



Agreement between Reliant Fire Apparatus the City of Waukesha for the Purchasing of Fire Apparatus

The purpose of this document is to outline the basic items of an agreement between Reliant Fire Apparatus, Inc. (Reliant) and the City of Waukesha, Wisconsin (Waukesha) pertaining to an offer to Waukesha whereby Reliant and Waukesha agree to the terms below so that Waukesha can purchase fire apparatus based on the Producer Price Index calculation starting on June 10, 2015 and ending on January 31, 2021.

The purchasing program shall be outlined as follows:

1. The purchasing of new fire engines (pumpers) shall utilize job #31289 as the base unit for the add-on. Job #31289 was a contract entered with Pierce on 1/19/17 with a purchase price of \$669,195.00 prior to any discounts with the final cost to be determined upon completion of the contract approximately January, 2018.
 2. The purchasing of new aerial ladders shall utilize job #29065 as the base unit for the add-on. Job #29065 was a contract entered with Pierce on 4/10/15 with a final vehicle cost prior to any discounts of \$1,005,459.00 at time of delivery on 6/14/16.
 3. The beginning price for the calculation of a new vehicle shall be the final cost of the previous, same type vehicle, at time of shipment, without any discounts applied.
 4. The selling price of any new trucks of the same type will be based on the Producer Price Index Industry Data Series ID: PCU3361203361202 for heavy duty truck manufactures with a GVWR of 33,001 lbs. or more. The PPI shall be averaged from the contract month of the base unit to the most recent PPI index published. This PPI index increase will be multiplied by the base unit cost to derive the purchase price of the new unit.
- The completed unit along with the adjusted price for the PPI, along with any changes, additions, and deletions, shall become the base unit for the next vehicle purchase of the same type.
5. In the event that the PPI index increases by more than 3% per year a maximum increase of 3% per year calculated from the price in effect, without any discounts, shall be used in place of the PPI. The new contract price shall be the lesser of the PPI calculation or 3% per year without any discounts included.
 6. Discounts as provided by Pierce can be applied by Reliant (chassis payment discount, advance payment discount, etc.) after the final unit price has been determined utilizing the PPI (or 3% per year). These discounts will not be utilized in calculating future add-on orders.
 7. This agreement will begin on January 1, 2018 and expire on January 31, 2021.
 8. The time period for entering into a contract for a new vehicle each year shall be between January 1 of that year and January 31 of the same year. If, for any reason, the City of Waukesha determines it is in their best interest to enter into a contract prior to January 1 of the year this will be acceptable.

9. Either party can discontinue the agreement at any time, for any reason. Waukesha is not obligated to purchase from this agreement and Reliant is not obligated to provide from this agreement if either party feels that it is not in their best interest. Contracts already signed and entered into will be completed and not subject to cancellation.

10. Price changes driven by State, Federal or industry mandates will be added to the price of new vehicles calculated prior to the calculation of the PPI index change. Examples of such items are Department of Transportation mandates, Federal or State mandates, and National Fire Protection Association mandates.

11. Any apparatus of a different type that is entered into contract for during the terms of the agreement shall establish a base unit price for that type of unit (i.e. aerial platform, heavy rescue, etc.) for any future units of the same type that may be purchased during the agreement.

12. This agreement can be extended for a mutually agreed upon time frame with written agreement of both Waukesha and Reliant.

13. In the event of product obsolesce or major product changes by Pierce, or the desire for major product changes by the Waukesha, an analysis of the changes will be done and such changes can be accomplished through change orders as agreed upon by all parties.

_____/_____/_____
Shawn Reilly Date
Mayor
City of Waukesha

_____/_____/_____
Scott Krueger Date
President
Reliant Fire Apparatus, Inc.