

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
MAY 18, 2010 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Purchase of a New Fire Department Ladder Truck	✓ Resolution Ordinance Motion Discussion Only	Jim Jackson Fire Chief

SYNOPSIS

Resolutions have been prepared for the following items:

- Authorize the purchase of a 2010 Smeal 100' Rear Mount Platform Ladder Truck in the amount of \$920,386 from Smeal Fire Apparatus Corporation of Synder, Nebraska
- Authorize the Village Manager to dispose of the Village's current Pierce 100' Platform Ladder Truck as surplus equipment. If approved, the Village will receive, at a minimum, a \$149,000 trade-in value for its existing ladder truck from Smeal Fire Apparatus Corporation. This resolution will also authorize staff to market the sale of the current ladder truck elsewhere.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals identified *Exceptional Services and Communication*.

FISCAL IMPACT

The total contract price for the proposed Smeal ladder truck purchase is \$920,386. Upon purchase of the proposed Smeal ladder truck, the Village would trade-in its current Pierce 100' Platform Ladder Truck to Smeal or another company for a minimum price of \$149,000. As a result, the net cost of the proposed Smeal would not exceed \$771,386. If approved, the Village would finance the Smeal ladder truck purchase over a period of ten years. The total annual cost of owning and operating the new ladder truck should be equal to the cost of owning and operating the current truck. A complete summary of the fiscal impact of the proposed Smeal ladder truck is provided in the background section below.

RECOMMENDATION

Approval on the June 1, 2010 active agenda.

BACKGROUND

The Village purchased its current Pierce 100' Platform Ladder Truck in 1998. The ladder truck has served multiple functions during its life including allowing firefighters to provide water streams at an elevated level and providing a working platform from which tasks such as rescue, ventilation, or overhaul can be completed. The Ladder Truck is centrally located at Fire Station 2 at 5420 Main Street to maximize response to incidents. The chart below summarizes the annual ladder truck response history since 2005.

Ladder Truck Responses	
Year	Responses
2005	987
2006	1057
2007	819
2008	1097
2009	840

At the time of purchase, the estimated useful life of the Pierce ladder truck was 17 years with replacement scheduled for 2015. However, the high rate of usage which the ladder truck has experienced has resulted in increased maintenance and repair costs for the Village. In addition, the amount of time the Pierce ladder truck has been out of service for repairs and maintenance has increased in recent years as well. Thus far in 2010, the ladder truck has been out of service for almost 60 days and has incurred repair and costs in excess of \$40,000. The table below summarizes the annual ladder truck repair costs and out of service time from 2005 through 2009:

Year	Annual Repair Costs	Days Out of Service
2005	\$26,227.13	7
2006	\$38,649.93	24
2007	\$53,617.36	24
2008	\$37,235.08	28
2009	\$14,105.46	41
Total	169,834.96	124

As a result of the increasing maintenance and repair costs associated with the Village’s Pierce ladder truck, staff is recommending the truck be replaced. In August of 2009, Staff distributed an RFP for a new ladder truck and received responses from a total of five vendors. Of the five vendors only two met the Village’s technical specifications as stated in the RFP (Smeal and Pierce). A cost comparison summary of the compliant RFP respondents is provided in the table below:

Item Description	Smeal	Pierce
Fully equipped in cost	Yes	Yes
Price	\$ 928,445.00	\$ 896,000.00
Trade-in	\$ (235,000.00)	\$ (115,000.00)
Net Price	\$ 693,445.00	\$ 781,000.00
3rd Yr Warranty	Included	Included
TOTAL	\$ 693,445.00	\$ 781,000.00

During the procurement process, staff continued to monitor the economic state of the Village and determined the purchase of the ladder truck should be deferred. Since then, the ladder truck has experienced multiple mechanical issues that have warranted staff to revisit the purchase of a new ladder truck as a viable alternative to repetitive maintenance costs and multiple days out-of-service. As a result, staff contacted the two vendors that met the Village’s technical specifications in an effort to obtain updated pricing for the ladder truck. To date, staff has only received one response to update the pricing to the original RFP.

Fully equipped in cost	Yes
Price	\$ 920,386.00
Trade-in	\$ (149,000.00)
Net Price	\$ 771,386.00
3rd Yr Warranty	Included
TOTAL	\$ 771,386.00

Based on the information listed above, staff proposes the purchase of a 2010 Smeal 100’ Rear Mount Platform Ladder Truck from Smeal Fire Apparatus Corporation of Synder, Nebraska. The staff recommendation was based primarily on the following items:

- The Smeal ladder truck met all Fire Department technical specifications

- Smeal provided the highest trade-in value for the Village's Pierce ladder truck
- The net cost of the Smeal was the lowest

The price of the proposed Smeal ladder truck is \$920,386. If approved, the Village would designate its existing Pierce ladder truck as surplus and would receive a \$149,000 trade-in value from Smeal for the truck. As a result, the net cost of the proposed Smeal ladder truck would be \$771,386. If approved, the purchase of the Smeal ladder truck would be financed for a period of eight to ten years. The lease agreement will be prepared and executed when the truck is delivered to the Village, scheduled for February of 2011. The lease agreement may require Village Council approval. Staff analyzed the fiscal impact of financing the proposed Smeal ladder truck purchase and determined the annual cost of financing the Smeal ladder truck would be less than the cost associated with continued maintenance and operation of the Village's current Pierce ladder truck. The table below compares the FY10 cost of operating and maintaining the current ladder with the estimated cost of the proposed Smeal ladder truck:

	Current Pierce Truck	Proposed Smeal Truck
Annual Maintenance and Repair Costs	\$ 33,967	\$ 1,940
Annual Allocation for Purchase of a New Ladder Truck	\$ 80,155	NA
Annual Principal Payments	NA	\$ 77,039
Earned interest on Annual Allocation for New Ladder Truck	\$ (11,327)	NA
Estimated annual Interest paid on loan - (interest rate 5.23%)	NA	\$ 22,238
Net Annual Cost	\$ 102,795	\$ 101,217

ATTACHMENTS

Resolutions

ORDINANCE NO. _____

**A RESOLUTION AUTHORIZING THE SALE OF PERSONAL
PROPERTY OWNED BY THE VILLAGE OF DOWNERS GROVE**

WHEREAS, the Village Council of the Village of Downers Grove has determined that it is no longer necessary or useful to, or in the best interests of, the Village of Downers Grove to retain ownership of the personal property hereinafter described; and

WHEREAS, the Village of Downers Grove is a home-rule unit pursuant to the laws and constitution of the State of Illinois; and

WHEREAS, the Mayor and Village Council have determined it is in the best interest of the Village to sell personal property personal property owned by the Village.

NOW, THEREFORE BE IT RESOLVED by the Village Council of the Village of Downers Grove as follows:

Section 1. The provisions set forth in the preamble are hereby incorporated into this resolution.

Section 2. Pursuant to the home-rule powers of the Village, and the Illinois Municipal Code (65 ILCS 5/11-76-4) the Village Council finds that the following described personal property now owned by the Village of Downers Grove will no longer be necessary or useful to the Village, and the best interests of the Village will be served by its sale after delivery and acceptance of the new 2010 Smeal 100' Platform Ladder Truck:

Pierce 100' Platform Fire Ladder Truck

Section 3. The Village Manager is authorized and directed to sell the aforementioned personal property now owned by the Village of Downers Grove in accordance with the terms and conditions of the Agreement between the Village of Downers Grove and Smeal Fire Apparatus Co., dated May 13, 2010, or by other means in accordance with the terms and provisions of Section 2-35 of the Downers Grove Municipal Code.

Section 4. The minimum price set for the sale of such ladder truck shall be no less than one hundred and forty-nine thousand dollars (\$149,000.00).

Section 5. No bid which is less than the minimum price shall be accepted.

Section 6. The Village Manager is hereby authorized and directed to convey and transfer title to the aforesaid personal property to the successful bidder upon payment in full.

Section 7. This resolution shall be in full force and effect from and after its passage and approval in a manner provided by law.

Mayor

Passed:

Published:

Attest: _____

Village Clerk