



**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: January 18, 2022

Subject: Fire Apparatus Acquisition and Lease-Purchase Program

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**RECOMMENDATION(S):**

1. APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a purchase contract with Golden State Fire Apparatus for the manufacture and sale of six (6) Type I fire engines in an amount not to exceed \$5,000,000 including indemnity by the Contra Costa County Fire Protection District.
2. APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a new lease schedule to the Master Lease Agreement with PNC Equipment Finance, LLC for an amount not to exceed \$5,800,000 excluding finance charges, with annual payments not to exceed \$580,000, and a term not to exceed 10 years for the lease-purchase of the Pierce fire engines.
3. 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 engines and initiation of the lease.

**FISCAL IMPACT:**

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **01/18/2022** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, Director  
 Candace Andersen, Director  
 Diane Burgis, Director  
 Karen Mitchoff, Director  
 Federal D. Glover, Director

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: January 18, 2022

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

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

By: June McHuen, Deputy

cc:

### FISCAL IMPACT: (CONT'D)

The proposed order of six (6) fire apparatuses are valued at approximately \$5,000,000, including sales tax and associated charges. The purchase price for the six (6) fire apparatuses 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 2022-2023 recommended budget. The annual payment amount will be approximately \$575,000, and the lease schedule term is ten years. The total cost of financing will not exceed \$800,000. The annual interest rate is 2.91%. This rate is higher than in previous lease-purchase schedules in the MLA due to the federal elimination of tax exempt municipal financing.

### BACKGROUND:

On December 9, 2014, the Board 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 has been used multiple times to finance the purchase of engines, ladder trucks, rescues, and ambulances.

The District now desires to finance the purchase of additional apparatuses from Pierce by entering into a new lease schedule to the MLA. While the District has made significant capital purchases of fire apparatuses in recent years, the need exists to continue replacement of front line engines and trucks. As the District has re-opened closed stations and projects to reopen additional stations, the demand for an expanded Type I engines fleet has increased.

The District has a fleet of 40 Type I engines. Those engines are distributed as 26 frontline engines for primary response, one cross-staffed engine at fire stations staffed with aerial apparatuses, and 14 reserve and training engines. The District spends a tremendous amount of resources in terms of time and dollars maintaining older, high mileage apparatuses.

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 apparatuses be retired into a reserve status after 15 years of service. This is primarily for safety reasons. Older apparatuses do not afford firefighters the same level of safety as modern apparatuses do due to cab designs, inherent safety features incorporated into modern fire apparatuses design such as airbags, modern braking systems, and other considerations. The standards further recommend that all reserve apparatuses 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 front-line apparatuses sooner than 15 years. In our District, the high use and mileage of our front-line apparatuses suggest retirement sooner than 15 years.

The acquisition of the apparatuses in this order will accomplish several objectives. The new apparatuses 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 apparatuses will also 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 apparatuses but also the quality of the apparatuses being acquired. The new apparatuses 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 our budget into facilities and equipment each year. The need for safe, reliable, and modern fire apparatuses are paramount to fulfilling the mission of the District.

If approved, new fire apparatuses will begin arriving in July 2023 and will be in service shortly after delivery to stations throughout the District. Older apparatuses will be removed from service or placed in reserve status.

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 Fire 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:

If unapproved, the District will not be able to acquire these new apparatuses. 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. Additionally, with increased maintenance costs there would be an adverse impact on the operational budget, and increases in out-of-service time for fire crews will increase as a result of mechanical breakdowns.