



CITY OF LONG BEACH

R-15

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 9, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

1. Adopt specifications No. PA-02309 to award a contract to Emergency Vehicle Group, Inc., of Anaheim, CA, for the purchase of five Advanced Life Support Paramedic Ambulances in the contract amount of \$988,000 including tax, with the option of purchasing up to five additional units by February 2011, if necessary, and if funds are available, and at the discretion of the City Manager.
2. Authorize the City Manager to execute a master lease-purchase agreement and related financing documents with Chase Equipment Finance, Inc., of Phoenix, AZ, for the financing in an amount not to exceed \$988,000, payable over a six-year period. (Citywide)

DISCUSSION

City Council approval is being requested to enter into a contract with Emergency Vehicle Group, Inc., for the purchase of five Advanced Life Support (ALS) Paramedic Ambulances for the Long Beach Fire Department (LBFD), with the option of purchasing up to five additional units by February 2011, if necessary, and if funds are available, and at the discretion of the City Manager.

LBFD operates both an ALS and a Basic Life Support (BLS) transportation program. The ALS program transports patients by ambulance for life threatening injuries/illnesses and is staffed by Firefighter/Paramedics who provide assessment, treatment and preparation of patients for transport. The BLS program (implemented in September 2005) transports patients by ambulance for non-life threatening injuries/illnesses after Firefighters and Paramedics respond and provide the assessment, treatment and preparation of patients for transport. The BLS units are the same type of ambulances utilized by the ALS program. The BLS program's objective is to improve service to the community.

Currently, the ALS and BLS fleet consists of 20 units; 13 units are assigned to the ALS program and seven units are assigned to the BLS program. The five new ambulances will be assigned to the ALS program for front-line operation, and five existing ALS units will be transferred to the BLS program to replace ambulances ranging in age from 6 to 14 years old, which will be retired. The Fire Department will work with the Fleet Services Bureau to assess units for replacement. These determinations take into consideration age, mileage and the condition of the unit. The budgeted replacement cycle and useful life of an ambulance is six years. The BLS units to be retired are at an age that maintenance costs, repair time and vehicle conditions are in question and are consequently creating increased down time for service needs. The units being retired will be sold through the City auction process.

The bid for the purchase of the ambulances was advertised in the Press Telegram on June 25, 2009 and 251 potential bidders specializing in ambulances were notified. Of those bidders, 22 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Six bids were received and a public bid opening occurred on July 23, 2009. Of those six bidders, one was a Woman-owned Business Enterprise (WBE), one was a Minority-owned Business Enterprise (MBE) and none were Long Beach Businesses. Emergency Vehicle Group, Inc., of Anaheim, CA, a Small Business Enterprise (SBE), was the lowest responsible bidder.

A request for proposals for the lease-financing was advertised on the City website notifying 200 potential bidders to secure the most favorable financing terms for this acquisition. Of those bidders, 22 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Two bids were received on December 11, 2009. Of those bidders, none were Woman-owned Business Enterprises (WBEs), none were Minority-owned Business Enterprises (MBEs) and none were Long Beach Businesses. After the Department of Financial Management, Treasury Bureau, conducted an evaluation of the proposals, Chase Equipment Finance, Inc., of Phoenix, AZ (not a SBE, WBE or Local), offered the best terms; therefore, it is recommended this firm provide the required financing. Lease-financing provides a cost-effective alternative to facilitate the timely replacement of essential capital assets to meet immediate service demands when funding is not available for an outright purchase.

Local Outreach

Our outreach goal during the bid process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit bids for City contracts. We assist businesses with registering on our Bids Online database to download the bid specifications. Of the 44 Long Beach businesses registered for providing vehicles, there were no businesses able to provide ambulances. Also, of the 14 Long Beach businesses registered for providing financial services, there were no Long Beach businesses that submitted a proposal to provide lease-financing options.

This matter was reviewed by Deputy City Attorney Amy R. Burton on January 22, 2010 and Budget and Performance Management Bureau Manager David Wodynski on January 25, 2010.

TIMING CONSIDERATIONS

City Council action is requested on February 9, 2010, to secure the pricing and purchase of in-stock truck chassis' and ensure that the ALS units are built and placed into service in 2010.

FISCAL IMPACT

The total amount to be financed under the lease agreement will not exceed \$988,000 and will be financed over a six-year period. The total debt service, principal and interest, for the agreement is estimated at \$1,086,000 with a monthly payment amount of \$15,077, which equates to an annual payment amount of \$180,924. The contract amount and payments are based upon an estimated interest rate of 3.15 percent, which is subject to change due to market conditions at the time of final execution of the lease agreement. Monthly lease payments will begin in the current fiscal year and are included in the current appropriation of the General Fund (GP) in the Fire Department (FD).

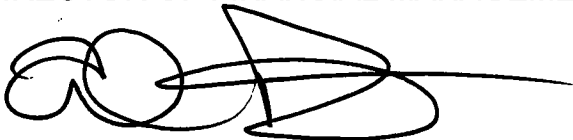
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



JEFFERY L. REEB
ACTING FIRE CHIEF

APPROVED:



PATRICK H. WEST
CITY MANAGER