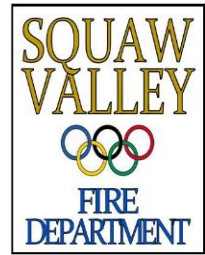




SQUAW VALLEY PUBLIC SERVICE DISTRICT



DATE: August 18, 2015
TO: District Board Members
FROM: Pete Bansen, Fire Chief
SUBJECT: Fire Department Type 1 Engine Replacement

ACTION REQUESTED:

Consideration and discussion of the pros and cons of replacing the first-out, all-wheel drive Type 1 fire engine with a new engine.

BACKGROUND:

The current Type 1 engines were purchased together (an all-wheel drive and a two wheel drive) in 2001. The anticipated lifetime of the first-out engine is 15 years under the asset replacement plan. This planned service life has been validated by rising maintenance costs over the past several years. The fire department staff believes that replacement of the all-wheel drive engine would have benefits in terms of reliability, serviceability and maintenance expense. In addition, we have an opportunity to add on to a purchase of four similar apparatus being built for North Tahoe Fire Protection District - doing so offers us the opportunity to save several thousand dollars on our engine.

Some months ago, the fire department staff created an apparatus committee to explore alternatives and to develop specifications for the replacement engine. They met with several potential vendors and have examined and driven fire engines provided by apparatus manufacturers. Costs and delivery schedules have been discussed and the committee and the fire chief now feel confident in a particular design which is within the amount budgeted for the replacement engine.

ALTERNATIVES:

1. The recommended alternative is to accept a bid from KME (Kovatch Mobile Equipment) for an engine designed to our specification which is eligible for an add on discount as part of the North Tahoe purchase. There is no fiscal relationship created between our department and North Tahoe as a result - the transaction is between Squaw Valley Public Service District and KME.
2. The Board could direct the fire department staff to provide specifications and direction to other manufacturers to develop designs and pricing for the manufacture of a similar engine. Note that the apparatus committee spent a significant amount of time discussing this possibility with other apparatus manufacturers and receiving potential designs and pricing, so this alternative has been explored in some depth.

ALTERNATIVES, cont'd

3. Propose a different course of action to the fire chief and apparatus committee.
4. Do nothing.

FISCAL/RESOURCE IMPACT:

The replacement of this engine was budgeted in the 2015-16 fiscal year budget - a \$500,000 figure was used and the bid from KME is within that amount, including sales tax and delivery. The only issue may be that the project will have a 330-360 day delivery time, which may necessitate paying for the chassis when it is delivered to KME (which will provide us with a discount as opposed to deferring paying for the chassis to the end of the project) and then doing a carry-over of funds into the 2016-17 fiscal year to pay the balance of the costs. There is the opportunity to either finance this project through the manufacturer at a very low rate or pay for it in full using asset replacement funds that have been set aside for this purpose.

RECOMMENDATION:

Our recommendation to the Board is to provide the fire chief and apparatus committee direction to finalize specifications and terms with KME, subject to review by District Counsel, and authorize the Board President to approve a contract/purchase agreement with KME for the replacement engine.