DURHAM
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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

Date: **January 15, 2016**

To: **Thomas J. Bonfield, City Manager**

Through: **Wanda S. Page, Deputy City Manager**

From: **David Boyd, Finance Director**
Dan Curia, Fire Chief
Joseph W. Clark, Fleet Management Director
Jonathan Hawley, Purchasing Supervisor

Subject: **Piggyback Contract–Fire Trucks for the Durham Fire Department**

Executive Summary

The contract under consideration will furnish/provide the City with two (2) Sutphen P4 Pumper (1000 gallon) tank fire trucks from Sutphen Corporation of Amlin, Ohio. North Carolina General Statute 143-129(g) allows an exception to the bidding process for making purchases from your own or another governmental agency's contract is referred to as "piggybacking".

The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the "piggyback" provision.

The total cost of this contract is $835,859.96 ($417,929.98 per truck). Funding for one (1) truck is available from the CIP Fleet Replacement Fund (30620122-732300-S3016) for the City of Durham Fire Station 8 replacement. The second truck is funded from the CIP Fire Department Improvement Fund (3501B900-732300-CB011) for the future City of Durham Fire Station 17 to be located in the Leesville Road area.

Recommendation

To find that waiving bidding for this purchase is in the City's best interest and that the bid for the purchase of two (2) Sutphen P4 Pumper fire trucks in the amount of $835,859.96 from Sutphen Corporation of Amlin, Ohio be approved and the City Manager be authorized to execute all relevant contracts.

Background

The contract under consideration will provide the City with two (2) Sutphen P4 Pumper fire trucks. One of these units is a replacement for the pumper fire truck at City of Durham Fire Station 8. The second is a new pumper fire truck for the future City of Durham Fire Station 17 to be located in the Leesville Road area. These

vehicles were approved in the FY 2015/16 budget.

Making purchases from your own or another governmental agency's contract is referred to as "piggybacking". North Carolina General Statute 143-129(g) allows an exception to the bidding process. The exception reads as follows:

Waiver of Bidding for Previously Bid Contracts. - When the governing board of any political subdivision of the State, or the manager or purchasing official delegated authority under subsection (a) of this section, determines that it is in the best interest of the unit, the requirements of this section may be waived for the purchase of apparatus, supplies, materials, or equipment from any person or entity that has, within the previous 12 months, after having completed a public, formal bid process substantially similar to that required by this Article, contracted to furnish the apparatus, supplies, materials, or equipment to:

(1) The United States of America or any federal agency;
(2) The State of North Carolina or any agency or political subdivision of the State; or
(3) Any other state or any agency or political subdivision of that state, if the person or entity is willing to furnish the items at the same or more favorable prices, terms, and conditions as those provided under the contract with the other unit or agency. Notwithstanding any other provision of this section, any purchase made under this subsection shall be approved by the governing body of the purchasing political subdivision of the State at a regularly scheduled meeting of the governing body no fewer than 10 days after publication of notice, in a newspaper of general circulation in the area served by the governing body, that a waiver of the bid procedure will be considered in order to contract with a qualified supplier pursuant to this section. Rules issued by the Secretary of Administration pursuant to G.S. 143-49(6) shall apply with respect to participation in State term contracts.

Sutphen Corporation of Amlin, Ohio has agreed to furnish the City with two (2) fire trucks per the same pricing and conditions as in the existing contract executed with the City of Fort Payne, Alabama in October 2015.

The Notice required by law to use piggybacking was posted.

Issues/Analysis
In October 2015, The City of Fort Payne awarded a contract to Sutphen Corporation of Amlin, Ohio for (2) replacement fire trucks. The Administration is recommending purchasing (2) replacement fire trucks as a piggyback purchase.

For the purpose of this contract, the piggyback method offers the City the following advantages:

- Standardization (purchasing the same brand of equipment will make it easier to stock parts for, and help keep overall operating cost down.)
- Quicker delivery time (by foregoing the bid process, the Fleet Management Department should receive the two (2) units sooner, which will allow them to take the older, more expensive to operate units, out of service sooner.) The

City estimated delivery date for the two (2) units is late fall 2016 (November-December 2016).
- Excellent pricing provided in the existing contract

Alternatives
The City could choose not to use the “piggyback” provision and seek new bids. Seeking new bids would delay the award process and most likely result in higher prices. The Administration has analyzed market conditions, has compared the pricing to recent similar bids, and recommends using the “piggyback” provision.

Financial Impact
The total cost of this contract is $835,859.96 ($417,929.98 per truck). Funding for this contract is available from the CIP Fleet Replacement Fund (30620122-732300-S3016) City of Durham Fire Station 8 replacement and from the CIP Fire Department Improvement Fund (3501B900-732300-CB011) for the future City of Durham Fire Station 17 located in the Leesville Road area.

SDBE Summary
This item is a piggyback purchase and was not reviewed for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this product.

WORKFORCE STATISTICS

The workforce statistics for Sutphen Corporation are as follows:

Sutphen Corporation

Total Workforce	228	100%
Total Females	24	11%
Total Males	204	89%
Black Males	4	2%
White Males	200	87%
Other Males	0	0%
Black Females	0	0%
White Females	23	10%
Other Females	1	1%

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