



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 1, 2020

DATE: December 1, 2020

TO: Peter Zaroni, City Manager

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Lease-Purchase for the Replacement of Three Ambulances for CCFD

CAPTION:

Motion authorizing the lease-purchase for the replacement of three ambulances from Siddons-Martin Emergency Group, LLC, of Denton, Texas for a five-year total amount of \$824,497.42 to be used by the Corpus Christi Fire Department, with FY 2021 funding in an amount of \$27,500.00 available from the General Fund.

SUMMARY:

This motion will authorize the lease-purchase for the replacement of three ambulances to be used by the Corpus Christi Fire Department (CCFD) to respond to emergency calls throughout the community. These units are being procured through the BuyBoard Cooperative and are replacements to the existing fleet.

BACKGROUND AND FINDINGS:

CCFD has an operational need for three 2020 Dodge 4500 Ambulances. Regular replacement of front-line equipment is essential to provide for a cost-effective maintenance program. The three ambulances being replaced are 2008 and 2009 models which have all passed their service life of five years as front-line vehicles and five years as reserve. The units being replaced are those with the least cost-effective maintenance and performance history. The new ambulances will be utilized as front-line emergency response medic units at Fire Stations with high call volume. The current CCFD fleet includes 12 front line ambulances. The fleet being replaced will be placed on reserve status and the older reserve units will be removed from the fleet inventory.

The procurement is through the BuyBoard Cooperative. Contracts awarded through the BuyBoard Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings on the BuyBoard Cooperative is 6% less than list price, and the City is getting an additional discount of \$9,000.00 by procuring multiple units. In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City. The City has purchased ambulances from Siddons-Martin for the past two years. The City has purchased equipment from Siddons-Martin for the past 15 years.

ALTERNATIVES:

An alternative is to continue using the older ambulances which will require frequent maintenance causing out of service time while they are being repaired.

FISCAL IMPACT:

The fiscal impact for the Fire Department in FY 2021 will be approximately \$27,500.00 for the lease-purchase three ambulances with funding available from the General Fund. The remaining balance will be budgeted in future years through the annual budget process.

Financing for the lease-purchase of three ambulances is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$164,899.48. The total estimated cost over the five-year period, including principal of \$783,992.00 and interest of \$40,505.42 is \$824,497.42.

Total Lease-Purchase Price:	\$783,992.00
Total estimated allowable interest for Lease:	<u>\$ 40,505.42</u>
Grand Total:	\$824,497.42

FUNDING DETAIL:

Fund:	1020	General Fund
Organization/Activity:	35100	City Ambulance Operations
Mission Element:	093	Respond to Emergency Calls
Project # (CIP Only):	N/A	
Account:	530190	Lease-Purchase

RECOMMENDATION:

Staff recommends approval of this motion authorizing the lease-purchase of three ambulances from Siddons-Martin Emergency Group as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet