

Staff Report

Report To: City Council
Report From: Phil Eagleson, Fire Chief
Meeting Date: May 27, 2024
Report Code: CR-24-062
Subject: Refurbished Fire Truck Purchase

Recommendations:

THAT in consideration of Staff Report CR-24-062 respecting the Refurbished Fire Truck Purchase, City Council receives the report for information purposes.

Highlights:

- Staff have successfully purchased a used 75-foot Aerial Fire Truck at a public auction that will meet the Fire Department's needs. The auction closed on May 13, 2024, and the purchase price was \$100,000 USD.
- The truck will be refurbished by the original manufacturer and delivered with Canadian certifications and the required equipment.
- The acquisition and refurbishment will save approximately \$2 million dollars by avoiding purchasing a brand-new Aerial Fire Truck.
- The refurbishment project will meet the foreseeable needs of the Fire Department's apparatus replacement until 2034.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: Collaborative City.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by creating conditions to minimize health and safety risks.

Previous Report/Authority:

Closed Report CR-24-049 – Refurbished Fire Truck Purchase

Background:

Council received the original report on May 7th with the necessary information to approve the purchase of the used aerial fire truck. As this truck was only available via public auction, an emergency Council meeting was required to meet the timeline and facilitate a quick closing associated with this purchase. The meeting was held in closed session as the objective was not to advertise this opportunity to other potential buyers.

Section 34 of the Purchasing By-law requires that non-competitive purchases greater than \$100,000 must be approved by Council.

Aerial Fire Truck Acquisition

Section 33 of the Purchasing By-law identifies the permitted non-standard procurement processes available for purchases. Section 33, item e. permits the procurement of goods, services, construction, or consulting services from a publicly funded agency or a non-profit organization.

Aerial Fire Truck Refurbishment

Section 33 of the Purchasing By-law identifies the permitted non-standard procurement processes available for purchases. Section 33, item b. permits the procurement of goods, services, construction or consulting services where only one supplier can meet the requirements of a procurement to:

- i. ensure compatibility with existing products;
- ii. recognize exclusive rights, such as exclusive licenses, copyright and patent rights; or
- iii. maintain specialized products that the manufacturer or its representative must maintain.

Sutphen Fire Trucks is the only company that can provide factory refurbishment services for the used aerial truck. The truck is currently located in Dublin, Ohio's at the Sutphen Fire Truck manufacturing facility.

Staff will travel to the Sutphen facility and negotiate a refurbishment agreement.

Analysis:

Our existing reserve Aerial Truck (Aerial 4) was built in 2004 and is at the end of its life (20 years) and must be replaced. This apparatus is not eligible for life extension as American Lafrance built it. The American Lafrance company has been out of business for over 15 years, and no parts are available to maintain or repair the truck.

Aerial 4 is currently in poor condition, and its reliability is questionable. Unfortunately, given the condition and make of the apparatus, the current asset has minimal value. Following the delivery of the recently purchased refurbished truck, the existing Aerial 4 will be sold. The estimated value of the surplus asset would be \$40,000 CDN. All proceeds from the sale will be credited to the fleet reserve.

Owen Sound Fire's Fleet currently consists of two Pumper Trucks, two Ladder Trucks and a Rescue Boat. This is one of the smallest Fire Department fleets in the Grey-Bruce area. Owen Sound Fire does not have Tanker Trucks, Rescue Trucks, or Utility/Support vehicles. We rely on the Mutual Aid program when additional apparatus resources are required.

Current Owen Sound Fire Fleet Composition:

Unit #	Apparatus Type, Assignment & Manufacturer	Year of Manufacture	Service Life	Scheduled Replacement Year
P2	Pumper – Frontline Fort Garry	2018	20 years	2038
P5	Pumper – Reserve Dependable	2011	20 years	2032
L3	100’ Ladder Truck – Frontline Sutphen	2021	20 years	2041
A4	75’ Ladder Truck – Reserve American Lafrance	2004	20 years	2024

Recommended Replacement:

Unit #	Apparatus Type, Assignment & Manufacturer	Year of Manufacture	Service Life	Scheduled Replacement Year
New	75' Ladder Truck – Reserve Sutphen (Refurbished)	2007	15 years** <i>**from the date of refurbishment</i>	2039

Demand for all heavy trucks, not just fire trucks, is at an all-time high. Raw materials, finished material supply chain delays, and labour shortages are preventing truck manufacturers from ramping up production and meeting their production costs. This imbalance has set truck delivery backlogs at two to three years, leaving the industry hesitating to take orders into 2027 due to inflation and cost control concerns.

Inflation in the fire truck manufacturing sector has outpaced all other industries. A modestly equipped pumper truck that cost \$500,000 pre-pandemic is now over \$1,000,000, and an electric version of the identical pumper is \$2,000,000. Aerial (Ladder) trucks that were \$1,500,000 are now \$2,600,000, with an expected delivery date of 3 years from the initial design. Most municipalities in North America did not budget for this extreme increase.

Fire Underwriters Survey (FUS) provides data on public fire protection for fire insurance statistical work and underwriting purposes of subscribing insurance companies. FUS rates fire departments and assigns each community a Dwelling Protection Grade (DPG). The DPG program provides a simple and accurate method of determining whether a fire department meets the necessary benchmarks to fight fires and protect buildings effectively. Owen Sound is currently rated Class 1, representing exemplary fire protection. As a result, residents of Owen Sound benefit from the lowest insurance rates for fire protection. The highest available ratings are based on several factors: we have modern in-service fire trucks and reserve apparatus in case of failure. Career firefighters, water supply, and travel distances are also factors used in the gradings.

Suppose replacement of the existing Aerial 4 does not occur. In that case, fire insurance grading recognition may be revoked for the specific apparatus, which will adversely affect the fire insurance grades of the community. This could negatively impact insurance rates for property owners throughout the

City of Owen Sound. Failure to maintain and replace the four in-service apparatuses will ultimately reduce our FUS rating and increase the cost of fire insurance on buildings in the city.

Reducing the overall size of the current fleet also does not align with the future vision for the Owen Sound Fire Service. A functional composite service will require adequate vehicles to transport career and volunteer firefighters to emergency scenes and training evolutions.

The used truck is unique because it has always been factory-maintained by the original manufacturer and in service in the community that builds Sutphen Fire Trucks. Sutphen is in its 134th year of operation, making it the oldest continuously owned and operated fire apparatus manufacturer today. Owen Sound Fire staff have built a trusted and valued working relationship with Sutphen since the delivery of Ladder 3 in 2021.

Staff have spoken directly with the owner of Sutphen Fire Trucks, the Fire Chief, Deputy Fire Chief, and Mechanical Officer of Washington Township Fire Department (Dublin, Ohio). All persons consulted have reassured staff the truck is in good condition and was only replaced due to their regular apparatus replacement schedule of 15 years. The truck was in service in the Dublin, Ohio area from new, and used up until delivery of their new apparatus last month. The truck is a slightly smaller (75') "Sistership" to Ladder 3 (100' Sutphen Mid-mount Platform) purchased by Owen Sound in 2021 for \$2.1 million. The replacement value today is \$2.6 million, with an expected 36-month waiting period for delivery.

Having both aerial apparatuses similar in construction will reduce future repair costs and long-term maintenance costs, as our staff is currently certified and trained to work on this make and model of apparatus.

The factory-refurbished fire truck will meet our needs for the next 15 years, with an option to extend the service life beyond that based on condition, functionality, and capacity at that time.

The recently purchased used apparatus is very similar in capabilities to the truck it replaces. However, it has a slightly larger water pumping capacity, ladder, and equipment storage capacity.

Image of Purchased Fire Truck



Financial Implications:

The used truck was purchased for \$100,000 USD. Additional costs will include total factory refurbishment costs, Canadian adaptation, import/export broker fees, auction fees, and sales tax (applicable to Ohio State and Provincial taxes). The total cost of this project will not exceed \$400,000 CDN.

The replacement of the existing aerial fire truck, valued at \$2.6 million CDN, is included in the multi-year fleet replacement schedule in 2027. The completion of this project will eliminate the need for a new replacement. The funding for the unit is through the Fleet Reserve, which receives annual contributions from the Fire Services operating budget.

Communication Strategy:

Limited external communication was necessary initially as this was a public auction, and our objective was not to advertise this opportunity to other potential buyers.

Presentation of this report to Council

Media Release

Consultation:

Tim Simmonds, City Manager

Bradey Carbert, Manager of Corporate Services

Dan Sutphen – Owner / President / CEO Sutphen Fire Trucks

Fire Chief Washington Township (Dublin, Ohio)

Deputy Fire Chief Washington Township

Chief Mechanical Officer Washington Township

Owen Sound Fire Department – Fire Officers

Attachments:

None.

Recommended by:

Phil Eagleson, Fire Chief

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Phil Eagleson, Fire Chief, at peagleson@owensound.ca or 519-376-4440 ext. 2244.