

File No. 250389

Committee Item No. 2

Board Item No. 5

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date May 14, 2025

Board of Supervisors Meeting Date May 20, 2025

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>NYT Article 2/17/2025</u>                                 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo – 30-Day Rule Waiver</u>         |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI 4/21/2025</u>                                |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo – Transfer RLS-BFC 4/29/2025</u> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>FIR Handout 5/14/2025</u>                                 |
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Completed by: Brent Jalipa Date May 8, 2025

Completed by: Brent Jalipa Date May 15, 2025

[Administrative Code - Purchase of Fire Apparatus]

**Ordinance amending the Administrative Code to allow City departments to enter into and amend agreements for accelerated acquisition of Fire Apparatus without complying with solicitation requirements that would otherwise apply, and without complying with provisions in the Municipal Code that impose obligations on contracting parties as a condition of contracting with the City.**

NOTE: **Unchanged Code text and uncoded text** are in plain Arial font.  
**Additions to Codes** are in *single-underline italics Times New Roman font*.  
**Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background and Findings.

(a) As a result of the COVID pandemic, the fire apparatus industry encountered many challenges, both fiscally and operationally, due to factors such as inflation, supply chain issues, and labor shortages.

(b) In recent years, consolidation in the fire apparatus manufacturing industry, intended to create efficiencies, has instead led to supply issues for apparatus, among other negative impacts.

(c) These issues have resulted in difficulties procuring fire apparatus for the San Francisco Fire Department (SFFD), resulting in significant cost increases for fire apparatus, increased delivery delays for apparatus that have been purchased or are under construction, and reduced competition in the overall market.

1 (d) Combined with reduced funding available as a result of the City's recovery from  
2 the pandemic, the SFFD has had extreme difficulties obtaining apparatus to replace aging and  
3 outdated units in its fleet.

4  
5 Section 2. Chapter 21 of the Administrative Code is hereby amended by revising  
6 Sections 21.02, 21.04, and adding Section 21.25-1, to read as follows:

7  
8 **SEC. 21.02. DEFINITIONS.**

9 As used in this Chapter 21, the following words shall have the following ~~respective~~  
10 meanings:

11 \* \* \* \*

12 "Electronic" shall mean electrical, digital, magnetic, optical, electromagnetic or other  
13 similar technology for conveying documents or authorizations, excluding facsimile.

14 "Fire Apparatus" shall mean a vehicle that has been altered or designed for the purpose of  
15 firefighting.

16 \* \* \* \*

17 **SEC. 21.04. DIRECT PURCHASING AUTHORITY OF DEPARTMENTS.**

18 (a) Department heads may purchase Commodities or Services directly and without the  
19 approval of purchasing, as provided in the Charter or Municipal Code, or in the following  
20 circumstances:

21 (1) Departments may directly enter into contracts when such purchase is  
22 recommended by a department head and is approved by the Purchaser. The Purchaser's  
23 approval of direct department purchases may be for individual contracts or for classes of  
24 contracts anticipated to be required by the department.

25 \* \* \* \*

1  
2 (8) The Director of Health may contract directly for purchases under the authority  
3 of Chapter 21A of this Code.

4 (9) The Chief of the Fire Department may directly enter into contracts to purchase Fire  
5 Apparatus under the authority of Section 21.25-1. This subsection 21.04(a)(9) shall expire by  
6 operation of law on July 1, 2030. After its expiration, the City Attorney shall be authorized to cause  
7 this subsection 21.04(a)(9) to be removed from the Administrative Code.

8 \* \* \* \*

9  
10 **SEC. 21.25-1. ACCELERATED PROCUREMENT OF FIRE APPARATUS.**

11 **(a) Procurement.** Contracts for the accelerated acquisition of Fire Apparatus awarded prior  
12 to July 1, 2027 are exempt from the solicitation requirements of Chapters 21 and 14B.

13 **(b) Contractor's Obligations.** Contracts for the accelerated acquisition of Fire Apparatus  
14 awarded prior to July 1, 2027 are not subject to provisions of the Municipal Code that impose  
15 obligations or other restrictions on contractors, including but not limited to provisions in the  
16 Administrative, Labor and Employment, Environment, or Police Codes, with the exception of all  
17 provisions of the Campaign and Governmental Conduct Code, and Chapters 12G and 12M of the  
18 Administrative Code.

19 **(c) Amendments.** The provisions of subsections (a) and (b) apply to amendments or  
20 modifications of contracts awarded prior to July 1, 2027 under this Section 21.25-1.

21 **(d) Sunset.** Unless extended by ordinance, this Section 21.25-1 shall expire by operation of  
22 law on July 1, 2030. After the expiration, the City Attorney shall be authorized to cause this Section to  
23 be removed from the Administrative Code.

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the “Note” that appears under the official title of the ordinance.

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

By: /s/  
Gustin R. Guibert  
Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Administrative Code - Purchase of Fire Apparatus]

**Ordinance amending the Administrative Code to allow City departments to enter into and amend agreements for accelerated acquisition of Fire Apparatus without complying with solicitation requirements that would otherwise apply, and without complying with provisions in the Municipal Code that impose obligations on contracting parties as a condition of contracting with the City.**

### **Existing Law**

Fire Apparatus are purchased by the City under the authority of Chapter 21 of the Administrative Code. The Purchaser generally conducts a solicitation, and awards a contract. The awarded contractor is subject to the City's regime of contracting laws.

### **Amendments to Current Law**

The Fire Department would be being given authority to directly purchase Fire Apparatus in select circumstances ("accelerated purchasing") if the Fire Department chooses. The Fire Department would not have to follow a statutory competitive process, and may instead contact and negotiate directly with potential suppliers for purchase of Fire Apparatus in this accelerated manner. Awarded contractors would not need to comply with most of the City's contracting requirements. If the special authority is not used, the regular process for such purchases is still in effect.

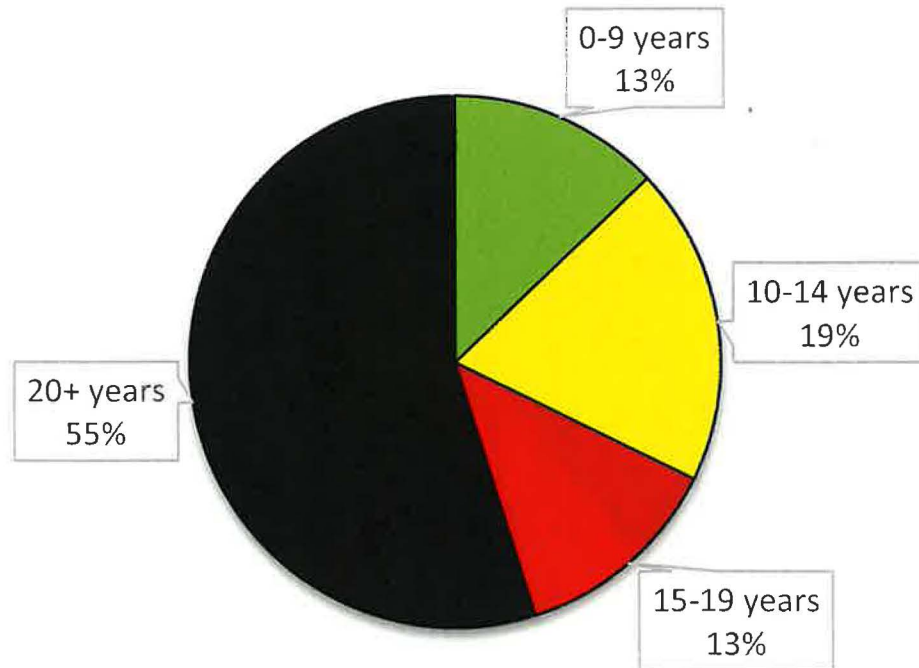
This special authority will expire in 5 years. Initial contracts must be awarded prior to July 1, 2027, and amendments or modifications of those contracts made between July 1, 2027 and July 1, 2030 would also exempt from those requirements. Once the special authority expires, all purchases of Fire Apparatus must be made in the regular manner.

### **Background Information**

The City is experiencing challenges in purchasing Fire Apparatus. This is due in part to the consolidation of the industry. With the loss of leverage to purchase these critical items, the City is relaxing contract requirements that potentially chill competition, and allows bypassing the rigid competitive solicitation structure for more flexible communication and negotiations.

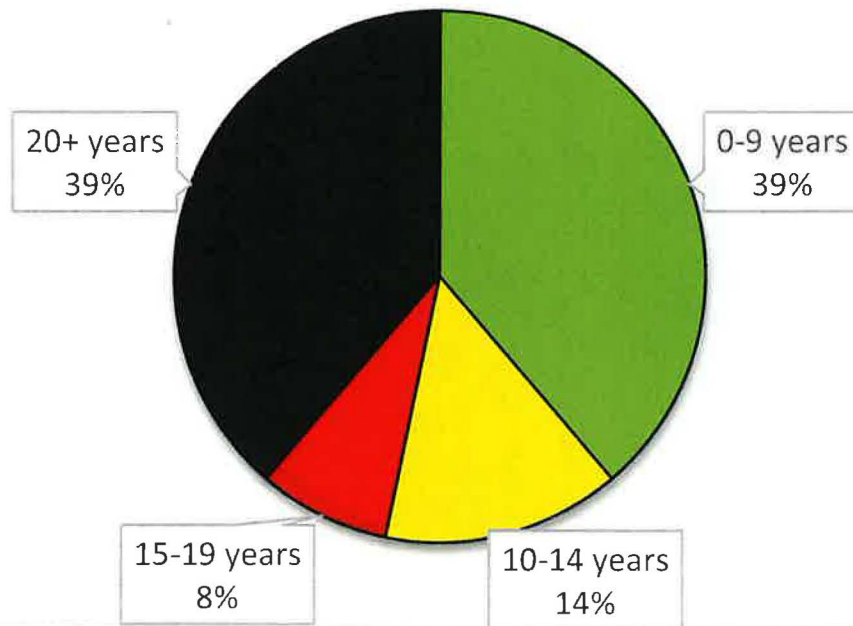
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## Trucks - Years in Service



|             |    |
|-------------|----|
| 0-9 years   | 4  |
| 10-14 years | 6  |
| 15-19 years | 4  |
| 20+ years   | 17 |
| Total       | 31 |

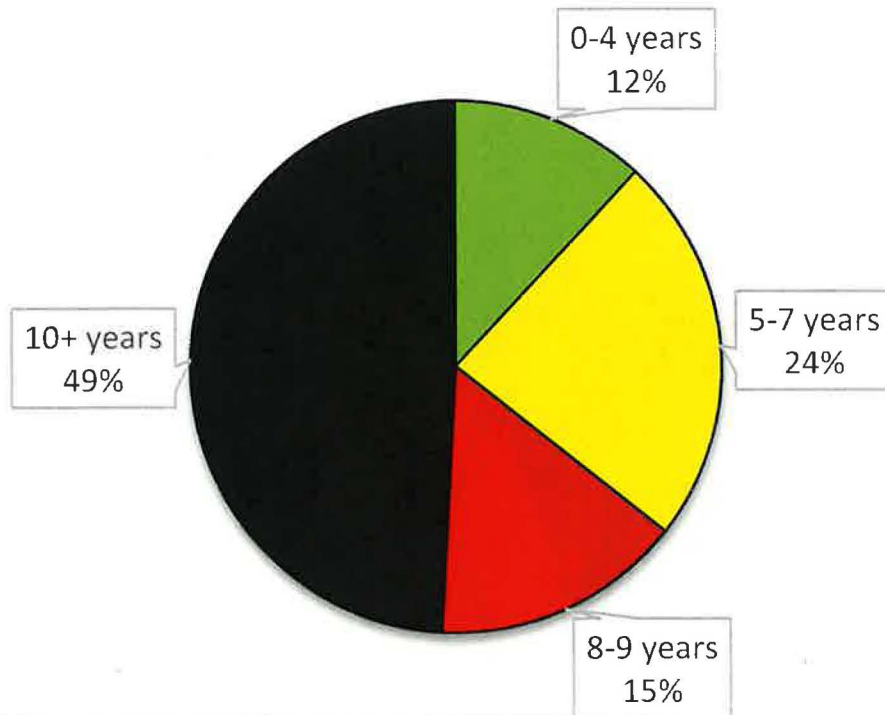
## Engines - Years in Service



|             |    |
|-------------|----|
| 0-9 years   | 24 |
| 10-14 years | 9  |
| 15-19 years | 5  |
| 20+ years   | 24 |
| Total       | 62 |

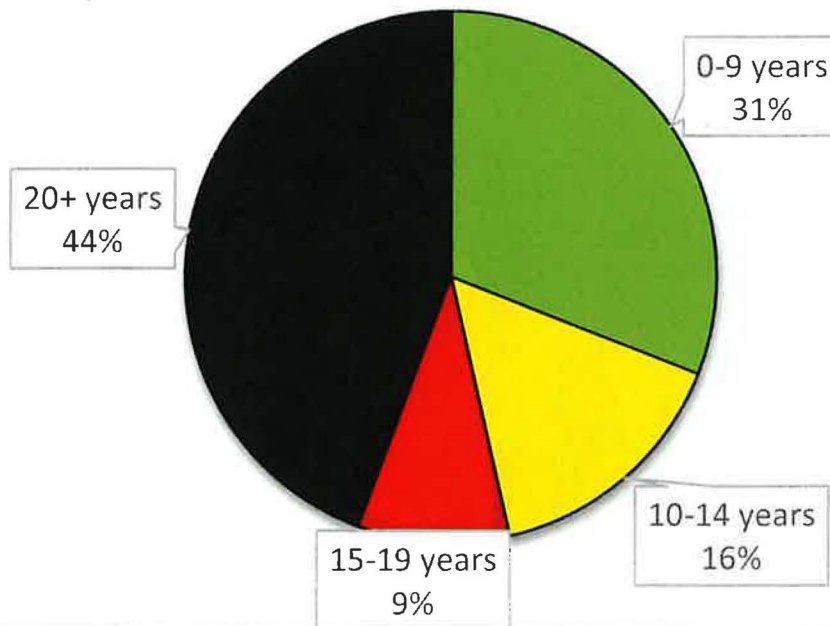


## Ambulances - Years in Service



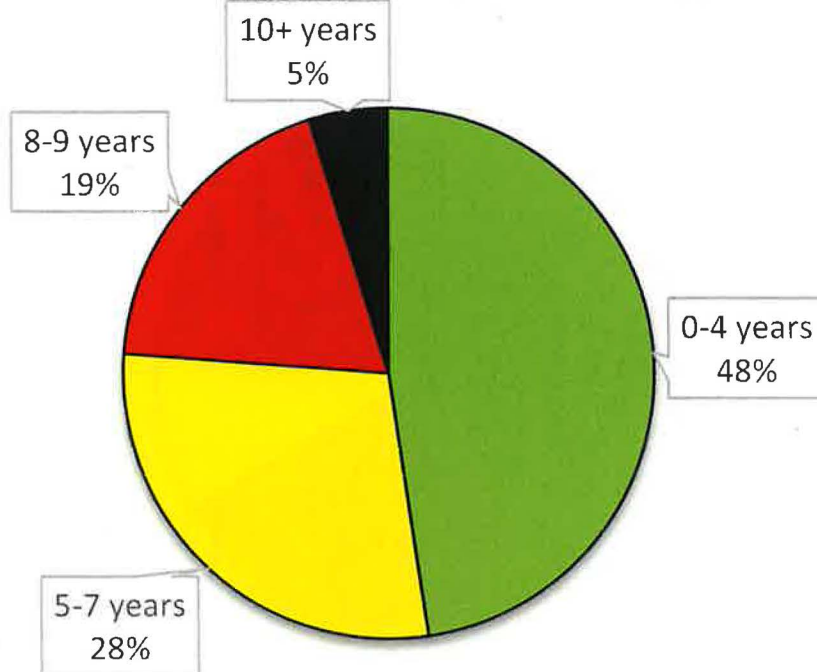
|           |    |
|-----------|----|
| 0-4 years | 7  |
| 5-7 years | 14 |
| 8-9 years | 9  |
| 10+ years | 29 |
| Total     | 59 |

## Engines, Trucks, RS - Years in Service



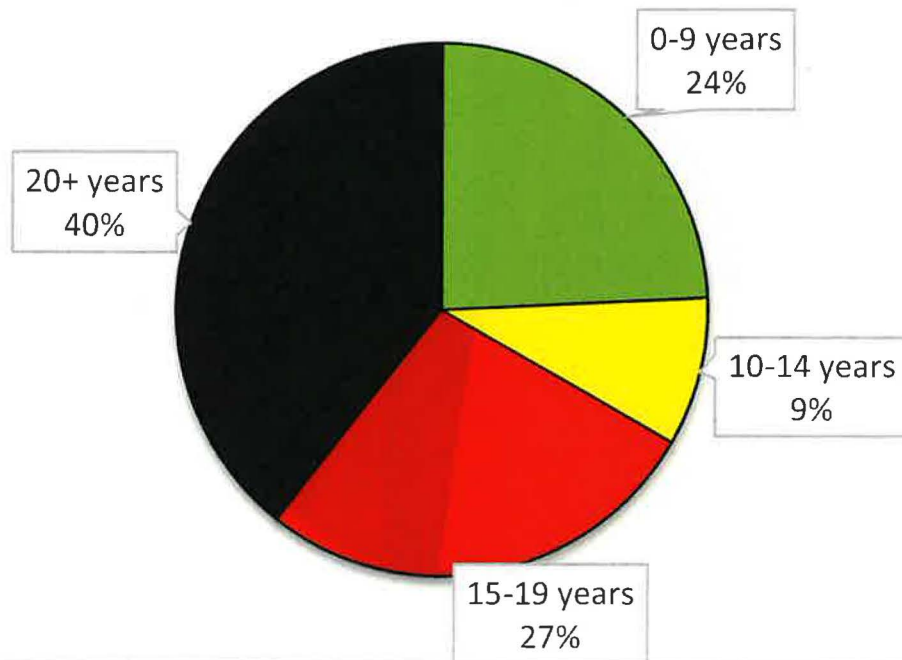
|             |    |
|-------------|----|
| 0-9 years   | 30 |
| 10-14 years | 15 |
| 15-19 years | 9  |
| 20+ years   | 43 |
| Total       | 97 |

## Command Vehicles - Years in Service



|           |    |
|-----------|----|
| 0-4 years | 10 |
| 5-7 years | 6  |
| 8-9 years | 4  |
| 10+ years | 1  |
| Total     | 21 |

## Misc. Frontline & Reserves - Years in Service



|             |    |
|-------------|----|
| 0-9 years   | 8  |
| 10-14 years | 3  |
| 15-19 years | 9  |
| 20+ years   | 13 |
| Total       | 33 |

## SFFD FLEET (as of APR 2025)

| Command Vehicles |      |
|------------------|------|
| Division 2       | 2023 |
| Division 3       | 2023 |
| Batt 1           | 2020 |
| Batt 2           | 2020 |
| Batt 3           | 2022 |
| Batt 4           | 2020 |
| Batt 5           | 2023 |
| Batt 6           | 2023 |
| Batt 7           | 2022 |
| Batt 8           | 2020 |
| Batt 9           | 2020 |
| Batt 10          | 2020 |
| RC1              | 2017 |
| RC2              | 2017 |
| RC3              | 2021 |
| RC4              | 2017 |
| ADC S.S.         | 2023 |
| ADC W.S.         | 2021 |
| ADC D.O.T.       | 2021 |
| ADC D.E.I.       | 2013 |
| ADC H.S.         | 2017 |

| Reserve Buggy |      |
|---------------|------|
| #067          | 2011 |
| #068          | 2011 |
| #071          | 2011 |
| #00151        | 2014 |
| #00150        | 2017 |
| #00251        | 2017 |

|            |      |
|------------|------|
| BOE Capt.  | 2013 |
| BOE Lt.    | 2003 |
| BOE 1      | 2012 |
| BOE 2      | 2021 |
| BOE Sp Trk | 1987 |
| Stat. Eng. | 2007 |
| S/S Capt.  | 2016 |
| S/S Lt.    | 2007 |

| Ambulances |      |
|------------|------|
| M50        | 2017 |
| M52        | 2014 |
| M53        | 2014 |
| M54        | 2019 |
| M55        | 2014 |
| M56        | 2014 |
| M57        | 2014 |
| M58        | 2019 |
| M59        | 2017 |
| M60        | 2014 |
| M61        | 2014 |
| M63        | 2014 |
| M64        | 2014 |
| M65        | 2014 |
| M66        | 2019 |
| M67        | 2019 |
| M68        | 2019 |
| M70        | 2019 |
| M71        | 2014 |
| M72        | 2019 |
| M73        | 2019 |
| M74        | 2019 |
| M75        | 2014 |
| M76        | 2019 |
| M77        | 2019 |
| M78        | 2019 |
| M81        | 2017 |
| M83        | 2017 |
| M84        | 2017 |
| M86        | 2017 |
| M87        | 2017 |
| M91        | 2017 |
| M93        | 2017 |
| M94        | 2019 |
| M95        | 2019 |
| #00384     | 2022 |
| #00385     | 2022 |
| #00386     | 2022 |
| #00387     | 2022 |
| #00388     | 2022 |
| #00389     | 2022 |
| #00419     | 2022 |

| Reserve Ambulances |      |
|--------------------|------|
| #747               | 2003 |
| #748               | 2003 |
| #754               | 2003 |
| #759               | 2006 |
| #762               | 2005 |
| #765               | 2006 |
| #763               | 2005 |
| #769               | 2008 |
| #00135             | 2014 |
| #00143             | 2014 |
| M79                | 2014 |
| M82                | 2012 |
| M85                | 2014 |
| M88                | 2014 |
| M89                | 2014 |
| M96                | 2012 |
| M99                | 2012 |



## SFFD FLEET (as of APR 2025)

|           |      |                 |      |                 |      |
|-----------|------|-----------------|------|-----------------|------|
| Engine 1  | 2022 | Truck 1         | 2014 | Reserve Trucks  |      |
| Engine 2  | 2018 | Truck 2         | 2020 | #612            | 1991 |
| Engine 3  | 2022 | Truck 3         | 2014 | #613            | 1992 |
| Engine 4  | 2014 | Truck 4         | 2014 | #615            | 1993 |
| Engine 5  | 2014 | Truck 5         | 2014 | #616            | 1993 |
| Engine 6  | 2014 | Truck 6         | 2014 | #617            | 1994 |
| Engine 7  | 2014 | Truck 7         | 2010 | #618            | 1994 |
| Engine 8  | 2018 | Truck 8         | 2010 | #619            | 1998 |
| Engine 9  | 2010 | Truck 9         | 2010 | #621            | 1998 |
| Engine 10 | 1999 | Truck 10        | 1998 | #622            | 1998 |
| Engine 11 | 2014 | Truck 11        | 2003 | #625            | 1999 |
| Engine 12 | 2018 | Truck 12        | 1998 | #626            | 1999 |
| Engine 13 | 2022 | Truck 13        | 2020 | Misc. Frontline |      |
| Engine 14 | 2010 | Truck 14        | 2020 | AHT             | 1974 |
| Engine 15 | 2010 | Truck 15        | 2014 | CBRNE           | 2007 |
| Engine 16 | 2017 | Truck 16        | 2002 | CO2 Unit        | 2008 |
| Engine 17 | 2018 | Truck 17        | 2010 | Decon1          | 1997 |
| Engine 18 | 2014 | Truck 18        | 2002 | Decon2          | 1997 |
| Engine 19 | 2014 | Truck 19        | 2024 | Fuel Unit       | 2012 |
| Engine 20 | 2002 | Truck 48        | 1998 | Hazmat          | 2007 |
| Engine 21 | 2022 | Reserve Engines |      | HT17            | 1987 |
| Engine 22 | 2017 | #509            | 1994 | HT18            | 2023 |
| Engine 23 | 2010 | #512            | 1994 | HT22            | 1973 |
| Engine 24 | 2017 | #524            | 1998 | HT38            | 1973 |
| Engine 25 | 2022 | #525            | 1998 | Light Unit      | 1989 |
| Engine 26 | 1998 | #527            | 1998 | LR5             | 2006 |
| Engine 28 | 2022 | #529            | 1998 | LR7             | 2006 |
| Engine 29 | 2017 | #530            | 1998 | MA2             | 2006 |
| Engine 31 | 2022 | #531            | 1998 | Mass Cass       | 2007 |
| Engine 32 | 2022 | #534            | 1999 | MC1             | 2008 |
| Engine 33 | 2018 | #533            | 2005 | MCU             | 2006 |
| Engine 34 | 2017 | #536            | 1999 | MP25            | 2022 |
| Engine 35 | 2002 | #540            | 2002 | MP31            | 2022 |
| Engine 36 | 2022 | #541            | 2002 | MP43            | 2022 |
| Engine 37 | 2022 | #543            | 2002 | MP17            | 2022 |
| Engine 38 | 1999 | #552            | 2005 | PCU             | 1974 |
| Engine 39 | 2017 | #556            | 2005 | MA2             | 2022 |
| Engine 40 | 2017 | #559            | 2010 | CR14            | 2012 |
| Engine 41 | 2022 | Misc. Reserve   |      | CR19            | 2012 |
| Engine 42 | 2014 | Cliff/Surf      | 2000 | SR18            | 2017 |
| Engine 43 | 2017 | Hazmat          | 1990 | SR34            | 2017 |
| Engine 44 | 2014 | Old RS1         | 2004 | Rescue Squad    |      |
| Engine 48 | 2001 | Old RS2         | 2004 | Rescue 1        | 2016 |
| Engine 51 | 2005 | MA1             | 2003 | Rescue 2        | 2016 |
| HT48      | 1998 |                 |      |                 |      |

0-9 years

10-14 years

15-19 years

20+ years





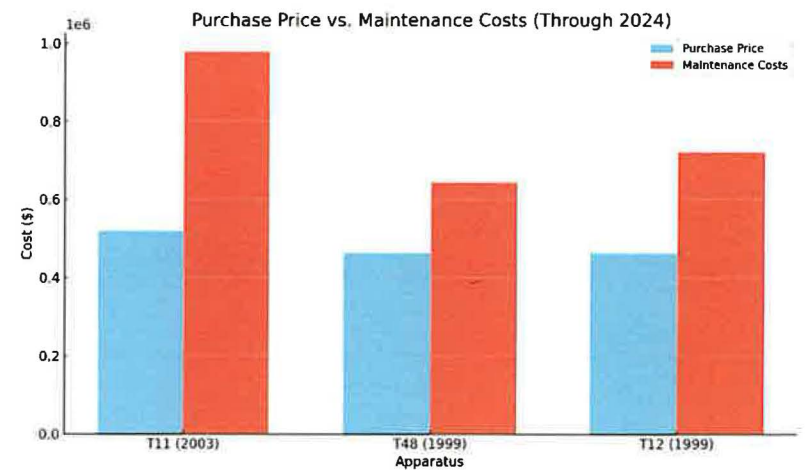
| Apparatus | Year | Purchase Price | Maintenance Costs | % Over Original Cost |
|-----------|------|----------------|-------------------|----------------------|
| T11       | 2003 | \$520,485      | \$978,000         | 188%                 |
| T48       | 1999 | \$464,472      | \$643,854         | 139%                 |
| T12       | 1999 | \$464,472      | \$721,529         | 155%                 |



- **Purchase Price vs. Maintenance Costs (Through 2024)**

- The following examples illustrate how maintenance costs for aging apparatus have significantly exceeded their original purchase prices. This trend highlights the economic inefficiency of maintaining outdated equipment.
- Although the cost of a new truck is approximately **\$2.4 million**, replacing aging apparatus is expected to **reduce long-term operational costs** and improve reliability. Continuing to invest in costly maintenance for outdated vehicles is not financially sustainable.

Here's the visual summary comparing purchase prices and maintenance costs for the apparatus through 2024. It clearly shows how maintenance costs have exceeded initial purchase investments, supporting the case for fleet replacement.





## Central Shops Repair & Maintenance Billing (FY 24–25)

| Month        | Billing Amount        |
|--------------|-----------------------|
| July         | \$603,620.04          |
| August       | \$574,000.15          |
| September    | \$554,907.64          |
| October      | \$705,392.08          |
| November     | \$505,407.38          |
| December     | \$600,031.23          |
| January      | \$585,402.07          |
| February     | \$529,363.94          |
| March        | \$589,934.29          |
| April        | \$792,737.57          |
| <b>Total</b> | <b>\$6,040,796.39</b> |



The Los Angeles Fire Department maintenance yard is packed with vehicles that are out of service.

Fred Greaves/Reuters

## ***As Wall Street Chases Profits, Fire Departments Have Paid the Price***

Fire engine manufacturing is now largely controlled by three companies. Around the country, prices have soared, and orders can take years to fulfill.



By [Mike Baker](#) [Maureen Farrell](#) and [Serge F. Kovalski](#)

Feb. 17, 2025

Desperate to gain control of flames that were raging through Pacific Palisades last month, the Los Angeles Fire Department issued an urgent call for any available personnel to report for possible deployment.

But there was a problem: Dozens of the rigs that would have carried extra crews that day were out of service. The city maintenance yard was filled with aging fire engines and ladder trucks, many of which were beyond their expected service life.

Chuong Ho, a firefighter and union leader who was among those who reported for work on Jan. 7, said many of the firefighters who were available to help that day could not be sent to the front lines.

“We didn’t have a spot for them,” Mr. Ho said.

That breakdown, records show, was in part a result of the city’s failure to hire enough mechanics to keep the rigs in service. But there was also a deeper problem: For years, the fire truck industry had been ratcheting up prices on new rigs and failing to meet delivery dates of those that were ordered. Some departments have waited years for replacement vehicles while hunting the internet for parts to keep their older rigs going.

Those problems have compounded in recent years as Wall Street executives led an aggressive consolidation of the industry in a plan to boost profits from fire engine sales. One company, backed by a private equity firm, cut its own manufacturing lines as part of a streamlining strategy and then saw a backlog of fire engine orders soar into billions of dollars.

The industry disruption has had effects well beyond Los Angeles — straining big cities like Atlanta and Seattle, and smaller ones, such as Watertown, N.Y., and Camden, N.J. Fire departments have expressed growing frustration with delayed deliveries and rising costs that are leaving them with dilapidated fleets that are more likely to break down, including some that have done just that during emergencies.

Industry officials say that lingering labor shortages and supply chain problems that began during the coronavirus pandemic have led to manufacturing delays, but also concede that the industry has consolidated in an effort to find efficiencies.

Edward Kelly, general president of the International Association of Fire Fighters, said it was clear that the pandemic brought on problems.

“But in hindsight, it was masking what ends up being a main driver of higher cost and lag time in production: the monopolizing of fire truck and ambulance manufacturing in the United States,” Mr. Kelly said. “At the end of the day, absent competition, monopoly capitalism is a shakedown.”

Gil Carpenter, a fire chief in Benton, Ark., said his department was facing steadily rising costs for new trucks. And suppliers who were once responsive, he said, have grown more distant and focused on profits.

“When is enough enough?” Mr. Carpenter asked. “And at what point are you going to sacrifice public safety for profits?”

### **Industry consolidation**



Firefighters battled flames engulfing businesses last month on Sunset Boulevard in Pacific Palisades, Calif. Credit...Mark Abramson for The New York Times

The fire engine industry was once made up of small, local manufacturers, many of whom built dozens or hundreds of trucks per year. By the late 1990s and early 2000s, some of those companies were struggling to stay afloat.

Wall Street investment firms saw an opportunity to buy these troubled firms for low prices and combine them. In 2006, a midsize private-equity firm, American Industrial Partners, decided to create one large company out of a collection of small specialty vehicle businesses. They bought up fire truck companies, as well as those making ambulances, school buses, street sweepers and recreation vehicles and combined them into a company called Rev Group. They took it public in 2017 but retained control over all operating decisions and who would serve on the board.

The plan they articulated to shareholders was to make the companies more efficient — and also a lot more profitable. Timothy Sullivan, Rev Group's chief executive, told analysts at the time that the companies they were acquiring were operating with a profit margin of 4 to 5 percent, and that they were on a path "to get all of them above that 10 percent level."

"You bring them into the fold, you got to give them the religion, and they've got it now," he said.

Other companies were adopting a similar model, Mr. Sullivan said, including Pierce Manufacturing, a division of Oshkosh Corporation that has recently sold many vehicles to the Los Angeles Fire Department.



Rev Group now controls as much as 30 percent of the fire truck market, according to industry estimates the company cites. Together, the industry's three largest companies — Rev Group, Oshkosh and Rosenbauer — control about 70 to 80 percent of the market.

### **High profits and long delays**



Some fire departments have waited years for replacement vehicles. Credit...Liam Kennedy for The New York Times

After going public, Rev Group bought up two more key fire truck makers, Spartan and Ferrara, but found it hard to find streamlining efficiencies.

One problem is that there is little room for automation in the industry, said Mike Virnig, who now serves as president of Rev's division that manufactures fire trucks. Unlike the automobile industry, fire departments buy trucks every 10 to 15 years on average and have incredibly specific requests, so most trucks are bespoke vehicles.

The pandemic caused global supply chain issues that made it difficult to acquire parts at the same time that fire departments, who were receiving an influx of federal, state and local Covid stimulus grants, started buying new trucks at a pace not seen in more than a decade. Truck manufacturers struggled to find workers.

But the streamlining efforts also had an effect. Rev Group closed two plants in 2021 — one in Pennsylvania, another in Virginia — cutting the company's manufacturing footprint by roughly one third.

Along the way, wait times soared. Before the pandemic, Rev Group had a backlog of roughly \$1 billion worth of fire department orders that were expected to take a year to 18 months to fulfill. That has since jumped to \$4 billion worth of orders that they estimate will take two to three years to deliver.

Still, Rev Group's profit margins jumped to what they described as an "exceptional 8.9 percent" for the division that includes fire trucks in 2024. That same year, its longtime backer and owner, American Industrial Partners, sold nearly all of its shares, but before doing so awarded a special dividend of \$180 million of which nearly \$80 million went to A.I.P.

Rev Group wasn't alone in order delays. Oshkosh said its backlog of fire truck orders has increased dramatically, quadrupling from 2019 to 2023, when it reported some \$4 billion in orders placed but not fulfilled.

Mark Skonieczny, Rev Group's current chief executive, said at a 2023 conference call that the company did not expect the delays to cause cancellations because once a city sets aside the money, it is "earmarked" and Rev Group gets a deposit. "That money is allocated to those units, so we feel good about that."

Compared to an average manufacturing company, Rev Group spends a small portion of its revenue — about 1 percent — on upgrading its buildings and equipment. Rev said this rate of spending was not a factor in the company's manufacturing delays.

"How can you have a \$4 billion backlog and not spend any money to support it?" said Alexander Yaggy, a former investor in Rev Group's stock. "It's reflective of an uncompetitive market."

### **'It's a nightmare'**



Chief Matthew R. Timerman at the Emma Flower Taylor Fire Station in Watertown, N.Y. Credit...Liam Kennedy for The New York Times

In May 2021, after the country had passed through the first year of the pandemic, officials in Watertown, N.Y., ordered a \$1.2 million ladder truck from a division of Rev Group, with an expectation that the vehicle would be delivered a little more than a year later.

But after department representatives visited the plant in Pennsylvania where it was to be built, the fire chief, Matthew R. Timerman, said they learned that the facility was to be shut down and the truck would be assembled at three different manufacturing sites. Delivery has been delayed multiple times — with the most recent projection for late this year, more than four years after the order was placed.

The department bought a used ladder truck from another city to keep operations running, but that truck is also more than two decades old.

Truck replacement plans have been upended all over the country. In Chicago, firefighters recently held a mock birthday celebration for a 30-year-old fire engine — twice its expected life span. In Seattle, wait times are averaging about four and a half years. Auditors in Atlanta found that at times more than a third of the firefighting fleet was out of commission, and that while the department had ordered new fire engines, some were still in production.

In Camden, N.J., the fire chief, Jesse M. Flax, said that the manufacturing delays and rising prices were “creating greater risk for the public and firefighters.”

About two weeks ago, one of the city’s aging ladder trucks was smoking and could not be driven faster than 15 miles per hour, and was taken out of service for several days for repairs, according to Samuel Munoz, president of the Camden Fire Officers Local 2578. A replacement that was scheduled to have been delivered in December has yet to arrive.

During a house fire last year, crews were slowed in their response by mechanical trouble on a truck that caused its hose to go limp, Mr. Munoz said. A resident died in that blaze, though other factors could have contributed to the death, according to the union and the department.

While trying to purchase new trucks, the city has in the meantime acquired several used vehicles, parts and equipment that are in good condition, Mr. Flax said.

One of the companies Rev Group acquired was Ferrara in 2017. Mr. Carpenter, the fire chief in Arkansas, said he had noticed changes since then beyond just the rising costs for firefighting vehicles.

Before, he said, when he needed a part for a Ferrara repair, he would call a contact named Charlie who would ship him the part the next day. But last year, when one of the department’s vehicles needed parts, it took more than 10 months, leaving him without one of his eight rigs for nearly a year.

“It’s a nightmare,” he said.

## **Troubles in Los Angeles**



Homes destroyed by the Eaton fire in Altadena, Calif. Credit...Mark Abramson for The New York Times

In Los Angeles, records show that the city's fire department has long aimed to have 90 percent of its fleet ready for deployment at any given time, but has averaged only 78 percent in recent years. The department has requested about \$100 million for fleet replacement.

"Many vehicles have surpassed their expected service life, leading to increased maintenance costs, reduced parts availability and potential downtime," the department wrote in a budget proposal a month before the January wildfires.

The firefighters union has been concerned about equipment shortages for a while. Department officials said that current build times for new trucks range from two to four years, in part because of supply delays that began during the pandemic. "The checks and balances within the city's procurement system can pose challenges to the timely acquisition of apparatus," the department said in a statement.

Union officials said their own research showed that four ordered trucks had not been delivered, and that a steep rise in prices was also a problem.

Ladder trucks that cost \$1.3 million only a few years ago now cost about \$2.3 million, Mr. Ho said. The soaring costs have forced the department to order fewer rigs than originally planned.

Kristin Crowley, the fire chief in Los Angeles, has said that about 100 fire vehicles were out of service in January, a situation that impeded the department's ability to respond to the Palisades fire. Mr. Ho said that included about 40 engines and 10 ladder trucks that were out of service, along with about 40 other vehicles, such as ambulances.



In the months prior, the fire department had also requested that the city restore 16 positions focused on supply and maintenance that had been removed from the department's budget. Mr. Ho said the department had also faced challenges acquiring parts for aging vehicles, at times going on the internet to find replacement components.

A Los Angeles City Council member, Traci Park, whose district includes the area of Pacific Palisades ravaged by the recent wildfires, said it was unacceptable that so many emergency vehicles in Los Angeles have been inoperable.

"On any given day, it is dozens that are off line," Ms. Park said.

The fire truck industry, unlike the auto industry, has never been standardized, so cities typically buy a truck where almost every part is specialized for the needs of the fire department and the specific landscape and population it serves. This is partly because only about 10,000 fire trucks are manufactured each year.

To help keep down costs, Rev Group has created a more standardized vehicle that can be made in less than a year. If more fire departments choose this standardized model, said Mr. Virnig, the Rev Group executive, it is likely that overall wait times will drop.

Mr. Virnig said he believed the industry could return to more normalized manufacturing timelines of 12 to 18 months within a few years.

"I'd say it's going to take us a couple of years to work through this bubble again," he said.

Thomas Fuller contributed reporting. Kitty Bennett and Kirsten Noyes contributed research.

[Mike Baker](#) is a national reporter for The Times, based in Seattle.

[Maureen Farrell](#) writes about Wall Street, focusing on private equity, hedge funds and billionaires and how they influence the world of investing.

[Serge F. Kovalski](#) is an investigative reporter for The Times, based in New York.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Dean Crispen, Fire Chief, Fire Department  
Stephanie Tang, Director, Contract Monitoring Division  
Sailaja Kurella, Director and Purchaser, Office of Contract Administration

FROM: Victor Young, Assistant Clerk

A handwritten signature in black ink, appearing to read "Victor Young".

DATE: April 21, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed Ordinance:

File No. 250389

Ordinance amending the Administrative Code to allow City departments to enter into and amend agreements for accelerated acquisition of Fire Apparatus without complying with solicitation requirements that would otherwise apply, and without complying with provisions in the Municipal Code that impose obligations on contracting parties as a condition of contracting with the City.

If you have comments or reports to be included with the file, please forward them to Victor Young at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

- c. Theresa Ludwig, Fire Dept.  
Rachael Cukierman, Office of Contract Administration

President, District 8  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-6968  
Fax No. 554-5163  
TDD/TTY No. 544-5227

**RAFAEL MANDELMAN**

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**PRESIDENTIAL ACTION**

Date: 4/29/25

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,  
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_

\_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

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☒ Transferring (Board Rule No 3.3)

File No. 250389

Chan

\_\_\_\_\_  
(Primary Sponsor)

Title. Administrative Code - Purchase of Fire Apparatus

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From: Rules \_\_\_\_\_ Committee

To: Budget & Finance \_\_\_\_\_ Committee

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: \_\_\_\_\_ Replacing Supervisor: \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment: ☒ Partial ☐ Full Meeting

  
Rafael Mandelman, President  
Board of Supervisors

President, District 8  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-6968  
Fax No. 554-5163  
TDD/TTY No. 544-5227

**RAFAEL MANDELMAN**

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**PRESIDENTIAL ACTION**

Date: 4/22/25

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,

Pursuant to Board Rules, I am hereby:

☒ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 250389 Chan  
(Primary Sponsor)

Title. Administrative Code - Purchase of Fire Apparatus

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☐ Transferring (Board Rule No. 3.3)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

---

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee

---

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: \_\_\_\_\_ Replacing Supervisor: \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment: ☐ Partial ☒ Full Meeting

  
\_\_\_\_\_  
Rafael Mandelman, President  
Board of Supervisors

## Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2025 APR 15 PM12:20

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)  
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor \_\_\_\_\_ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. \_\_\_\_\_ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. \_\_\_\_\_
- ☐ 9. Reactivate File No. \_\_\_\_\_
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on \_\_\_\_\_

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission    ☐ Youth Commission    ☐ Ethics Commission
- ☐ Planning Commission    ☐ Building Inspection Commission    ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes    ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Chan

Subject:

Administrative Code - Purchase of Fire Apparatus

Long Title or text listed:

Ordinance amending the Administrative Code to allow City departments to enter into and amend agreements for accelerated acquisition of Fire Apparatus without complying with solicitation requirements that would otherwise apply, and without complying with provisions in the Municipal Code that impose obligations on contracting parties as a condition of contracting with the City.

Signature of Sponsoring Supervisor:

