



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 11, 2012
Action Item for the City Council Meeting of December 18, 2012

DATE: 12/11/2012

TO: Ronald L. Olson, City Manager

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Ambulances

CAPTION:

Motion approving the lease purchase of two (2) ambulances from Knapp, Chevrolet, of Houston, Texas based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Governments (H-GAC), in the amount of \$270,000. The ambulances will be used by the EMS Division of the Fire Department. These units are a replacement to the fleet. Funds for the lease purchase of the ambulances will be provided through the City's lease/financing program.

PURPOSE:

The ambulances will be used by the EMS Division of the Fire Department for emergency medical response services.

BACKGROUND AND FINDINGS:

Currently, the City operates nine frontline ambulances and five reserve units. These new units will replace two existing frontline ambulances which will be placed in reserve status.

The units being replaced are a 2003 Freightliner Ambulance with 204,672 miles and a 2005 Ford F-650 with 113,802 miles. Replaced units will be disposed of through standard disposal of surplus property procedures, including live auctions and/or electronic auctions.

ALTERNATIVES:

Not Applicable.

OTHER CONSIDERATIONS:

The ambulances will be funded for a sixty-month period with an estimated interest rate of 2.75%. The actual interest rate will be determined after acceptance of the ambulances. The estimated annual payment is \$57,787.68. Total estimated cost over the sixty-month period, including principal of \$270,000 and interest of \$18,938.40, is \$288,938.40.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City’s purchasing policies and procedures and Texas State procurement laws.

EMERGENCY / NON-EMERGENCY:

Non-Emergency.

DEPARTMENTAL CLEARANCES:

Fire Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$230,997.00	\$269,675.84	\$500,672.84
Encumbered / Expended Amount		\$20,997.90		\$20,997.90
This item		\$19,262.56	\$269,675.84	\$288,938.40
BALANCE		\$190,736.54		\$190,736.54

Fund(s): Fire Department

Comments:

The \$19,262.56 financial impact shown above represents four months of payments that will be encumbered through the end of this fiscal year. The remaining \$269,675.84 for the fifty six months of payments will be requested in future years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet.