



City of Broken Arrow

Request for Action

File #: 17-2357, Version: 1

**Broken Arrow City Council
Meeting of: 07-18-2017**

**To: Mayor and City Council
From: Fire Department
Title:**

Update on status of Fleet Ambulances, Costs, Means of Financing, and consideration, discussion, and possible award of the most advantageous bid to Professional Ambulance #1 for the purchase of three (3) ambulances

Background:

The Fire Department budgeted \$225,000.00 of the Public Safety Sales Tax for the purchase of a new ambulance. The Fire Department created a joint committee of both administration personnel and representatives of the firefighter's union to develop specifications and design the department's future ambulances. The specifications developed by that committee were then sent out for competitive bid and the City of Broken Arrow received five bids in return.

Of the five bids received, Professional Ambulance #1 (AEV) was the lowest and met the specifications outlined. As part of the bid, the City requested vendors to provide lease/finance options to the City for the purchase.

The Fire Department currently has 12 ambulances in its fleet, with seven having over 150,000 miles. The useful life of an ambulance chassis is roughly five years or 100,000 miles. In order to maintain a reliable fleet, the Fire Department needs to purchase three ambulances every two years.

A lease-purchase scenario would allow the Fire Department sufficient budgeted funding to purchase three ambulances this fiscal year on a five-year lease/finance term, at the end of which the City would own the Ambulances outright.

One of the three ambulances proposed for purchase includes idle-reduction technology equipment. This sustainable technology will be studied to identify the cost versus benefit of the product on future ambulances. The idle reduction technology is partially funded (80% up to \$32,000.00) by Congestion Mitigation and Air Quality Funds through a grant administered by the Indian Nations Council on Governments (INCOG). The projected cost of the idle-reduction technology has been incorporated into the bid and is expected to be \$20,465.00.

The total estimated cost of the three ambulances with all options listed is \$904,235.00. Staff continues to evaluate possible means of financing for the purchase of these ambulances. A Lease/Purchase Agreement would require careful review for compliance with statutory requirements. Another option would be to secure financing from a local bank with the ambulances secured as collateral. It will take approximately 180 days to build the ambulances. Payment is not required until the delivery. As such, Staff believes that it is advantageous to move forward with awarding the bid while options for financing are considered. Importantly, there are

sufficient unencumbered funds available in the City's General Fund to cover the cost of the ambulances should direct acquisition be required.

The Fire Chief will present this item and will also provide an update on the status of the City's fleet of ambulances. Staff recommends that the Council award the most advantageous bid to Professional Ambulance #1 for the purchase of three (3) ambulances. Any proposed financing arrangements will be brought to the Council for approval at a future time.

Cost: \$904,235.00, plus the costs of financing, if required

Prepared By: Ryan Lawson, EMS Major

Reviewed By: Fire Department
Finance Department
Legal Department
Assistant City Manager

Approved By: Michael L. Spurgeon, City Manager

Attachments: Bid 17.182 bid tabulation

Recommendation:

Award the most advantageous bid to Professional Ambulance #1 for the purchase of three (3) ambulances.