



**MEMORANDUM
ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES**
County of Placer

TO: Board of Supervisors DATE: November 8, 2016
FROM: David Boesch, County Executive Officer
By: John McEldowney, Emergency Services Program Manager
SUBJECT: Approve the Placer County Fire Vehicle and Apparatus Replacement Policy and
approve the 7 year Lease Purchase of Three New Type 1 Fire Engines

ACTION REQUESTED

1. Approve the Placer County Fire Vehicle and Apparatus Replacement Policy.
2. Approve a Blanket Purchase Order with Community Leasing Partners of Manhattan, KS for a 7-year lease/purchase of three (3) Type 1 Fire Engines, in the amount of \$1,830,409. Funding from each of the seven (7) Fire County Service Area components and the Fire Control Fund will be included in future budgets as annual lease payments become due, beginning with the FY 2017-18 Proposed Budget.
3. Authorize the Purchasing Manager to sign all required documents.

BACKGROUND

The Placer County Fire Vehicle and Apparatus Replacement Policy institutes a system wide acquisition approach for fire vehicles and apparatus for the Placer County Fire system. It will equitize replacement costs across the Placer County Fire Community Service area components, and will establish a fair method to assign costs. This method will consist of a hybrid mix of annual response calls and aggregate road miles within each component area of the system. This policy is designed to be flexible and responsive to growth within the Placer County Fire System. In addition, this policy positions Placer County Fire to more accurately apportion costs to where fire vehicles and apparatus are being utilized across the entire system and provides the best possible fire service to our residents.

The Placer County Fire Department uses various types of firefighting vehicles, apparatus and equipment to perform fire suppression and emergency medical service operations throughout Placer County. This lease/purchase conforms to the Fire Apparatus Vehicle Replacement Plan and takes advantage of historically low interest rates while also spreading acquisition costs over 7 years. Two of the new Type 1 fire engines will replace two older engines at the Atwood Station (180) in North Auburn Ophir Fire, while the third Type 1 Engine will replace an older engine at the Dry Creek Station (100). The new equipment will also help to reduce the department's current equipment maintenance and repair costs.

The new engines will be acquired using the competitively awarded National Joint Powers Alliance (NJPA) Contract No. 011714-SFA with Smeal Fire Apparatus. This cooperative contract provides the County with a 5% discount off commercial pricing (savings of \$82,813.89 for three engines) as well as a one-time multi-engine discount of \$10,000. Therefore, your Board's approval is required to proceed with the award of a blanket purchase order to Community Leasing Partners for the lease/purchase of three new Type 1 fire engines in the amount of \$1,830,409.

FISCAL IMPACT

The \$1,830,409 lease/purchase cost will be distributed among the seven Fire County Service Area components and the Fire Control Fund over a seven year term, with funding provided as follows:

	7 Year Total	Annual Payment
• Fire Control Fund	\$915,201	\$130,744
• North Auburn/Ophir Fire (Zone 193)	283,710	40,530
• Dutch Flat Fire (Zone 150)	228,802	32,686
• Western Placer Fire (Zone 76)	128,128	18,304
• Placer County Fire (Zone 137)	109,823	15,689
• Community Facilities District (2012-1)	82,369	11,767
• Dry Creek Fire (Zone 165)	64,064	9,152
• Sheridan Fire (Zone 6B)	<u>18,305</u>	<u>2,615</u>
7 Year total	\$1,830,409	Total Annual \$261,487

The first annual payment will be due upon delivery of the apparatus, anticipated to be in FY 2017-18. Projected reserves are sufficient in each fund to support this cost over the term of the lease/purchase. Funding from each of the seven Fire County Service Area components and the Fire Control Fund will be included in the FY 2017-18 requested budgets.

ATTACHMENT:

Placer County Fire Vehicle and Apparatus Replacement Policy



PLACER COUNTY FIRE VEHICLE/APPARATUS REPLACEMENT POLICY

1.0 PURPOSE

To promote long-term fiscal stability and planning for fire apparatus replacement within the Placer County Fire system; to provide guidance for the development and management of the Placer County Fire system Vehicle Replacement Plan that distributes costs equitably across the system; to provide the Board of Supervisors a context for decisions on fire apparatus replacement from a system-wide perspective and over successive budget cycles; to ease the fiscal burden of apparatus replacement in each Zone of Benefit; to frame an apparatus funding model which is sustainable and more accurately and fairly reflects where the apparatus are being utilized across Placer County; to modify the current apparatus acquisition procedure from an outright purchase model to a lease-to-own model.

2.0 GENERAL POLICY GOALS

2.1 Equitize costs across Placer County Fire for assets that operationally serve the entire system.

2.2 Each of the seven current Placer County Fire Zones of Benefit will contribute, together with the Fire Control Fund, The contributing Zones of Benefit are as follows:

- Sheridan Zone 6B
- Western Placer Zone 76
- Community Facilities District 2012-1 (Sunset)*
- Placer County Fire Zone 137
- Dutch Flat Zone 150
- Dry Creek Zone 165
- North Auburn/Ophir Fire Zone 193

2.1.1 The Fire Control Fund, as the system wide fund and not a Zone of Benefit, will contribute 50% of the cost of vehicle replacement on an ongoing annual basis. The other Zones will collectively contribute the remaining 50% on a percentage basis,

PLACER COUNTY FIRE – VEHICLE REPLACEMENT POLICY

with each Zone’s portion of responsibility calculated from annual call response volume and road miles. Cost apportionment will be readjusted on an annual or bi-annual basis, as required. In the event other Zones and/or components join the Placer County System, they will fall under this policy guidance and will be included in the above calculation methodology. Minor deviations, that support improvements in the Placer County Fire vehicle fleet, are authorized.

2.2 Stabilize acquisition costs; long-term planning.

Budgeting apparatus acquisition through a system wide aggregate model will allow the County to stabilize acquisition costs beyond a yearly budget cycle. More reliable projections of future costs will enable long-term planning for fluctuations in revenue.

2.3 Leverage debt to provide the best fiscally attainable fire service at the least impactful annual cost. Placer County Fire will implement a multi-year lease purchase model that spreads costs over a significant portion of apparatus useful life, and leverages historically low interest rates on debt.

3.0 REPLACEMENT SCHEDULE

3.1 The Vehicle Replacement Schedule will be periodically reviewed and coordinated with Cal FIRE to provide flexibility based on future revenue and expenditure cycles. The standard apparatus schedule outlined below may and can be accelerated or deferred based on the fiscal or operational needs of the Placer County Fire system. New types of fire vehicles may, as technology advances, be added to the fleet under this policy, especially in those situations where cost reductions and/or fire service operational effectiveness or efficiency are achieved. This policy is designed to allow for flexible and appropriate implementation over time, and to take into account the anticipated growth of the system associated with anticipated population growth in the Placer County Fire system.

<u>Vehicle Type</u>	<u>Replacement Schedule</u>
• Aerial/Ladder Truck	20 Years
• Type 1 Engine	15 Years
• Type 3 Engine	15 Years
• Water Tender 4,000 Gallon	25 Years
• Pickup/Utility	10 Years
• SUV/Command	10 Years
• Hazmat10	25 Years
• Repair2332	15 Years

* No aspect of this policy is meant to supersede, abrogate or replace any agreement, Memorandum of Understanding, or contract with any entity in Community Facilities District 2012-1.