

Olivehurst Public Utility District



Board Report

Meeting Date: February 16, 2023

Item description/summary:

UPDATE on International Model 34 Tag-on Fire Truck: Staff signed a Purchase Order with Boise Mobile Equipment (BME) on August 20, 2021, in the amount of \$364,209.23 under contract #1-17-23-21B. I received an update from BME of a price increase of \$30,075 under California Public Contract Code Section 10298. With the price increase we are still under \$400,000.00 budget. BME has sent a letter with I have attachment for your review. I recommend accepting the additional cost of \$30,075. This would put the new cost at \$396,765.42. Anticipated dated of build is June - July 2023.

Fiscal Analysis:

Employee Feedback

Sample Motion:

Approve staff to sign new purchase order with BME to stay under contract #1-17-23-21B

Prepared by:

Fire Chief Randy York



FIRE TRUCKS

4600 S Apple Street
Boise, Idaho 83716

Toll Free: (800) 445.8342
Local: (208) 338.1444

February 9, 2023

Dear Valued Customer,

Thank you for being a loyal BME customer. For years, we have strived to provide the best products and services at an affordable rate.

Although we have tried our best to keep the price of our apparatus low, our costs have increased significantly. With delayed deliveries, chassis surcharges, vendor price increases, and higher fees for labor and overhead, BME will not be able to build apparatus under the old contract price. BME has found it necessary to go to the Department of General Services (DGS) and request a price increase of \$30,075 for each apparatus, which is outstanding on contract #1-17-23-21B.

BME ordered Cal Fire/customer (tag-on) chassis when the PO was issued initially, and then they were finally accepted by the chassis manufacturer when the order bank opened. But due to supply chain issues, chips, and manufacturing difficulties, International/Freightliner, unfortunately, has taken 18-24 months to build a chassis from the time of order.

DGS granted BME the increase of \$30,075 for each apparatus utilizing contract #1-17-23-21B. This is a mandatory price increase for all State, cities, counties, special districts, California State University and the University of California systems, K-12 school districts, and community colleges empowered to expend public funds (California Public Contract Code Section 10298).

BME would like to complete the trucks, but we understand that this price increase is significant and beyond our control. If this change is not acceptable or agreed upon, BME will work with your agency to cancel or void the PO / Contract and move forward with other options.

Chad Moffat
President