

September 17, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with Professional Sales and Service, LLC., of Salt Lake City, UT, for the purchase of seven Leader 170 Type III ambulances with a Ford E-450 chassis, with related equipment and accessories, on the same terms and conditions afforded to Sourcewell (Contract No. RFP #122123-RVG), in a total amount not to exceed \$3,580,621, inclusive of taxes and fees; and,

Authorize the City Manager, or designee, to execute a lease-purchase agreement, and related financing documents with Banc of America Public Capital Corp, of San Francisco, CA, for the financing of seven Leader 170 Type III ambulances with a Ford E-450 chassis, payable over a six-year period at an interest rate to be determined when the agreement is executed. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Professional Sales and Service, LLC., for the purchase and delivery of seven Leader 170 Type III ambulances mounted on a 4x2 Ford E-450 chassis. The proposed units will be used by the Long Beach Fire Department (LBFD), Emergency Medical Services (EMS) Division, as 9-1-1 emergency response ambulance units.

The proposed units will replace seven ambulances that are five years old. The current units are nearing the end of their useful life and are becoming increasingly more expensive to maintain. The City of Long Beach's (City) ambulances experience high levels of usage transporting patients to available hospital facilities, resulting in increased mileage. Replacing seven ambulances will minimize repair downtime and decrease net operational costs for the City. Timely replacement of emergency medical equipment is critical for patient care, which is essential to the health of the Long Beach community. These ambulances are approved in the Fiscal Year 2025 (FY 25) Fleet Replacement Plan and have been accelerated to procure due to supply chain issues, production, and manufacturing cost increases.

There are no Long Beach-based businesses that manufacture or sell this type of equipment. The Fleet Services Bureau of the Department of Financial Management (FM) researched procurement options for the purchase of ambulances and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed the Professional Sales and Service, LLC. contract options and determined the agreement

between Sourcewell and Rev Group, Inc., through their local distributor, Professional Sales and Services, LLC., provided the best value to the City.

All Sourcewell contracts are competitively bid and offer the best available pricing. Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor using existing contracts from other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Ashleigh Stone on August 28, 2024, Purchasing Agent Michelle Wilson on August 23, 2024, and by Revenue Management Officer Geraldine Alejo on August 30, 2024.

SUSTAINABILITY

Fleet Services researched alternative fueled and zero-emission options and determined no viable lower-emission alternatives are currently available. The new ambulances are fully compliant with the State of California and local air quality emission standards and will utilize renewable gas fuel in City service.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on September 17, 2024, to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The total amount of the contract will not exceed \$3,580,621. The unit price of each ambulance is \$511,517. Based on an indicative interest of 3.74 percent on August 26, 2024, the total amount for the lease-purchase agreement with Banc of America Public Capital Corp is estimated at \$4,002,348, inclusive of principal, interest, and escrow fees. This equates to approximately \$667,058 in annual debt service costs for the six-year life of the financing. This amount is subject to change and will be finalized when the agreement is executed. In FY 25, the debt service payment is budgeted in the Fleet Services Fund Group in the Financial Management Department. Following FY 25, the annual debt service cost will be included Fleet Services Memorandum of Understanding (MOU) and charged to the General Fund Group in the Fire Department through the Fleet Services MOU monthly billing process. Staff anticipates that the first year's costs will be supported with appropriations established for the former units with no net impact to the General Fund. Lbfd annual maintenance, fuel, and lease-purchase payment costs for each unit are estimated at \$109,919 and will be charged to the General Fund Group in the Fire Department through Fleet Services Bureau's MOU billing process. This recommendation has no staffing impact

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beyond the normal budgeted scope of duties and is consistent with City Council Priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Kevin Riper
Director
Financial Management

APPROVED:



THOMAS B. MODICA
CITY MANAGER