



**Contra  
Costa  
County**

To: Contra Costa County Fire Protection District Board of Directors  
 From: Lewis T. Broschard III, Chief, Contra Costa Fire Protection District  
 Date: June 8, 2021

Subject: Fire Apparatus Acquisition and Lease-Purchase Program

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**RECOMMENDATION(S):**

1. Acting as the Contra Costa County Fire Protection District Board of Directors, APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a purchase contract with Golden State Fire Apparatus for the manufacture and sale of one (1) 100-foot aerial ladder trucks in an amount not to exceed \$1,670,110 including indemnity by the Contra Costa County Fire Protection District.
2. Acting as the Contra Costa County Fire Protection District Board of Directors, APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a new lease schedule to Master Lease Agreement with PNC Equipment Finance, LLC for an amount not to exceed \$1,670,110 including finance charges, with annual payments not to exceed \$195,000 and a term not to exceed 10 years for the lease-purchase of one ladder truck.
3. Acting as the Contra Costa County Fire Protection District Board of Directors, APPROVE and AUTHORIZE the Fire chief, or designee, to execute a four-party agreement among Golden State Fire Apparatus; PNC Equipment Finance, LLC; Pierce Manufacturing, Inc; and the Contra Costa County Fire Protection District regarding delivery of the truck and initiation of the lease.

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **06/08/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
 Candace Andersen, District II  
 Supervisor  
 Diane Burgis, District III Supervisor  
 Karen Mitchoff, District IV Supervisor  
 Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 8, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Assistant Chief Michael  
 Quesada, (925) 941-3300

By: Wendy Mascitto, Deputy

cc:



### FISCAL IMPACT:

The proposed order of one (1) 100-foot aerial ladder trucks is valued at approximately \$1,670,110 including sales tax and all associated charges. The purchase price for the one (1) fire apparatus will be paid by PNC Equipment Finance, LLC under the Master Lease Agreement.

The first payment in this lease schedule will be due in August 2022 and will be included in the District's FY 2022-23 recommended budget. The annual payment amount will be approximately \$195,000, and the lease schedule term is ten years. The total cost of financing will not exceed \$270,000. The annual interest rate is 2.81%.

### BACKGROUND:

On December 9, 2014, the Contra Costa County Fire Protection District Board of Directors approved and authorized the Fire Chief to enter into a Master Lease Agreement with PNC Equipment Finance, LLC ("PNC"); and on December 23, 2014, the Contra Costa County Fire Protection District ("District") entered into the Master Lease Agreement (the "MLA") with PNC. The MLA was used in 2014, 2015, 2018, 2019 and 2021 to finance the purchase of engines and ladder trucks from Pierce Manufacturing.

While the District has made significant capital purchases of fire apparatus in recent years, the need exists to continue replacement of front line engines and trucks. As the District has reopened closed stations and projects to reopen additional stations, the demand for our fleet has increased.

The District spends a tremendous amount of resources in terms of time and dollars maintaining older, high mileage apparatus. The ladder truck is being purchased to replace a 2000 Truck with 113,153 miles. Current delivery times are running 20 months for delivery of new ladder trucks. Additionally, there are anticipated price increases coming due to high demand and shortages of construction materials such as steel. Placing this order now reserves the District's place in production and avoids significant price increases.

The District has a fleet of nine (9) aerial apparatus. These aerial apparatus are distributed as six (6) frontline aerials for primary response and three (3) spares.

The National Fire Protection Association (NFPA) Standard 1901 (Standard for Automotive Fire Apparatus) and 1911 (Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus) both recommend front-line apparatus be retired into a reserve status after 15 years of service. This is primarily for safety reasons. Older apparatus does not afford firefighters the same level of safety as modern apparatus due to cab designs, inherent safety features incorporated into modern fire apparatus design such as airbags, modern braking systems, and other considerations. The standards further recommend that all reserve apparatus be removed from service after no more than 25 years of total service. The standards comment on high use, mileage, and other factors as additional determinants to retire frontline apparatus sooner.

than 15 years. In our District the high use and mileage of our front-line apparatus suggest retirement sooner than 15 years.

In our District, the high volume usage and mileage of our frontline apparatus fleet suggests retirement sooner than the recommended 15 years.

The acquisition of the apparatus in this order will accomplish several objectives. The new apparatus will have a direct and immediate impact on the District's ability to provide increased reliability for emergency response, as compared to the existing fleet, with reduced out-of-service time for maintenance and repairs. The new apparatus will have a direct and immediate impact on reducing maintenance costs now and into the future as a result of not only the age of the apparatus but also the quality of apparatus being acquired. The new apparatus will enable the District to comply with the recommendations of NFPA 1901 and 1911, increasing firefighter safety and fleet reliability.

This additional investment in capital, on an annual basis, over the next ten years will enable the District to take another significant step forward in meeting one of the recommendations of the Fitch study, which identified the need to invest at least 4% of the budget into facilities and equipment each year. The need for safe, reliable, and modern fire apparatus is paramount to fulfilling the mission of the District.

The funds needed for this lease-purchase schedule have been considered in future year budget planning. The annual payments represent a fraction of a percent of the District's annual General Fund budget. The lease-purchase agreement allows the District to acquire a moderate order of apparatus with payments spread out over 10 years. The District has used this type of financing arrangement in the past for large orders of apparatus.

The District relies on a diverse fleet of engine, truck, quint, squad, and rescue vehicles to fulfill its mission of providing safe, reliable, and efficient emergency services.

Under the four-party agreement, if Pierce does not deliver an engine to Golden State Fire Apparatus (GSFA) within the time set forth in the purchase contract between GSFA and the District, Pierce will make certain payments under the lease.

Under the purchase contract, the District shall indemnify GSFA for losses arising out of the District's use of the engines after delivery.

#### CONSEQUENCE OF NEGATIVE ACTION:

The District will not be able to acquire this new apparatus. The current age and condition of the fleet will continue to deteriorate and negatively impact the District's ability to provide safe, reliable, and effective emergency response. Maintenance costs would continue to increase having an adverse impact on the operational budget. Increases in out-of-service time for fire crews will increase as a result of mechanical breakdowns.