March 26, 2019

Dear Fire Rescue Vehicles & Other Equipment Manufacturer Representatives:

We received mid-term contract price adjustment requests from manufacturers for Fire Rescue and Other Equipment under FSA Contract #FSA18-VEF13.0. This contract provides the following criteria for FSA to consider mid-term contract price adjustment requests from awarded vendors:

Section 1.03 states:

“On an annual basis and prior to completion of each contract term, the FSA may consider a price adjustment due to changes in the Producer Price Index (PPI) or as a result of any changes to national or state standards that require substantial cost adjustments. FSA may also consider a vendor-requested midterm pricing adjustment due to documented substantial increases by the manufacturer. Prices may be increased or decreased by the percentage change reflected in the nationally published Producer Price Index. For a midterm adjustment, the PPI used shall refer to the index 60 days prior to the contract anniversary date. FSA may consider this pricing adjustment, or the vendor can request a pricing adjustment under this provision.”

Manufacturers reported primary issues related to price level increases included tariffs, metal and other materials cost increases, insurance, and labor. The PPI industry data published by the U.S. Bureau of Labor Statistics incorporates these variables in their industry price level data reports.

To more effectively evaluate vendor mid-term contract price adjustment requests, FSA contacted the U.S. Bureau of Labor Statistics and was advised that the following specifications are included under their PPI Series ID PCU3362113362119 and are further delineated under:

(a) PPI relating to fire trucks are included under “Motor Vehicle Body Mfg” industry and fall under the product category “Buses and Firefighting Vehicles;” and

(b) Ambulances and other emergency vehicles and equipment are included under the “Motor Vehicle Body Mfg industry, and fall under the product category “Other Trucks and Vehicles”

The review of the PPI data published for the period March 2018 to February 2019 identified the most updated U.S. Bureau of Labor Statistics published price level increases as follows:
• 3.76% for fire trucks that are under the PPI product category “Buses and Firefighting Vehicles;” and

• 4% for ambulances, other emergency vehicles and equipment for the PPI “Motor Vehicle Body Mfg industry that fall under the product category “Other Trucks and Vehicles”

Therefore, in accordance with the contract terms and conditions under FSA Contract #FSA18-VEF13.0, Section 1.03, manufacturers that submitted requests for price level increases may increase their pricing up to the following:

• Up to 3.76% for fire trucks in the PPI “Motor Vehicle Body Mfg industry” that are under the product category “Buses and Firefighting Vehicles;” and

• Up to 4% for ambulances, other emergency vehicles and equipment in the PPI “Motor Vehicle Body Mfg industry” that are under the product category “Other Trucks and Vehicles”

It should be noted that manufacturers that requested an increase may implement a smaller increase than the allowable PPI for competitive purposes.

If you have any questions or need additional information, you may contact Craig Chown, Manager, FSA Cooperative Purchasing Program via e-mail at cchown@fisheriffs.org or by telephone at (850) 877-2165, ext. 211.

Thank you for your continued support of the FSA Cooperative Purchasing Program.

With Kind Regards,

[Signature]

Craig Chown
Florida Sheriffs Association
Cooperative Purchasing Program Manager