27,294.37 was issued to the city.

The fire department requests that the refunded amount of \$27,294 be recognized as revenue and a supplemental appropriation in the same amount to current fiscal year budget to allow for the purchase of accessory equipment necessary to place these two assets into operation.

IMPACT ON CITY RESOURCES

The \$27,294 appropriation will be fully offset by \$27,294 increase in revenues as a result of the refund.

ATTACHMENTS

None.