CITY OF EUREKA CALIFORNIA

AGENDA SUMMARY CITY COUNCIL

TITLE: Purchase of Pierce Manufacturing Enforcer Type 1 Engine

DEPARTMENT: Finance

PREPARED BY: Lane Millar

PRESENTED FOR

☒Action ☐Information only ☐Discussion

RECOMMENDATION

Authorization to Execute Lease-Purchase Agreement for Replacement Fire Engine

FISCAL IMPACT

☒No Fiscal Impact ☐Included in Budget ☐Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

DISCUSSION

The City of Eureka is responsible for maintaining the emergency response fleet at fire stations within City limits. In accordance with the City's apparatus replacement schedule, the Fire Chief recommends replacing the 1991 Pierce Engine. Having served for 35 years, this engine has exceeded its replacement threshold (20 years frontline/10 years reserve) by 6 years.

Staff recommends purchasing a newly manufactured Pierce Enforcer Type 1 Engine from Golden State Fire Apparatus for a total cost of $1,260,705. Upon delivery, the engine will be stationed at Fire Station #4. Purchasing this unit maintains fleet standardization across the City's Type 1 Fire Engines (single specification, make, model, and manufacturer), qualifying this transaction as a Sole Source purchase under the Alternative Procurement Procedures of the City's Procurement Policy (File #2.00).

To avoid a large one-time capital outlay, staff recommends a 7-year lease-purchase option through Community Leasing Partners. The lease term is significantly shorter than the estimated useful life of the asset. The interest rate on proposed lease is 4.94%. The interest cost over the term of the agreement will total $261,325; an average of $37,332 per year.

The annual lease payment will be $217,433. The first payment towards the lease is scheduled for FY 2027–28, so there is no fiscal impact on the FY2026-27 Adopted Budget.

Attachments:

1. Pierce Engine Proposal
2. Community Leasing Partners – Financing Options