Nags Head Fire Rescue
Fire Chief Randy C. Wells
P.O. Box 99
Nags Head, NC 27959

To: Town Manager Garman
From: Randy Wells, Fire Chief
Date: September 6, 2024
Re: Recommendation for Purchase of Pierce Custom Fire Pumper

Overview

As part of our effort to maintain the fire department's apparatus replacement schedule, we evaluated proposals for the purchase of a new fire pumper. Following a thorough review of the pricing, specifications, and past performance, I recommend purchasing the Pierce Custom pumper from Atlantic Emergency Solutions for a total price of $1,348,807.00, including a contingency for shelving and equipment mounting.

Background

Three manufacturers submitted proposals for a new fire pumper in response to a pricing request sent on May 22, 2024, using the HGAC cooperative purchasing alliance. After receiving proposals on June 21, 2024, two met our requirements:

Pierce Custom Pumper – Atlantic Emergency Solutions, initial price: $1,549,180.00

KME/Spartan Pumper – Safe Industries, initial price: $1,388,600.00

After negotiations to reduce costs, the adjusted pricing was as follows:

Pierce: $1,298,807.00 (excluding contingency for shelving)

KME: $1,235,000.00 (excluding contingency for shelving)

Rationale for Recommendation

Cost and Specifications

The Pierce proposal includes the necessary features at a higher final cost of $1,348,807.00, which includes a $50,000 contingency for shelving but excludes $80,000 for loose equipment (to be budgeted separately).

KME's updated proposal was lower, at $1,285,000.00, which includes a $50,000 contingency for shelving but excludes $80,000 for loose equipment (to be budgeted separately).

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Performance and Reliability Concerns

Experience with KME apparatus has highlighted several concerns, particularly regarding prolonged delays and significant changes in their manufacturing process. For example, a ladder truck ordered in 2021 has faced a delivery delay of over three and a half years due to KME's transition under the REV Group. Additionally, there is uncertainty surrounding parts availability and potential price increases, driven by new EPA regulations and pass-through costs. These unknown expenses could be considerable, leaving the final price of the contract unclear. As quoted from their contract:

"Final Pricing Shall be Subject to Surcharges Incurred on the Materials and Products Required to Build and Provide your Products. Final Invoices will Include a Line Item Labeled "Surcharge" Along with the Applicable Surcharge Amount. This is not a Negotiable Discussion with Safe Industries as we are Passing Through Costs Required to Build and Provide your Products."

In contrast, Pierce has shown more consistency in its manufacturing processes and maintains a shorter, more reliable supply chain. Pierce also offers clearer pricing, with no anticipated surcharges tied to new emissions standards. Any additional costs are contractually linked to the Producer Price Index (PPI), providing more transparency and predictability.

Service and Maintenance

Pierce has a local service facility in Greenville, NC, which offers faster service times, whereas KME's nearest service facility is in Easley, SC.

Pierce has consistently maintained stable production without significant delays or disruptions, ensuring parts availability and a more reliable service network.

Conclusion and Request

Even though the initial cost is higher it is offset by, a more reliable service network, and fewer manufacturing delays, I strongly recommend moving forward with the purchase of the Pierce Custom Pumper for $1,348,807.00. We propose budgeting the additional $80,000 for equipment separately, over the year before delivery and the year of delivery.

Please consider this recommendation for approval.