



Public Safety Building, 312 E. Fifth St.  
Muscatine, IA 52761  
(563) 263-9233  
Fax (563) 263-5534

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**FIRE DEPARTMENT****MEMORANDUM**

TO: Gregg Mandsager, City Administrator

FROM: Jerry Ewers, Fire Chief

DATE: January 14, 2013

SUBJECT: City Council Agenda Item – Fire Engine Purchase

**INTRODUCTION:**

Request to purchase new red fire engine from Pierce Manufacturing in the amount of \$ 496,438.

**BACKGROUND:**

The 2012/2013 Fire Department budget included a request for \$490,000 for the purchase of a new fire engine. The City's approved budget for 2012/2013 included "assigned" funding of \$250,000 from the General Fund toward the intended future year (2013/2014) purchase of this fire engine. The balance of the fire engine cost, estimated at \$240,000, was to be funded from the 2013/2014 budget, if sufficient funding would be available. With the General Fund balance at the end of fiscal year 2011/2012 exceeding the projected amount by \$648,000 as well as the prepayment discount, staff requested City Council consider authorizing the full amount for the fire engine purchase in the current 2012/2013 fiscal year, which would require amendment of the 2012/2013 budget. In October, council approved amending the budget and moving forward on the purchase of a new red fire engine this budget FY, but not to exceed \$ 497,000.

We received two bids, which included prepayment discounts.

Alexis - \$ 538,264

Pierce - \$ 503,481

Pierce was low bid and met spec, but was higher than the council approved amount. After working with Pierce, optional deductions in the amount of \$ 7,043.00 reduced the cost of the new fire engine to \$ 496,438.00. This includes the prepayment discount, optional deductions, and cost of the 100% performance bond. After contract is signed build time is approximately 210 days.

**RECOMMENDATION/RATIONALE:**

Request authorization to enter into a contract and to issue a purchase order to Pierce Manufacturing in the amount of \$ 496,438.00.