



City of Port Moody

Report to Finance Committee

Date: April 15, 2021
Submitted by: Fire and Rescue Services
Subject: Heavy Apparatus Replacement Program – Funding Request

Purpose

To increase the project budget for CFD19008 by \$495,000 and to update Council on the funding shortfall to conclude the final phase of the Fire Rescue Heavy Apparatus Replacement Program.

Recommended Resolution(s)

THAT the funding envelope to purchase the final piece of equipment as part of the Fire Rescue Heavy Apparatus Replacement Program be increased by \$495,000 as recommended in the report dated April 15, 2021 from the Fire and Rescue Services Department regarding Heavy Apparatus Replacement Program – Funding Request.

Background

In Q4 2017, Port Moody Fire Rescue initiated a visioning process for the identification and procurement of required heavy fire apparatus for the years 2018-2043. This process was driven by the fact that four of our fleet were at or near end-of-useful life per internationally recognized performance, maintenance, and life-cycle standards. The PMFR Heavy Apparatus Replacement Program (PMFR – HARP), in consultation with Fleet Maintenance staff, PMFR operational staff, and the Finance team was divided into an initial two phases. This process has been supported by significant effort from the Finance procurement group and Council resolutions permitting the borrowing of the necessary funds.

Phase 1 (CFD18102)

- Specification development & procurement of replacements for:
 - Shop FR004 (1990 E-One Federal 100' aerial platform)
 - Shop FR005 (1995 Anderson Engineering Spartan Type 1 Engine);
- Budget approved in the 2018-2022 Capital Budget at \$3,770,000CDN;
- Identification of a preferred vendor at the request of all stakeholders to ensure long-term fleet standardization;
- Sole source approved by City Manager Tim Savoie;
- Purchase Order issued on November 28, 2018;
- Apparatus manufactured over an 18-month period with in-service of both replacements in Spring 2020;

- Total purchase cost for both apparatus - \$3,605,000CDN (-\$165,000 under estimate);
- Phase 1 is complete and replacement is scheduled for the period 2039-2044

Phase 2 (CFD19008)

- Specification development & planned procurement of replacements for:
 - Shop FR007 (1999 HUB American Lafrance Type 1 Engine)
 - This apparatus was moved up from 2023 replacement due to the insolvency of the manufacturer and the subsequent lack of available parts to maintain in-service levels
 - Shop FR009 (1997 Freightliner Rescue);
- Budget approved in the 2019-2023 Capital Budget at \$2,531,250CDN;
- PMFR Operations prioritizes the Engine replacement over the Rescue unit;
- Sole source approved by City Manager Tim Savoie;
- FR032 (Engine) –
 - Specifications and equipment as established for FR025 in Phase 1
 - Purchase Order issued on December 24, 2020 for \$1,518,826
 - Build time 390 days
 - Replacement 2041-2046;
- FR033 (Rescue Unit) –
 - Specifications and equipment list complete (October 15, 2020)
 - Estimated build time – 520 days
 - Estimated cost - \$1,507,424 (04.15.21)
 - Funding shortfall - \$495,000.

Discussion

A number of factors have contributed to the funding envelope shortfall. These include, but are not limited to:

- World-wide shortage of raw materials resulting in an abrupt increase in direct costs;
- Inflation pressures over the life of the program;
- COVID pandemic related-delays and equipment cost increases; and
- Industry manufacturing consolidation, resulting in price increases.

Fire Rescue was able to procure both apparatuses in the Phase 1 portion of the program for \$165,000 under approved budget.

Fire Rescue is seeking approval to increase the capital budget to allow this invaluable piece of apparatus to be replaced and equipped as identified to maintain our response capacity. PMFR has diligently managed this specification process, having looked at all possible efficiencies and opportunities for savings. This included a reduction of approximately \$120,000 in chassis and equipment costs from the original vendor quotations. This estimated cost is inclusive of all equipment and outfitting making the unit service-ready upon delivery.

Other Option(s)

Other options may include delaying the purchase of this equipment, but the risk of equipment failure and/or out-of-service unavailability would present a significant risk to the community. As well, any delay will likely only add to the cost of the equipment, increases of which cannot be predicted.

Financial Implications

The HARP program is funded through the MFA Equipment Financing Program. The cost of servicing the debt (principal and interest) for the HARP assets is included in the PMFR operating budget. An increase of \$495,000 to the overall project budget would result in an increase of \$35,000 to the PMFR operating budget, which would represent an estimated 0.08% tax increase (2021). The capital financing does not occur until the equipment is received and in service (2022/2023).

Council Strategic Plan Objectives

This request aligns with Council's strategic objectives, including:

- Exceptional Service
 - Provide exceptional service to our residents, businesses, and stakeholders by encouraging open communication, partnerships, and a can-do attitude;
 - Commit to a high and consistent standard of service;
- Healthy City
 - Create a safe, friendly, and inclusive community that encourages healthy, active living for people of all ages; and
 - Ensure Port Moody is a safe place where local government and public safety agencies are prepared to address natural disasters and other emergencies.

Report Author

Ron Coulson
Fire Chief

Report Approval Details

Document Title:	Heavy Apparatus Replacement Program.docx
Attachments:	
Final Approval Date:	May 10, 2021

This report and all of its attachments were approved and signed as outlined below:

Dorothy Shermer, Corporate Officer - May 3, 2021 - 5:36 PM

Natasha Vander Wal for Rosemary Lodge, Manager of Communications and Engagement -
May 4, 2021 - 9:40 AM

Paul Rockwood, General Manager of Finance and Technology - May 4, 2021 - 5:20 PM

Tim Savoie, City Manager - May 10, 2021 - 8:57 AM