



City of Chula Vista

Staff Report

File#: 14-0741, **Item#:** 4.

- A. RESOLUTION NO. 2015-020 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE FIRE DEPARTMENT TO EXCEED THE \$100,000 PURCHASING THRESHOLD; AND AUTHORIZING THE USE OF COOPERATIVE PURCHASING PROCEDURES TO EXECUTE A NATIONAL PURCHASING PARTNERS MEMBER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT (IGA) TO "PIGGYBACK" ON A MASTER PURCHASE AGREEMENT TO PURCHASE TURNOUTS AND FIRE-RELATED EQUIPMENT FROM MUNICIPAL EMERGENCY AGENCY INC. (MES) AND L.N. CURTIS & SONS; AND AUTHORIZING THE CITY MANAGER AND/OR HIS DESIGNEE TO SIGN ALL RELATED AGREEMENTS
- B. RESOLUTION NO. 2015-021 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA WAIVING THE COMPETITIVE BIDDING PROCESS, AUTHORIZING THE FIRE DEPARTMENT TO EXCEED THE \$100,000 PURCHASING THRESHOLD, AND AWARDDING A THREE-YEAR CONTRACT WITH AN ADDITIONAL THREE, OPTIONAL ONE-YEAR EXTENSIONS FOR THE PURCHASE OF FIRE- AND EMERGENCY-RELATED EQUIPMENT AND SUPPLIES TO AFECO, INC., DOING BUSINESS AS FIRE ETC. AND AUTHORIZING THE CITY MANAGER AND/OR HIS DESIGNEE TO SIGN THE AGREEMENT

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

The nature of the Fire Department services requires that the department provides personnel with up-to-date personal protective clothing and equipment to keep its personnel and the community they serve safe. It is also important that stations and apparatus are equipped with all necessary fire equipment and supplies to be ready to deploy at a moment's notice.

The City of Chula Vista Municipal Code Section 2.56.270 and Council Resolution No. 6132 authorize the Purchasing Agent to participate in cooperative bids with other government agencies for the purchase of materials of common usage. The City has an opportunity to participate in a competitively bid master purchase agreement conducted by the National Purchasing Partners, LLC (NPP) on behalf of other government agencies. The pricing agreed upon on these Agreements is based on national sales volume projections; this is advantageous to the City because supplier prices are often lower when based on higher volumes. These "Piggyback" contracts are not exclusive; meaning the Fire Department will still compare prices at the time of purchase.

Additionally, staff has received informal quotes from three vendors for some of the most commonly purchased fire equipment and supplies and has determined that it is in the best interest of the City to enter into a two-party purchase agreement with AFECO, Inc., doing business as Fire Etc. Entering

into this agreement is a proactive approach to purchasing and is beneficial because it gives the city the ability to purchase locally, and handle emergency situations when they arise more efficiently. This request results in a City Council Waiver of the formal competitive bid process. The competitive bidding requirements as applied to this contract are impractical and the city's interests are better served by applying a different purchasing procedure approved by the purchasing agent as being consistent with good purchasing practices.

The approval of this request does not result in additional appropriations or expenditure of funds. All costs associated with purchases of these products will be done via a purchase order at the time of purchase and paid out of the Fire Department Operational Budget. Historically, the Department does not spend over \$100,000 on fire equipment in a given year with one vendor, however, the Department anticipates spending over \$100,000 in FY2014/15 and may exceed this threshold in future years as it continues to purchase turnouts and updating equipment needs..

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act [CEQA] and has determined that the activity is not a "Project" as defined under Section 15378(b)(2) of the State CEQA Guidelines because it involves only the authorization to purchase a vehicle which is an on-going administrative and maintenance activity; therefore, pursuant to Section 15060[c][3] of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

The Fire Department has purchased turnouts and fire related equipment and supplies from various vendors around the state. The selection of a vendor for a given purchase is based on the following: vendor having the most competitive price for the same item, availability of stock, vendor reliability, sole distributor/manufacturer, delivery timeframe, cost of freight, and availability for pick-up., The Fire Department staff researched different vendors, pricing, and availability and recommend that it is more operationally efficient and cost effective to enter into non-exclusive multiple year cooperative agreements with MES and L.N Curtis & Sons and into a multiple year two-party agreement with Fire Etc. to purchase fire related equipment. This will ensure staff is able to purchase emergency and personal protective supplies via a purchase order and avoid procurement delays.

A. Cooperative Agreements

FireRescue GPO is a program of National Purchasing Partners, LLC. (NPP); a national cooperative purchasing organization. FireRescue GPO provides fire departments access to aggressively priced contracts with vendors who supply goods and services to the fire service. These contracts are established through a competitively bid public RFP process that allows members to "piggyback" on the contract. This eliminates the need for member fire departments to complete an RFP process individually. The use of these cooperative agreements offers savings in both time and cost to the city.

In June 2013, South Davis Metro Fire Agency in cooperation with the NPP, held an advertised bid process for the purchase of turnouts and fire related equipment which resulted in master purchase agreements awarded for three (3) years with options to extend for three (3)

additional one-year periods. The Master purchase agreements, awarded in September 2013, allow other governmental agencies to “piggyback” on the agreement by executing a National Purchasing Partners Member Intergovernmental Cooperative Purchasing Agreement (IGA).

Staff has done research of historical data and determined that the City has used both the Municipal Emergency Services, Inc. (MES) and L.N.Curtis & Sons as the main non-local suppliers of turnouts and fire related equipment and supplies. These two vendors received the awarded contracts mentioned above. “Piggybacking” on these contracts will offer savings in both time and cost to the city. Multi-year contracts for the purchase of fire related equipment and PPE promotes stability and consistency for the city. Therefore, staff is recommending the following to City Council:

- Authorize the Fire Department to exceed the \$100,000 per year threshold for fiscal years covered by the Agreements. Historically, the department has not exceeded this threshold in a given year with a given vendor for fire supplies. However, staff anticipates going over the \$100,000 threshold in FY2014/15 due to the purchase of turnouts for all operational staff. This may be the case in future fiscal years as the department continues to phase-out and update fire equipment.
- Authorize the use of cooperative purchasing procedures to “piggyback” on two multi-year contracts with optional one-year extensions via master purchase agreements awarded to MES & L.N. Curtis & Sons (suppliers).
- Authorize the City Manager and/or his designee to execute the National Purchasing Partners Member Intergovernmental Cooperative Purchasing Agreement (IGA) and sign all agreements.

B. Two-Party Agreement

Staff has prepared a two-party agreement to purchase fire related equipment and supplies from AFECO, Inc., doing business as Fire Etc. (Supplier). This agreement will be in effect for three (3) years from the date of approval with options to extend for three (3) additional one-year periods.

Staff collected historical data on purchases of fire supplies, and evaluated three informal quotes for the top thirteen (13) items and Fire Etc. provided the best price and availability for these items as shown in the table below:

DESCRIPTION	FIRE ETC	LN CURTIS	MES
Pro Warrington 3003 8" Leather Station Boot	242.00	240.00	249.00
Pro Warrington 5006-14" Structure Boots Power Toe, Power Heel	365.00	394.00	378.00
USAR Technical Rescue Recovery Boot, 8 inch, Utility Boot 6006	386.65	399.00	398.00
Whites Smoke Jumper 10" Wildland Boots 400V, Leather	385.00	416.70	N/A
Nozzle 1.0 Inch, 60GPM@100psi	347.88	765.80	485.05
4X50 feet yellow hose	399.00	435.00	N/A
B278 2.5NHF x 1.5NHM Playpipe w/Shutoff	543.00	848.25	537.50
Niedner XL-800	96.00	110.08	96.00
First in Command Pack Fire Gear 97081	96.00	110.08	96.00
Timberline Hose Clamp	159.00	157.00	170.00
Bullard Wildland Fire Fighters Helmet Full Brim Ratchet, Model FH911HR	58.00	46.28	N/A
Dragon Fire Alpha X Glove Gauntlet	59.00	89.25	54.00
FireChoke Class A Foam	95.50	112.20	N/A

Approving the two-party purchase agreement between the City of Chula Vista and Fire Etc. (Agreement) will ensure that fire staff obtains timely and cost-effective products.

The Supplier will sell the City fire related equipment and supplies at a competitive price. The City and Supplier have mutually agreed to all of the recitals, terms and conditions incorporated into the Agreement (see Attachment 1). The City will pay the supplier for products purchased and received, at a price set forth on the Agreement (see Exhibit B of attachment 1).

This Agreement will be valid through February 2018 and it includes provisions allowing the City, at its discretion, to extend the Agreement for up to three (3) additional years. An extension will require mutual agreement between the City and Supplier and would be predicated upon staff's determination of satisfactory performance by the Supplier during the initial three-year term. Prices agreed upon shall remain fixed for the entire term of the agreement, however, manufacturer pricing is not guaranteed and may be adjusted based on manufacturer's price increase.

Staff anticipates that this award will allow the city to expend in excess of \$100,000 with this vendor in a given fiscal year when necessary. Purchasing regulations require such expenditures to be approved by the City Council. Therefore, staff is recommending the following to City Council:

- Waive the formal, advertised competitive bidding process. The competitive bidding requirements as applied to this contract are impractical and the city's interests are better served by applying a different purchasing procedure approved by the purchasing agent as being consistent with good purchasing practices

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- Authorize the Fire Department to exceed the \$100,000 per year threshold for fiscal years covered by the Agreement.
- Approve a two-party multi-year agreement between the City of Chula Vista and AFECO, Inc., doing business as Fire Etc. to purchase fire related equipment and supplies.
- Authorize the City Manager and/or his designee to sign all documents related to this agreement.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18704.2 (a)(1), is not applicable to this decision. Staff is not independently aware, and has not been informed by any City of Chula Vista City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This resolution meets the goals of Operational Excellence and Healthy Community. Approval of these agreements will allow the Fire Department to be more efficient in the procurement of fire and emergency related equipment, hence, reducing waste, and meeting the supply & equipment needs of fire stations and personnel in a timely manner.

CURRENT YEAR FISCAL IMPACT

Approval of the proposed resolution does not result in any new budget appropriations. All costs associated with purchases of these products are included in the Fire Department's fiscal year 2014/15 budget. "Piggybacking" on these contracts is anticipated to offer both time and cost savings to the City.

ONGOING FISCAL IMPACT

Future appropriations will be considered by the City Council as part of the normal budget process.

ATTACHMENTS

1. Resolution - Cooperative Agreements
2. Resolution - Two-Party Agreement
3. Request for Proposal RFP 2013-001
4. RFP 2013-001 Synopsis
5. Municipal Emergency Services, Inc. (MES) Master Purchase Agreement
6. L.N. Curtis & Sons Master Purchase Agreement
7. Attachment 1: Two-Party Agreement between the City of Chula Vista and AFECO Inc., dba Fire Etc.
8. Attachment 2: NPP Member Intergovernmental Cooperative Purchasing Agreement (IGA) No. VH11276

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