



Agenda Item

Orange City Council

Item #: 9.4.

1/13/2026

File #: 25-0690

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

Authorize the lease-purchase of a Pierce Enforcer Urban Search and Rescue apparatus through the Houston-Galveston Area Council HGACBuy Cooperative Purchasing Program, Contract No. FS 12-23.

2. SUMMARY

Lease-purchase one Pierce Enforcer Urban Search and Rescue apparatus from South Coast Fire Equipment. The City Council has previously approved the Cooperative Purchasing Agreement as the standard for vehicle and equipment procurement.

3. RECOMMENDED ACTION

1. Approve the lease-purchase agreement with PNC Bank in the amount of \$2,171,284.64 for financing for the purchase of one Pierce Enforcer Urban Search and Rescue apparatus; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Approve the lease-purchase of one Pierce Enforcer Urban Search and Rescue apparatus from South Coast Fire Equipment for \$2,171,284.64.
3. Authorize the appropriation of \$434,257 from Vehicle Replacement (720) unreserved fund balance to: 720-5401-80301 - Vehicle Capitalization

4. FISCAL IMPACT

The expense for this lease-purchase is \$434,257 and will be funded through the Motor Vehicle Replacements Fund (720):

720-5401-80301- Vehicle Capitalization

Upon approval of this appropriation, the estimated Vehicle Replacement (720) fund balance on June 30, 2025, will be \$100,103.

Funding for additional annual appropriations for financing installments must be approved through the annual budget process in subsequent years.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability

6. DISCUSSION AND BACKGROUND

The purpose of this report is to request City Council authorization to replace the City's twenty-four-year-old Urban Search and Rescue (USAR) apparatus with a modern Pierce Enforcer USAR unit. This replacement is necessary to maintain operational readiness and reflects a strategic financial approach centered on using a lease-purchase agreement with prepayment financing. This financing method provides substantial cost savings while preserving budget flexibility.

The 24-year-old USAR apparatus, a modern Pierce Enforcer USAR unit, ensures continued support for complex rescue operations. The new unit provides increased capacity and operational flexibility, enhances regional mutual aid support, and maintains the City's long-standing leadership in emergency response capabilities. The existing 2001 Seagrave Tiller Squad has exceeded its recommended twenty-year NFPA service life and has incurred escalating maintenance costs, including a recent almost \$50,000 frame repair. Refurbishing the unit under NFPA Standard 1912 for fire apparatus refurbishing would cost an estimated \$810,000 to \$895,000 and provide only a limited extension of service life. Replacing the apparatus now, while using a financing structure that reduces total project cost, is the most cost-effective and operationally reliable solution.

The proposed Pierce Enforcer USAR apparatus meets current technical rescue requirements and enhances regional mutual-aid capabilities. The Fire Department operates one of only five Type 1 Heavy USAR units in Orange County, supporting complex rescues, including confined-space, trench, high-angle, low-angle, and swift-water incidents. The unit also functions as a compressed-air refill and lighting resource during major emergencies. Maintaining a reliable USAR platform is essential for continued participation in countywide and statewide response operations, including Orange County Task Force 5.

To reduce the financial impact of this purchase, a lease-purchase agreement is being used, combined with a manufacturer's prepayment discount, which together provide significant cost savings. Without the prepayment program, the total cost of the apparatus (including sales tax and fees) would be \$2,196,252.35. By committing early and using the prepayment financing structure offered by Pierce and PNC Bank, the City receives a \$245,611 discount, reducing the financed amount to \$1,931,606.50. Over the five-year term, total payments will be \$2,171,284.64 which is \$264,645.85 less than the cost of purchasing the apparatus outright without the discount. This results in an effective interest rate of -0.38%, demonstrating that the financing structure itself yields net savings for the City.

This purchase is also aligned with the City's long-term fleet planning strategy. A ten-year fire apparatus replacement forecast (attached) demonstrates a coordinated approach to managing future engine and ladder truck replacements. The lease-purchase strategy used for the USAR apparatus is a model that can be applied to future apparatus purchases to level annual capital outlays, stabilize future budgets, and reduce exposure to escalating construction and material costs.

7. ATTACHMENTS

- 10-Year Fire Apparatus Replacement Schedule

- Proposal Orange City USAR HGACBuy Contract # FS12-23
- Lease Purchase Agreement