



CITY of NOVI CITY COUNCIL

Agenda Item 1
October 22, 2012

SUBJECT: Approval to award the Pumper/Rescue Apparatus and optional Loose Equipment bid to HME Ahrens-Fox in the amount of \$519,432.05, subject to final review and approval as to contract form by the City Manager and City Attorney.

SUBMITTING DEPARTMENT: Public Safety - Fire *gab*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 519,432.05
AMOUNT BUDGETED	\$ 540,000
APPROPRIATION REQUIRED	\$ N/A
LINE ITEM NUMBER	101-337.00-979.000

BACKGROUND INFORMATION:

The Novi Fire Department received three (3) proposals for a new fire apparatus, including two (2) custom-built pumper/rescue trucks and three (3) demo vehicles. The three demo vehicles were eliminated from consideration due to deviations from the City's specifications. The two custom-built pumper were evaluated by the Fire Apparatus Committee and it was determined that the custom-built pumper from HME Ahrens-Fox, the lowest qualified bidder, provided the best solution for the City. They also provided the best price for the loose equipment (hoses, nozzles, air tanks and tools). The cost of the vehicle is \$477,773 and the cost of the Loose Equipment is 41,659.05. The total cost for both is \$519,432.05.

The new Pumper/Rescue, equipped with a state-of-the-art Compressed Air Foam (CAF) System and an Air Cascade System will replace a 1995 Seagrave with 17 years of service and over 70,000 miles. The Fire Department was approved for \$540,000 to purchase the new vehicle in the 2012/13 City of Novi Budget. Upon removal from service, the 1995 Seagrave will be placed on the MITN surplus auction. It is estimated that the engine will sell for approximately \$30,000.

The Novi Fire Department recommends awarding the purchase of the custom-built pumper/rescue truck and loose equipment to HME Ahrens-Fox. Determining factors included all specifications met our needs and cost saving will keep the vehicle under budget and help off-set the purchase of loose equipment. Delivery time is 210 days.

RECOMMENDED ACTION: Approval to award the Pumper/Rescue Apparatus and optional Loose Equipment (hoses, nozzles, air tanks and tools) bid to HME Ahrens-Fox in the amount of \$519,432.05, subject to final review and approval as to contract form by the City Manager and City Attorney. See attached City of Novi attorney review letter.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				



JOHNSON ROSATI SCHULTZ JOPPICH PC

34405 W. Twelve Mile Road, Suite 200 ~ Farmington Hills, Michigan 48331-5627
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.johnsonrosati.com

October 18, 2012

Jeff Johnson
Director of EMS & Fire Operations
CITY OF NOVI
Fire Station No. 1
42975 Grand River Avenue
Novi, Michigan 48375

Re: HME Ahrens-Fox Pumper Truck Contract

Dear Director Johnson:

We have received and reviewed the proposed Sales Agreement provided by HME, Incorporated in connection with its Proposal and Specifications for the City's Triple Combination Pumper Truck. The Sales Agreement is a basic agreement that provides for general terms including price, delivery date and delivery conditions, change orders, payment, cancellation and additional orders. The Agreement is a standard form and generally acceptable subject to the following comments with respect to the insurance, indemnity, and warranty requirements:

1. The Sales Agreement incorporates the "HME, Incorporated Specifications dated 7th day of September, 2012," as the Specifications that will be binding with respect to this contract. Though this makes sense given that there were a significant number of "exceptions" or deviations from the City's Specifications with respect to the design and construction of the Pumper Truck from, ***the HME Incorporated Specifications are not consistent with certain non-manufacturing related terms of the City's RFP, including aspects of the required insurance, indemnity and warranty provisions, as follows:***
 - a. Pages 7 and 8 of the City's Request for Proposal includes the City's standard insurance and indemnity requirements for City Contracts. The indemnity and discrimination language included on page 8 of the Insurance Requirements has not been incorporated into the HME Incorporated Specifications. As such, the indemnity and discrimination language should be included directly in the Sales Agreement form.

- b. Pages 7 and 8 of the City's RFP includes the City's standard insurance requirements which have been supplemented in the City's Specifications with insurance requirements that are particular to the design and manufacture of a pumper truck as set forth on page 4 of the City's Specifications. Both the standard and more specific insurance requirements from the City's RFP must be included in the Sales Agreement. We note that the particulars of the types and limits of insurance have not been incorporated into the HME Specifications. We would recommend that either the City's RFP and Specifications be incorporated by reference into the Sales Agreement, (limited to the extent that HME's design and manufacturing exceptions/deviations shall apply), OR, the City's standard and more specific insurance specifications should be referenced into and included as an additional Exhibit to the Sales Agreement.
- c. In addition to incorporating the insurance requirements into the Sales Agreement, we note that the Certificate of Liability Insurance provided with the HME Proposal is not in compliance with the standard and/or detailed insurance requirements of the RFP and the following coverage and/or terms should also be identified on the Certificate:
 - i. The City must be added as an additional insured to the required policies.
 - ii. An endorsement that the City shall be provided 30-days' notice for cancellation or reduction shall be provided.
 - iii. The policies shall be primary and non-contributory.
 - iv. Contractual liability coverage shall be provided.
 - v. A \$25,000,000 umbrella policy is required. Only \$3,000,000 has been provided.
- d. The City's RFP requires particular warranty coverage for various components of the pumper truck. Because the HME Specifications are being incorporated into the Sales Agreement rather than the City's Specifications, we reviewed the particular warranty provisions provided in the HME Specifications for consistency with the requirements of the RFP. We were unable to locate the details regarding following warranties required by the City's Specifications:
 - i. Frame Rail Warranty
 - ii. Front and Rear Axle Warranties
 - iii. Antilock Brake System Warranty

If these are components of other HME warranties, HME should identify which warranty document covers each one. If they are not included, they should be included as they were not called out as "exceptions" to the RFP.

- e. Warranties provided by HME include certain limitations and conditions that should be noted as follows:

- i. The pumper, body, cab and chassis warranties specifically exclude direct, indirect, or consequential damages that arise out of a defect in the vehicle, such as personal injury or property damage. In the event of damages to person or property arising out of a defect in the pumper truck, the City may be able rely on the insurance provided as well as the indemnity obligations under the Sales Agreement, as the warranty is unlikely to cover anything other than the pumper truck components. It should be noted that the Michigan Uniform Commercial Code, which controls the sale of goods in Michigan, will not permit the seller of goods to contractually limit its own liability for personal injury (MCL 440.2719). As a result, this limitation will not be enforceable as a matter of law with respect to personal injury and this limitation is not a significant change from liability provisions that have been requested by the RFP.
- ii. Each of the warranties provided specifically disclaims and "warranty of fitness for a particular purpose." The warranty of fitness for a particular purpose is a statutory warranty provided under Section 2315 of the Michigan Uniform Commercial Code with respect to the sale of goods. The warranty may be waived per the statute (attached) if it is mentioned specifically by name in the Contract. However, in contracts such as this, in which a manufacturer is making recommendations regarding a particular design of vehicle for a particular use as HME is doing with respect to many of its exceptions, we generally recommend against accepting a waiver of the "warranty of fitness for a particular purpose" because in actuality the manufacturer is purporting to design the vehicle to meet a specific purpose and the City is relying on its expertise. Without the warranty of fitness, the manufacturer may seek to assert a defense to claims regarding the faulty interaction of the recommended components even though the individual components may be warranted from defects.

We understand that the warranty documents are "forms" that HME will likely object to modifying. In the event that the City is inclined to require that the "warranty of fitness" be provided consistent with the Uniform Commercial Code, as an alternative, we would recommend that the warranty be included directly in the Sales Agreement.

- iii. It should be noted that the certain warranties, including the Pump & Body Warranty require disputes under the warranty to be submitted to binding arbitration rather than to a court of law. We generally recommend against accepting binding arbitration. This provision can be modified within the body of the Sales Agreement.

Except for the warranty limitations and the inclusion of the indemnity provision into the Sales Agreement language discussed above, the remaining recommendations above may be addressed by the manufacturer incorporating the City Specifications into the Agreement in addition to the HME Specifications with the caveat that the "exceptions" provided by HME shall apply.

2. The Sales Agreement should also include the following standard contract provisions:

PROHIBITION AGAINST ASSIGNMENT

The Company shall not assign any of its rights or duties under this Agreement without the expressed written consent of the City.

INVALID PROVISION

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. In the event that the City, in its opinion, or by administrative or court determination, discovers that this Agreement violates state or federal law as being anti-competitive, then the entire Agreement shall be voidable, at the option of the City.

ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties and contains all of the Agreements between the parties with respect to the subject matter hereof. This Agreement supersedes any and all other Agreements, either in writing or oral, between the parties hereto with respect to the subject matter hereof.

AMENDMENT AND WAIVER

No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by the City and the Company. No waiver of any provision of this Agreement, including this Paragraph shall be valid unless in writing and signed by the party who is alleged to have waived the provision.

THIRD PARTY BENEFICIARY STATUS

This Agreement is intended solely for the benefit of the parties hereto, and it is not intended to benefit any other person or entity. No provision of this Agreement shall be used by any other person or entity to impose any obligation, duty, or standard of care or practice upon either of the parties different from, or in addition to, whatever obligations, duties or standards may exist separate and apart from this Agreement.

NOTICES

Written notices under this Contract shall be given to the parties at their addresses contained in this Contract by personal or registered mail delivery to the attention of the following persons:

City: Maryanne Cornelius, City Clerk, City of Novi, 45175 Ten Mile Road, Novi, MI, 48375

Company:

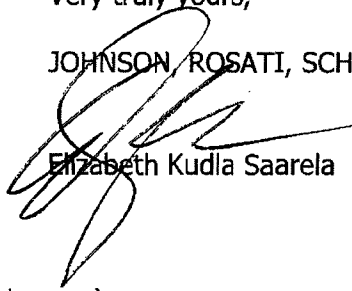
JURISDICTION AND VENUE OF CONTRACT

This Contract shall be considered for all purposes, including the establishment of jurisdiction and venue in any court action between the parties, as having been entered into and consummated in the City of Novi, Oakland County, Michigan.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.

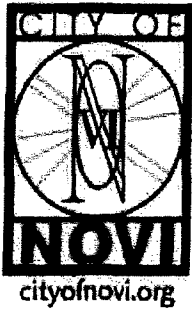


Elizabeth Kudla Saarela

EKS
Enclosures

- C: Maryanne Cornelius, Clerk (w/Enclosures)
- Clay Pearson, City Manager (w/Enclosures)
- Sue Morianti, Purchasing Manager (w/Enclosures)
- Thomas R. Schultz, Esquire (w/Enclosures)

MEMORANDUM



TO: VICTOR C.M. LAURIA, ACTING PUBLIC SAFETY DIRECTOR
FROM: JEFFERY R. JOHNSON, DIRECTOR OF EMS/FIRE OPERATIONS
SUBJECT: NEW FIRE APPARATUS PURCHASE
DATE: OCTOBER 11, 2012

10/11/12
TS = Any of City Council Members
For forthcoming bid award consideration

The Novi Fire Department has reviewed the bids for a new fire apparatus. HME AHRENS-FOX was selected as the best qualified bidder for the Pumper/Rescue Truck including the optional Loose Equipment (hoses, nozzles, air tanks and tools). The vehicle specifications have met the intent of Novi Fire Department specifications. The total cost of the vehicle is \$477,773. The total cost of the Loose Equipment is 41,659.05 for a grand total of \$519,432.05.

The new Pumper/Rescue will replace a 1995 Seagrave (17 years of service) with over 70 thousand miles. The Fire Department received approval for \$540,000 to purchase this vehicle in the 2012/13 - City of Novi Budget. The Novi Fire Department **recommends** awarding this purchase to HME AHRENS -FOX offering a Custom Rescue/Pumper Truck and Loose Equipment. This recommendation is based on the review completed by the Fire Apparatus Committee and myself. Determining facts included all specifications met our needs, cost saving will keep the vehicle under budget and will help off-set the purchase of the loose equipment. The expected delivery of the vehicle and equipment is 210 days once the contract is signed and order placed.

The Novi Fire Department received bids from three manufactures. Two firms provided the department with two different price amounts, one each for a custom built apparatus and another price from each for a truck used for demonstrations at trade shows. One manufacture only submitted a bid for a demonstrator truck.

Our goal was to purchase a fire apparatus that was similar in design and construction as the vehicles that are currently in service by the Novi Fire Department. After reviewing the bids of the demonstrator fire apparatus, it was decided that all three bids did not meet the criteria in the established specifications. Of the three bids for demonstration apparatus, two did not have the compressed air foam system was required. The third had a compressed air foam system, however, it was under-sized and the hose connections did not meet our specifications.

The two bids for the custom built apparatus meet all of the requirements that were outlined in the bid specifications. The deciding factor was the HME AHRENS-FOX meets our goal in design features, construction and cost. Additionally, this allows us to purchase the loose equipment and stay within our budget.

C. Clay J. Pearson, City Manager

David E. Molloy, Director of Public Safety

CITY OF NOVI
RFP Triple Combination Pumper Truck Bid Tabulation
September 7, 2012 2:00 p.m.

Company		HME Inc		Half Fire/Pierce		R& R Fire Truck Repair		
Base Bid - Triple Combination Pumper Truck			\$ 460,767.00		\$ 534,378.00		No bid	
Add: Cascade System			\$ 17,006.00		\$ 23,367.00			
TOTAL BASE BID			\$ 477,773.00		\$ 557,745.00			
Delivery			210 calendar days		210 working days			
Alternate #1 - Demo Truck			\$ 347,362.00		\$ 469,651.00		\$ 377,152.00	
Delivery			30-60 calendar days		30 days or less		immediate pending upgrades or prior sale	
Alternate #2 - Equipment		Qty	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
Lock Out/Tag Out Kit		1	\$ 101.50	\$ 101.50	\$ 250.00	\$ 250.00	\$ 191.00	\$ 191.00
K-Tool Kit		1	\$ 134.50	\$ 134.50	\$ 150.00	\$ 150.00	\$ 138.00	\$ 138.00
Hydraulic Multi Tool, Gas Power Unit, Hoses		1	NA	NA	\$ 6,240.00	\$ 6,240.00	\$ 12,520.00	\$ 12,520.00
50' 2.5 Line		6	\$226 colors	\$1,356.00	\$ 275.00	\$ 1,650.00	\$ 294.00	\$ 1,764.00
50' 1.75 Line		12	\$151 colors	\$1,812.00	\$ 185.00	\$ 2,220.00	\$ 189.75	\$ 2,277.00
2.5" Adaptors (Set)		1	\$ 65.75	\$ 65.75	\$ 75.00	\$ 75.00	\$ 95.00	\$ 95.00
5" Hydrant Adaptors		2	\$ 219.45	\$ 438.90	\$ 261.00	\$ 522.00	\$ 197.00	\$ 394.00
1.5" Nozzles		3	\$ 774.20	\$ 2,322.60	\$ 675.00	\$ 2,025.00	\$ 776.25	\$ 2,328.75
2.5" Nozzles		3	\$ 536.40	\$ 1,609.20	\$ 450.00	\$ 1,350.00	\$ 550.00	\$ 1,650.00
Spanner Wrenches (Set)		4	\$ 96.80	\$ 387.20	\$ 97.00	\$ 388.00	\$ 116.95	\$ 467.80
Gated Wye		1	\$ 327.75	\$ 327.75	\$ 266.00	\$ 266.00	\$ 327.90	\$ 327.90
Foam Inductor		1	\$ 784.55	\$ 784.55	\$ 638.00	\$ 638.00	\$ 778.95	\$ 778.95
Steamer Intake		1	\$ 2,687.10	\$ 2,687.10	\$ 2,460.00	\$ 2,460.00	\$ 2,899.00	\$ 2,899.00
Hydrant wrench		4	\$ 59.50	\$ 238.00	\$ 48.00	\$ 192.00	\$ 65.00	\$ 260.00
Strainer Set		1	NA	NA	\$ 595.00	\$ 595.00	\$ 795.50	\$ 795.50
SCBA		5	\$ 5,196.96	\$ 25,984.80	\$ 5,400.00	\$ 27,000.00	\$ 6,350.00	\$ 31,750.00
Spare Bottles		5	\$ 681.84	\$ 3,409.20	\$ 725.00	\$ 3,625.00	included with SCBA	included with SCBA
Alternate #2 Total			\$ 41,659.05	\$ 41,659.05	\$ 49,646.00	\$ 49,646.00		\$ 58,636.90
Extend to MITN			yes		yes		no	



CITY OF NOVI
TRIPLE COMBINATION PUMPER TRUCK
PROPOSAL FORM

We the undersigned as proposer, propose to furnish to the City of Novi, according to the specifications, terms, conditions and instructions attached hereto and made a part thereof:

BASE BID

Triple Combination Pumper Truck \$ 460,767.00 Lump Sum

Delivery 210 calendar days

ALTERNATE #1

Demo Truck meeting specifications \$ 347,362.00 Lump Sum

Delivery 30-60 calendar days

ALTERNATE #2

Equipment – all items are name brand or equivalent unless otherwise noted. The City may not purchase all items shown. If errors in price extension occur, unit pricing will prevail. **If vendor proposes "equivalent" items please include an additional sheet showing the make and model numbers.**

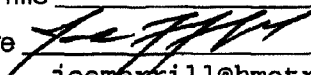
Description	Brand	Qty	Unit Price	Extended Price
Lock Out/Tag Out Kit	Prinzing Model 3TCL4	1	\$101.50	\$ 101.50
K-Tool Kit	K-Tool	1	\$134.50	\$ 134.50
Hydraulic Multi Tool, Gas Power Unit & Hoses	Genesis Model 593.113.4	1	\$NA	\$ NA
50' 2.5 Line	Niedner Ultra 2000 (no substitutions)	6	200.00 wht/ylw \$226.00 colors	1200.00 wht/ylw \$ 1356.00 colors
50' 1.75 Line	Niedner Ultra 2000 (no substitutions)	12	125.00 wht/ylw \$151.00 colors	1500.00 wht/ylw \$ 1812.00 colors
2.5" Adaptors (Set)	Kockek #35R2525 Red Head #36R2525	1	\$ 65.75 \$ 65.75	\$ 65.75 \$ 65.75
5" Hydrant Adaptors	Kochek #S375545 Red Head	2	\$ 219.45	\$ 438.90

1.5" Nozzles	Akron Turbo Jet 1720	3	\$ 774.20	\$ 2322.60
2.5" Nozzles	Akron Turbo Jet 1446	3	\$ 536.40	\$ 1609.20
Spanner Wrenches (Set)	SS523MP Akron Style 5	4	\$ 96.80	\$ 387.20
Gated Wye	Akron Style 2581	1	\$ 327.75	\$ 327.75
Foam Inductor	Akron 3072	1	\$ 784.55	\$ 784.55
Steamer Intake	Hydra Shield Automatic Intake Valve PC 30	1	\$ 2687.10	\$ 2687.10
Hydrant wrench	Akron Style 15	4	\$ 59.50	\$ 238.00
Strainer Set	FOL-DA-Tank 00	1	\$ NA	\$ NA
SCBA	ISI Model Viking DXL	5	\$ 5196.96	\$ 25,984.80
Spare Bottles	Carleton Model M4927 ISI BOTTLES	5	\$ 681.84	\$ 3409.20
TOTAL				\$ 41,256.80

Included

We acknowledge receipt of the following Addenda: #1, #2
 (please indicate numbers)

COMMENTS: Many of the loose equipment part numbers do not exist

THIS PROPOSAL SUBMITTED BY:
 Company (Legal Registration) HME, Incorporated
 Address 1950 Byron Center Ave.
 City Wyoming State MI Zip 49519
 Telephone 888-526-2922 Fax 989-356-2950
 Agent's Name Joseph Merrill
 Agent's Title Factory Direct Sales
 Signature 
 E-mail joemerrill@hmetruck.com
 Date 9-7-12



Joseph Merrill, 1950 Byron Center Avenue, Wyoming, MI 49519

Designed Smart. Built Tough.™

Novi Fire Department
Ms. Sue Morianti, Purchasing Manager
45125 W. Ten Mile Road
Novi, MI 48375

10-5-12

RE: RFP Triple Combination Fire Truck - Cascade System

Dear Ms. Morianti,

Per the request dated 9-26-12 we are providing this additional quote for a cascade system to be added to the previously supplied bid proposal for Novi.

The total additional cost to install the cascade system, as detailed below, would be an additional \$17,006.00.

If there are any further questions or clarifications please do not hesitate to contact me at 888-526-2922.

Sincerely,

Joe Merrill
Factory Direct Sales
HME, Incorporated



SALES AGREEMENT

This Sales Agreement (the "Agreement") made by and between HME, Incorporated (Company) and

City of Novi

(Legal Name of Buyer)

45171 W. Ten Mile Rd.

Novi

Michigan

48375

(Address)

(City)

(State/Province)

(Zip/Postal Code)

1. ACCEPTANCE: The "Company" agrees to sell and the "Buyer" agrees to purchase the apparatus and equipment (collectively the "Vehicle") described in the HME, Incorporated specifications hereto attached and made part of this Agreement, in accordance with the terms and conditions herein and the attached documents referenced herein (collectively, the "Agreement").

2. DELIVERY: Except as otherwise specified in this Agreement and provided that the Buyer has paid the purchase price, the Vehicle shall be ready for delivery within 210 calendar days after the date this Agreement is signed and executed by an officer of Company at the Company's Corporate Headquarters in Wyoming, Michigan, and based upon a satisfactory completion of a Pre-Construction Conference, if requested. The Company cannot be held liable for penalties and/or delays due to strikes, failures to obtain materials, fires, accidents, force majeure, or any other causes beyond the Company's control. The Pre-Construction Conference shall be conducted within 30 days from the execution of this Agreement.

To establish a stable design, procurement, and build schedule in accordance with the specifications and this Agreement, a Buyer change order cutoff date of eight (8) weeks from the date of the execution of the Agreement will be enforced. Changes in major components, configuration, or other items that may change the major components or configuration, (e.g.: engine, transmission, axles, water tank, body, fire pump) will not be allowed after the Agreement execution date.

If inability to obtain exclusive or brand name materials causes completion or delivery problems, the Company shall advise the Buyer of said problem. The Company resolves to examine alternative sources of said material. Material substitutions shall be mutually agreed upon by the Buyer and the Company. No substitutions shall be made without the execution of a written change order by the Buyer.

3. CHANGE ORDERS: Changes to the Agreement may be requested by the Buyer after the execution of the Agreement according to the terms of Section 2 of this Agreement. Changes shall be reviewed for cost and schedule impact by the Company. Changes shall be sequentially numbered. Change Orders shall be prepared by the HME sales representative and executed by the Buyer. The price of the Vehicle shall be adjusted to take into account any Change Orders. Any and all Change Orders may extend the completion and delivery dates of the Vehicle.

4. **SPECIFICATIONS:** The Company agrees that all material and workmanship in and about this Vehicle shall comply with the hereto attached HME, Incorporated specifications dated 7th day of September, 2012

5. **WARRANTY:** The Company shall provide the warranty as specified in the attached HME, Incorporated specifications.

6. **PRICE:** The Buyer shall pay, as a purchase price for the Vehicle, the sum of Five Hundred Nineteen Thousand, Four Hundred Thirty-Two US Dollars and zero Cents (\$ 519,432.00). All prices are less any applicable local, state, or federal taxes which may be applied to the sale of the Vehicle. NOTE: Payment shall be made only to: HME, Incorporated, 1950 Byron Center Avenue, Wyoming, Michigan 49519, attention: Accounts Receivable.

7. TERMS OF PAYMENT:

a) Payment of the purchase price plus cost of any authorized Change Orders, shall be paid, in full, at the time of plant pick-up or availability for delivery, whichever is earlier.

b) No payment of any amount shall be made payable to a sales representative without written approval from the Company.

c) It is agreed that the Vehicle covered by this Agreement shall remain the property of the Company and not be placed in service until the purchase price and any additional costs and expenses are paid by the Buyer. Any payment not made when due shall accrue a service charge of 1.5% per month, but in no event shall such charge exceed the maximum rate allowed by law.

8. **The Company** requires, and the Buyer agrees, that the Vehicle shall be inspected and picked up by the Buyer within seven (7) days of notice that the manufacturer of the Vehicle has been completed.

9. **CANCELLATION:** This Agreement is subject to cancellation by the Buyer only upon payment to the Company of reasonable cancellation charges as determined by the Company, which shall take into account expenses already incurred and commitments made by the Company.

10. **TAG-ON / ADDITIONAL ORDERS:** At its sole discretion, the Company may allow the terms of this Agreement to be extended to both the Buyer and similar agencies for the purchase of a similar Vehicles under similar terms for a period of one (1) year from the date of the execution of this Agreement. Should the Company choose to exercise this option, it shall be permitted to adjust the Agreement pricing to account for equitable price adjustments associated with the change in the cost of the materials used to produce the Vehicle. Such adjustments will be based upon the Producer Price Index (PPI) for fire trucks and/or heavy transportation equipment or by itemizing price changes expected by the Company from the component vendors. If there are any changes between the Vehicles(s) purchased via this Agreement and any subsequent orders, those changes must be documented via properly signed and executed Change Orders, including any necessary price adjustments. If the purchasing agency is not the Buyer, a separate Agreement must be executed under the terms of this Agreement to complete the additional purchases.

This Agreement, including its appendices and attachments, embodies the entire understanding between the parties relating to the subject matter contained herein and merges all prior discussions and agreements between them. No agent or representative of the Company has the authority to make any representations, statements, warranties, or agreements not herein expressed and all modifications or amendments of this Agreement, including any appendices, must be in writing signed by an authorized representative of each of the parties hereto.

No surety of any performance bond given by the Company to the Buyer in connection with this agreement shall be liable for any obligation of the Company arising under the standard warranty.

IN WITNESS WHEREOF, the Buyer and the Company have caused this Agreement to be executed by their duly authorized representatives this ____ day of _____,

COMPANY

BUYER

HME, Incorporated
1950 Byron Center Avenue
Wyoming, Michigan 49519
616-534-1463 Phone
616-534-1967 Fax

City of Novi
45175 W. Ten Mile Rd.
Novi, MI 48375-3024
Phone _____
Fax _____

BY: _____
NAME: _____
TITLE: _____
DATE: _____

BY: _____
NAME: _____
TITLE: _____
DATE: _____

BUYERS WITNESS

WITNESSED: _____
NAME: _____
TITLE: _____
DATE: _____

