



MEMORANDUM

August 2, 2012

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator
Russell Truell, Assistant City Administrator / CFO
Rocky Garzarek, Fire Chief
Brian Wilcox, Purchasing Manager

SUBJECT: Consideration Of Bid Award To Sutphen Corporation Of Dublin, OH In The Total Amount Of \$745,224.84 (If A Deposit Of \$188,073.25 Is Paid Within 45 Days Of Contract Execution) For One (1) Custom-Built, Quintuple-Function Fire Aerial Ladder Truck For The Fire Department (Purchasing Office Procurement Solicitation No. 2013-001; \$680,000.00 Budgeted In Facilities Tax Fund, Line Item No. 130-89520-42200, For Fiscal Year 2013; Contract No. 2012-0127)

Purpose

The purpose of this procurement is to purchase a fire aerial ladder truck to be assigned to Fire Station No. 4 (which is located at 2039 Fieldstone Parkway). This equipment would be made a primary response apparatus and would allow the existing aerial ladder truck to be placed on reserve status.

Background

The City published on June 7, 2012 a Notice to Bidders in the *Williamson Herald* for one (1) custom-built, quintuple-function fire apparatus equipped with a pump, a water tank, an aerial device and ground ladders, and designed to carry fire hose. In addition, bid documents were sent on or about the same date directly to seven (7) potential bidders known or thought to be interested in this solicitation. A single bid from one (1) vendor was publicly opened at the bid opening held on July 17, 2012. A tabulation of the bids received for this solicitation is attached. The apparent lowest, most responsive and responsible bid, from Sutphen Corporation of Dublin, OH is in the total amount of either \$752,293.00 due and payable upon acceptance or \$745,224.84 if a deposit of \$188,073.25 is paid within 45 days of contract execution. This bid was identified because it is the lowest bid that most closely meets or exceeds the City's intention as expressed and implied by the City's specifications as well as the instructions, terms and conditions pertaining to this procurement solicitation.

Financial Impact

Over the two fiscal years 2012 and 2013, the Fire Department budget allocated a total of \$750,000.00 (\$70,000.00 in FY2012 and \$680,000.00 in FY2013) in Facilities Tax Fund, line item no. 130-89520-42200, for the purchase of a new Ladder 4. Estimated time of delivery is 270-330 days after receipt of order. If the City were to place the order on or about August 31, 2012, delivery could be anticipated for some time between the end of May and the end of July, 2013. Depending in part upon other FY2013 Facilities Tax Fund expenditures and in part upon when delivery of the new Ladder 4 actually takes place, the Facilities Tax Fund budget for FY2013 may need to be amended later this fiscal year.



Options

In accordance with the bid documents, the City reserves the right to reject any and all bids. In addition, in the solicitation for bids, the City required bidders to quote total bid price for manufacture, supply and delivery of bid fire apparatus, assuming 100% due and payable upon acceptance, net 7 calendar days from date of acceptance or date of invoice, whichever is later. Sutphen Corporation bid \$752,293.00 with these payment terms. The City also invited bidders to offer alternative financing and payment terms in addition to (not instead of) the financing and payment terms described above whereby up to 25% of the quoted bid price would be due and payable upon placing the order, with the balance due and payable upon acceptance, net 7 calendar days from date of acceptance or date of invoice, whichever is later. Sutphen offered a deduction of \$7,068.16 if a deposit of \$188,073.25 (which equals 25% of \$752,293.00) is paid within 45 days of executing the award) which would result in a balance due upon acceptance of \$557,151.59. Exercising this option would result in two payments totaling \$745,224.84. Of course, yet another funding option in addition to the above two choices would be to finance this purchase through a lending institution.

Recommendation

Staff recommends that the City accept the apparent lowest best bid, from Sutphen Corporation of Dublin, OH, in the total amount of \$745,224.84 (if a deposit of \$188,073.25 is paid within 45 days of contract execution) for one (1) custom-built, quintuple-function fire aerial ladder truck for the Fire Department. According to staff calculations, relative to the Sutphen bid pricing of \$752,293.00 for 100% due and payable upon acceptance, the deduction of \$7,068.16 in exchange for prepayment of \$188,073.25 represents a 5% (APR) discount which is far higher than the City is able to achieve on investments in the current interest rate environment. Purchasing Manager Brian Wilcox is of the opinion that the prepared specifications as distributed allowed for competition among multiple vendors, and that the staff recommendation appears to be made in a fair and impartial manner based upon the bids received.

Tabulation of Bids*

Purchasing Office Solicitation No.:		2013-001 (one (1) custom-built, quintuple-function fire apparatus)							
Notice to Bidders published in the <i>Williamson Herald</i> on:		6/7/12							
Number of vendors that were notified of / that responded to this solicitation for bids:		7 / 1							
Date and time bids due and publicly opened:		7/17/12 2:00 PM							
Present at opening of bids:		Don Ballington for Sutphen Corporation; Todd Horton of the City of Franklin Fire Department; and Martha Garland and Brian Wilcox of the City of Franklin Purchasing Office							
Target meeting of BOMA at which recommendation will be considered:		8/28/12							
Bids received from:		Bid No.:	Description:	Does the bid MOES¹? / If not, how many exceptions do not MOES¹?	Total delivered bid price, per unit:	Payment terms:	Delivery terms:	Estimated time of delivery after receipt of order:	Bid and associated pricing is valid through:
Sutphen Corporation 6450 Eiterman Rd. Dublin, OH 43016 Don Ballington, Apparatus Manager, Cumberland International, Inc. 615/812-9689 dballington@cumberlandintltrucks.com	1 of 2	2013 Sutphen SA 75 Aerial Ladder Quint	No / 1 (apparatus would exceed federal axle weight limits)	\$752,293.00	100% due and payable upon acceptance, net 7 calendar days from date of acceptance or date of invoice, whichever is later	FOB destination, freight prepaid and added	270-330 days (9-11 months)	10/16/12	
	2 of 2			\$745,224.84	Deduct \$7,068.16 from bid price if \$188,073.25 down payment is paid within 45 days of contract signing which would result in a balance of \$557,151.59 due and payable upon acceptance, net 7 calendar days from date of acceptance or date of invoice, whichever is later				

¹MOES indicates "meet(s) or exceed(s) specifications"

*Shaded bid is apparent lowest best bid