



## STAFF REPORT

DATE: August 27, 2024

**TO:** City Council

**FROM:** Dustin Kalis, Fire Chief

**AGENDA ITEM:** CIP Project F-013 – Tender 2 Replacement – Spec and Order Timeline

**REVIEWED BY:** Nicole Miller, City Administrator

Clarissa Hadler, Finance Director

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### BACKGROUND:

The 2025 - 2035 Capital Improvement Plan includes the replacement of Tender 2 in 2027. This purchase will replace our current Tender 2 purchased in 2007. The estimated project cost for this vehicle is \$1,153,000.00

The new engine is scheduled for replacement in our 2027 CIP consistent with our established vehicle replacement program. This is budgeted as a 2027 CIP purchase but due to a number of issues, the request is being made to council to approve an accelerated approval timeline to ensure the truck is delivered in 2027.

- Rapidly increasing costs (4% - 10% annually)
- Significant length of replacement build time, currently estimated at 26 – 30 months from time of order.

The Fire Department will seek approval to utilize the HGAC Cooperative Purchasing Program (HGACBuy) and Rosenbauer Minnesota, LLC for this purchase. This process is compliant with Minnesota State Statutes and the City of Lake Elmo Purchasing Policy. This process and manufacturer choice has been used for the previous purchases of Ladder 1, Rescue 1, Tender 1 and Engine 1. This apparatus will share the same cab and chassis that are already familiar to our staff, provide an ease of maintenance and long-term costs. Selecting Rosenbauer will also reduce the amount of time needed to produce the build specification for the replacement apparatus.

### FISCAL IMPACT:

If ordered in Q4 2024, the pricing breakdown is expected to be as follows:

Rosenbauer Commander chassis and body per specifications: \$1,100,000.00

Chassis early payment deduction (4%): \$-22,000 (based on chassis cost of \$550,000.00)

- Chassis would arrive and be invoiced in 2026.

Chassis and body total: \$1,078,000.00

Loose tools, equipment, miscellaneous costs: \$75,000.00

Tender 2 Replacement Project Total: \$1,153,000.00

- Final payment would be made on delivery in 2027.

Estimated Sale Price of Tender 2 (2027): \$125,000 - \$150,000 through auction or coordinated sale.

### QUESTIONS BEFORE COUNCIL:

- Does council support the fire departments accelerated timeline of specification and order placement to ensure the truck is delivered in 2027?