



Legislation Text

File #: 18-0525, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract with 72 Hour, LLC, dba National Auto Fleet Group, of Alhambra, CA, for the purchase of seven 2018 E-450 ambulances, with related equipment and accessories, on the same terms and conditions afforded to the National Joint Powers Alliance, of Staples, MN, in an amount not to exceed \$2,004,296, inclusive of taxes and fees; and

Authorize City Manager, or designee, to execute a six-year lease-purchase agreement, and related financing documents, with Banc of America Public Capital Corp., of San Francisco, CA, for the financing of seven 2018 E-450 ambulances, in an amount not to exceed \$2,276,000, including capital purchase, interest, and fees. (Citywide)

City Council approval is requested to enter into a contract with National Auto Fleet Group, for the purchase of seven 2018 E-450 Cutaway (E4F) DRW 158" WB ambulances for use by the Fire Department.

The new units are replacing ambulance units that are nine years old and three years past their useful life expectancy. The current vehicles are becoming increasingly difficult to adequately provide support due to their age and condition. Downtime has increased with breakdowns and difficulty obtaining parts. Purchase of these units was authorized in the approved FY 18 replacement plan.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Fleet Services Bureau and the Purchasing Division of the Financial Management Department investigated procurement options, and the National Joint Powers Alliance (NJPA) agreement with National Auto Fleet Group, of Alhambra, CA (not a SBE, DBE, MBE, WBE, or Local), was determined to provide the best discounted price while allowing for timely acquisition and delivery. All NJPA contracts are competitively bid and offer the best available pricing.

City Council approval is also requested to authorize the City Manager to execute a six-year lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corp., for the financing of seven ambulances. The Master Lease Agreement was approved by the City Council on May 19, 2015. The Master Lease Agreement program provides lease financing for a variety of capital equipment purchases. The program was

established to streamline the purchasing and financing process. Lease financing provides a cost-effective approach to facilitate the purchase of essential capital assets and allow the City to meet immediate service demands.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on June 4, 2018 and by Revenue Management Officer Geraldine Alejo on May 30, 2018

SUSTAINABILITY

These new ambulances are compliant with the State of California and local district air quality regulations.

City Council action to adopt resolution and execute the contracts concurrently is requested on June 19, 2018, to ensure the contracts are in place expeditiously.

The lease-purchase agreement for the 2018 E-450 ambulances, including sales tax, escrow fees, and principal and interest will not exceed \$2,276,000. The estimated annual lease payment will be approximately \$379,333 over the next six-years. Lease payments are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) and will be paid through regular lease charges to the Fire Department (FD) through Fleet Services' regular monthly billing process. There is no local job impact associated with this recommendation.

Approve recommendation.

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER