The Crazy World of Buying Apparatus Now

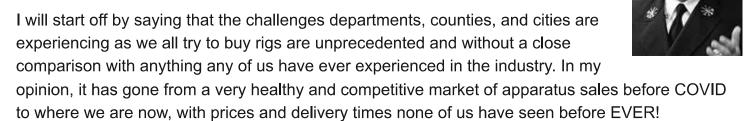
Departments spec'ing new rigs must be prepared for potential delivery dates of 36 to 48 months, and parts procurement challenges.

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By Ricky Riley

I am not the oldest person buying apparatus today, but for a good couple of decades, I have been involved in the apparatus industry and the fire apparatus purchasing world. And, for the record, it is absolutely crazy right now when you are trying to buy rigs!



PRICES

Let's start off with prices in the industry. Buyers face an increase in costs anywhere from 10% to 35% for just one rig. Most of these increases have been in large increments over a number of months. Some have been well communicated to customers, and some have taken the buyers by surprise, creating havoc with budgets, contracts, and even lawyers. Even in my own department, we have seen increases of hundreds of thousands of dollars for the same engine bought preCOVID. The costs of material and components have never been so high, and the availability of components has never been so scarce. The availability issue has caused manufacturers to hold status meetings up to four times a day to get continuous updates on the items they need to build our apparatus.

The amount of time all manufacturers now must devote to this process leads to an increase of employees—builders need to hire to keep up with all the issues facing them in each build. It is unimaginable for manufacturers to be able to properly forecast shortages and daily rising product costs. They then must take those costs and figure them into your rig that might be built in two to three years from contract signing. To stay in business and to ensure their success, some manufacturers absorbed these costs for the past couple of years for their customers. But, now they must be passed on to the customer, which makes for some very uncomfortable conversations

between the salesperson and the buyer. There has never been a more crucial time for the fire department buying the apparatus and the salesperson to have very open and adult communication about all aspects of the purchase.

DELIVERY TIMES

Delivery times have now made all departments adjust how and when they are going to purchase apparatus. With extended delivery times, some departments can now budget for the apparatus over a number of budget cycles. While this might help with financing the growing costs, it does not get the apparatus in your hands any sooner than up to three or four years, which some manufacturers are quoting to customers.

Those of us on a fixed budget and with certain purchasing requirements usually need to finance the apparatus in one budget cycle. With the increased prices, we have to purchase a smaller quantity of units for the larger price tag. Not being able to keep up with apparatus replacement plans is becoming a reality for a number of departments as, most of the time, budget numbers, and replacement plan funds are allocated a year or years in advance, not allowing for the adjusted higher costs to be in the plan or the budget.

This will require fleet managers and even smaller departments to rethink extending the life of current apparatus at or over their retirement age to keep enough units in the fleet and in front-line service, pushing out the time of replacing apparatus and keeping older rigs on the street longer to help fill the void created by the long delivery schedules. We will only see an increase in repair costs. And, we all know as our rigs get older, they have more of a tendency to cost us more in repairs—and that is even if we can still get the parts for the older rigs. Trying to find those older components for engines and pumps can be a challenge even for the most savvy eBay or Amazon person on staff.

Environmental Protection Agency (EPA) Standard

On top of the prices and delivery times, we now must contend with engine news many of us are just learning about. Cummins has moved up its EPA-standard motor by one year, causing many departments to try to purchase the current motor. By the time this article is printed, those motors could be gone, thus creating another purchasing spree that could affect unit delivery times. New engine designs, EPA standards, and warranties mandated for any new motor will impact engine prices for engine manufacturers.



Departments spec'ing new rigs must be prepared for potential delivery dates of 36 to 48 months from when the order is placed, new EPA standards, and parts procurement challenges that are impossible to forecast. (Photo by author)

Many questions still need to be answered by motor manufacturers so customers have a full understanding of what they will receive with the new motors and how the rising prices will not only benefit the environment but also end users when it comes to warranties. Included in the motor pricing are also new regen systems and their proposed warranties. As any fleet supervisor will tell you, these regen systems cause major headaches for fleets. And, what companies are going to do to improve this process and possibly extend warranties is another item for discussion and clarification for end users.

A lot of things are happening in the apparatus purchasing arena, all of which affect any department's fleet regardless of a department's size. Manufacturers are guiding the purchasing process like never before. It is almost a daily struggle to keep up with the rising charges, mandates, delays, and compromises by the buyer for an apparatus that we are paying more for than we have ever paid before and at such an accelerated rate. While these things frustrate me as a fleet manager, and I know that they will greatly affect the fleet of apparatus and our service to our

citizens, it is no less frustrating than what the manufacturers are going through every day as they deal with their suppliers, backlogs, and unprecedented material costs and availability.

I hope that we as a country can get through this supply and demand crisis and that when we do, fire truck prices can somewhat go back to normal. Without that cost reduction, sooner or later departments will have to buy fewer apparatus because of the lack of budget increases in local economies. These prices are staggering even for a robust department budget.

It is more important now than ever before that customers have a solid relationship with their salesperson and their manufacturer. The communication must be open, honest, and frequent to keep up with these times that none of us have ever seen before. We will all have to get through the emotions that can be stirred by these prices and delivery times and work through the problems with a mature attitude.

This topic is going to be around for a while. I encourage you to have many conversations about it and make sure you are getting factual information from trusted sources.

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