



CITY OF WAUKESHA

Administration

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Committee: N/A	Date: N/A
Common Council Item Number: ID# 20-1164	Date: 9/15/2020
Submitted By: Steve Howard, Fire Chief	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Bridget Souffrant, Finance Director BS	City Attorney's Office Review: Brian Running, City Attorney BER
Subject: The purchase of a ladder truck and advance payment of the purchase price of \$1,324,725.00 before September 30 to take advantage of a discount of \$8,698.00.	

Details:
 The Fire Department's five-year capital investment plan has included the purchase of a new ladder truck, and the proposed 2021 CIP budget includes funding for its purchase. Originally, the CIP budget was to come before the Council for approval at its September 15 meeting, and immediately after approval, the Fire Department would execute the purchase of the ladder truck and pay the purchase price in advance in order to take advantage of a discount that expires on September 30. Unfortunately, due to unforeseen circumstances, the presentation of the CIP budget to the Council is delayed until October 6, when the advance payment discount will no longer be available. Therefore, the Fire Department, City Administrator, and Finance Director propose that the purchase and advance payment of the purchase price be made before September 30, using available contingency funds, with reimbursement of the contingency funds coming after the 2021 CIP budget is passed.

The advance-payment discount is \$8,698.00. In addition, by executing the purchase contract and paying the purchase price in advance before September 30, the City avoids the risk of a price increase by the manufacturer. It is a significant savings.

The recommendation is for the Council to authorize the purchase of the ladder truck and advance payment of the full purchase price before September 30. If the Council accepts that recommendation, then the authorization must be made with the understanding that the 2021 CIP budget must include a corresponding amount, to reimburse the funds taken from contingency for the purchase. The Council cannot approve a CIP budget item in advance, the entire budget must go through the complete formal budget-approval process. However, an approval of the purchase before September 30 necessarily implies that the item will be included in the 2021 CIP budget.

The Department apologizes for the need to bring this approval to the Council prior to the total 2021 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 \$8,700 and avoid future price increases.

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

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



Options & Alternatives:

Not authorizing the purchase before September 30 would result in the purchase price being \$8,698.00 higher, and expose the City to possible future price increases.

Financial Remarks:

The ladder truck is scheduled to be paid out of 0430-4320-68140.

Executive Recommendation:

A motion to approve the immediate purchase of a ladder truck from Pierce Manufacturing through Reliant Fire Apparatus, Inc., at a purchase price of \$1,324,725.00 using contingency funds, and to authorize the Mayor, City Clerk-Treasurer, and finance director to execute the purchase agreement after review and approval by the City Attorney.