



City of Broken Arrow

Request for Action

File #: 19-1147, **Version:** 1

Broken Arrow City Council
Meeting of: 09-17-2019

Title:

Consideration, discussion, and possible approval of and authorization to purchase three (3) AEV Ford F550 Type 1 Ambulances from Professional Ambulance Sales & Service, pursuant to the Houston-Galveston Area Council (HGACBuy) contract

Background:

The Fire Department is seeking to purchase three (3) ambulances. Currently the Broken Arrow Fire Department (BAFD) has thirteen ambulances in its fleet. Seven ambulances are assigned to a station and the remaining six are reserve units. Seven of the thirteen have over 150,000 miles. In order to maintain a reliable fleet, the Fire Department needs to purchase three ambulances every two years. Two years ago, the Fire Department started a process of purchasing new ambulances from a manufacturer with a specific design that was approved by city fleet mechanics. The new ambulances would be more cost effective, have greater longevity, and provide uniformity that makes them easier to work on for city fleet mechanics.

These new ambulances, along with ambulances purchased in 2017, will be candidates for a future re-mount option. This cost savings measure will allow the Fire Department to refurbish these ambulances to like-new status rather than a total replacement for half the original purchase cost.

The Fire Department went out for competitive bid in 2017 and purchased similar AEV ambulances and those have been reliable and effective vehicles for the department. The Fire Department has chosen to continue to purchase the same style/brand of ambulance to maintain fleet consistency and uniformity. Ambulance consistency will create a safer work environment for both the ambulance driver and the patient care provider in the back compartment. In addition, continuing to purchase the same style/brand will allow us to re-mount the units on new chassis in future years, which is consistent with our long-range cost-savings plan.

The Fire Department was able to locate the AEV ambulances from Professional Ambulance Sales & Service at a lower price through the Houston-Galveston Area Council (H-GAC). H-GAC is the largest of 24 Councils of Government (COG) in Texas, and is a political subdivision of the State of Texas. It has been serving local governments for more than 40 years. HGAC is the consortium that the City of Broken Arrow recently used to purchase (2) ladder/aerial fire apparatus from.

H-GAC's Cooperative Purchasing Program, known as HGACBuy, was established pursuant to Texas Interlocal Cooperation Act. The Act allows local governments and certain non-profits to contract or agree under the terms of the Act to make purchases or provide purchasing services and other administrative functions appropriately

established by another government entity.

The Council has previously approved of an Interlocal Contract (ILC) between the City of Broken Arrow and HGACBuy, and gives the City access to HGACBuy contracts. By entering into this agreement the City was able to verify that H-GAC's competitive bidding processes are in accordance with Oklahoma State Competitive Bid Act and City purchasing requirements. HGACBuy requested bids for various ambulances without specifications with regards to size of apparatus and equipment. After much research, HGAC provides the most advantageous bid due to the size of the consortium's buying power, which provides the Fire Department the means of getting three new ambulances at a discounted price.

The total estimated cost of the three ambulances with options and equipment is \$964,773.00. City Staff is currently reviewing multiple financing proposals that were received pursuant to a Request for Proposal (RFP) process to procure funds for the financing of these ambulances. Currently, the Fire Department has \$200,000.00 budgeted as a down payment for the ambulances leaving the balance to be financed at approximately \$765,000.00 over four years. The financing agreement terms are currently being finalized between the finance department and legal department. The ambulances will take approximately 120-150 days to build. Payment is not required until the delivery. As such, Staff believes that it is advantageous to move forward with purchasing the ambulances while the financing agreement terms are worked out.

The proposed bank and financing agreement terms will be brought to the Council for approval.

It is recommended that Council approve the purchase of the three (3) AEV ambulances pursuant to the HGACBuy program from Professional Ambulance Service & Sales.

Cost: \$964,773.00, plus the cost of financing interest

Funding Source: Fund 30 STCI (currently negotiating lease terms through RFP process)

Requested By: Jeremy Moore, Fire Chief

Approved By: City Manager's Office

Attachments: HGACAEV.doc
Shop Order Broken Arrow (5).pdf
HGACAM10-18 Final.pdf
LegalAD_Houston Chronicle_AM10-18 3.11.18.pdf
LegalAD_Houston Chronicle_AM10-18 3.18.18.pdf
AM10-18 Board Report.pdf
AM10-18 HGACVendor Tab.xlsx
CITY OF BROKEN ARROW HGAC AEV F550 Worksheet
CITY OF BROKEN ARROW HGAC AEV F550 Published Options
CITY OF BROKEN ARROW HGAC AEV F550 Unpublished Options

Recommendation:

Approve and authorize the purchase of three (3) AEV Ford F550 Type 1 Ambulances from Professional Ambulance Sales & Service, pursuant to the Houston-Galveston Area Council (HGACBuy) contract.