



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 28, 2014
Action Item for the City Council Meeting of February 11, 2014

DATE: January 28, 2014
TO: Ronald L. Olson, City Manager
FROM: Michael Barrera, Assistant Director of Financial Services
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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 \$281,800, of which \$14,899.47 is required in FY 2013-2014. The ambulances will be used by the EMS Division of the Fire Department. 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 twelve frontline ambulances and five reserve units.

ALTERNATIVES:

CNG is not available for this truck.

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the ambulances is based on a sixty month term with an estimated interest rate of 2.22% for an annual payment of \$59,597.88. The total estimated cost over the five-year period, including principal of \$281,800.00 and interest of \$16,189.50, is \$297,989.50.

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:

X Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$255,997.00	\$283,090.03	\$539,087.03
Encumbered / Expended Amount		\$236,425.12		\$236,425.12
This item		\$14,899.47	\$283,090.03	\$297,989.50
BALANCE		\$4,672.41		\$4,672.41

Fund(s): General Fund

Comments:

The \$14,899.47 financial impact shown above represents three months of payments that will be encumbered through the end of this fiscal year. The remaining \$283,090.03 for the fifty seven 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.