



City of Waukesha
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Committee: Finance	Date: 4/12/2022
Common Council Item Number: ID# 22-3874	Date: 4/19/2022
Submitted By: Steven Howard, Fire Chief SH	City Administrator Approval: Kevin Lahner KL
Finance Department Review: Denise Vandebush-Kohlmann DVK	City Attorney's Office Review: Brian Running BR
Subject: Review and approve the early purchase of a fire engine and advance payment of the purchase price of \$896,469 before April 30, 2022, to avoid a seven percent increase effective May 1, 2022, and due to a 22-month lead time for delivery. The fire engine is slated to be replaced as part of the 2023 CIP.	

Details:
 The Fire Department's five-year capital investment plan has included the purchase of a new fire engine in 2023. The Fire Department is requesting to execute the purchase of the fire engine to lock in the current price of \$896,469. Since our last quote was received as part of the 2022 CIP budget process, there have been three price increases. A fourth price increase will go into effect on May 1, 2022, with additional increases anticipated. Therefore, the Fire Department and City Administrator propose that the purchase be made by April 30, 2022.

Additionally, we're seeking approval to again use a pre-payment option to receive an additional discount. The prepayment option would be exercised at a time it is determined to be in the best advantage of the city based on cash flow analysis and discount rates offered by Pierce/Reliant Fire Apparatus. The determination would be made by the City Administrator and Finance Director. This approval would authorize the use of contingency funds, for the pre-payment if it is in the best interest of the city. If the option is exercised at the time of contract signing the city will save \$40,738. Additionally, the city avoids the risk of additional price increases by the manufacturer in the future. If the Council accepts this recommendation, then the authorization must be made with the understanding that the 2023 CIP budget must include this purchase.

The Department apologizes for the need to bring this approval to the Council prior to the 2023 CIP being approved. This is not an attempt to circumvent the CIP process. We felt that it was prudent to present the Council with an opportunity to save approximately \$62,750 and avoid future price increases.

This matter has been reviewed by the City Administrator, Finance Director, and City Attorney.

Fire Department Staff and one of the owners of Reliant Fire Apparatus will be available to answer any questions the night of the Council meeting.

Options & Alternatives:
 Not authorizing the purchase before April 30, 2022, would result in the purchase price being roughly \$62,750 higher, and expose the city to possible future price increases

Financial Remarks:

The Fire Engine is scheduled to be paid out of 0430-4320-68140.

Executive Recommendation:

The City Administrator is in support of this purchase.