

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A SOLE SOURCE PURCHASE OF ONE (1) PIERCE AERIAL LADDER TRUCK FROM PIERCE MANUFACTURING AND A 10-YEAR LEASE PURCHASE AGREEMENT FOR THIS ACQUISITION BETWEEN THE CITY OF CHULA VISTA AND JPMORGAN CHASE BANK, N.A. AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AT AN INTEREST RATE MOST FAVORABLE TO THE CITY, NOT TO EXCEED THREE (3) PERCENT

WHEREAS, the Chula Vista Fire Department delivers Fire, Rescue and Emergency Medical Services to Chula Vista residents, visitors, and employees every day; and

WHEREAS, emergency response services are provided with several different types of fire apparatus including triple combination pumper/fire engines, aerial ladder trucks, a heavy rescue, a brush engine and battalion chief vehicles; and

WHEREAS, the Fire Department needs to replace several fire apparatus due to excessive years of service, escalating maintenance costs and safety issues; and

WHEREAS, the Fire Department will continue to meet the National Fire Protection Agency standards and increase the reliability of our current fleet with less downtime for mechanical issues and provide a safer response vehicle than our existing fleet; and

WHEREAS, the Fire Department is recommending a sole source purchase from Pierce Manufacturing for the acquisition of one (1) Pierce Aerial Ladder Truck in order to replace an existing front line Aerial Ladder Truck, which will be placed into reserve status; and

WHEREAS, the Fire Department also is recommending to enter into a 10-year lease purchase agreement with JPMorgan Chase Bank, N.A. for the acquisition of the Pierce Aerial Ladder Truck in order to minimize the immediate fiscal impact; and

WHEREAS, under Chula Vista Municipal Code Section 2.56.070.B.4, a sole source purchase is an exception to the City's formal competitive bid requirements for equipment purchases exceeding \$100,000 when a commodity is available from only one known source as the result of unique market conditions; such is the case with Pierce Manufacturing's Pierce Aerial Ladder Truck, which is affordable to City because of the 10-year lease purchase agreement with JPMorgan Chase Bank, N.A.; and

WHEREAS, the total cost to purchase one Piece Aerial Ladder Truck is \$1,229,469.64, which, based on an interest rate of 2.1 percent, will result in estimated annual payments in the

amount of \$137,589.70. The total estimated amount paid for these fire apparatus including interest will be \$1,375,896.97 through the 10-year lease purchase option; and

WHEREAS, because the above-referenced estimated amounts will change if the interest rate changes, City staff is monitoring the market. The Fire Department is recommending authorizing the City Manager to execute the lease purchase agreement after Council approval to lock in the lowest possible rate, not to exceed three (3) percent, in the City's best interest.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it approves the sole source purchase of one (1) Pierce Aerial Ladder Truck from Pierce Manufacturing.

BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista that it approves the 10-year lease purchase agreement for this acquisition between the City of Chula Vista and JPMorgan Chase Bank, N.A., in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk, and authorizes the City Manager to execute same at an interest rate most favorable to the City, not to exceed three (3) percent.

Presented by

Approved as to form by

Jim Geering
Fire Chief

Glen R. Googins
City Attorney