



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2016-0196

TO: Mayor and City Council Members
FROM: Sean Canto, Fire Chief
DATE: May 16, 2016
SUBJECT: Type I Ambulances

REQUEST:

City Council is requested to authorize a purchase order in the amount not-to-exceed \$1,284,045.00 to Mercy Sales Incorporated, Saginaw, Michigan for the purchase of five (5) Type I Ambulances.

REASON FOR PURCHASE:

The City of Rochester Hills participated in a cooperative solicitation with the City of Farmington Hills, City of Warren and the Townships of Northville and Commerce. The City of Farmington Hills acted as lead agency for the RFP. The proposal was developed with the intent to create a comprehensive agreement for the purchase of new ambulances, parts, service, training and owned ambulance refurbishment. The expected initial purchase from the named agencies is eighteen (18) vehicles. Since, the City of Farmington Hills award the expected purchase quantity has increased to over 40 vehicles, which has resulted in the City of Farmington Hills being able to negotiate a more aggressive rebate schedule to the agencies based on the unexpected high interest in this contract, which benefits all who elect to utilize this agreement.

Request for Proposals were posted using the MITN system, with five (5) companies responded, providing six (6) options. The Request for Proposal called for the awarded firm to provide a comprehensive product offering of vehicles, equipment, parts, accessories, and related services for both Type I and Type III ambulances. The agreement will be for three (3) years, with the City of Farmington Hills having the ability to renew for additional terms, not-to-exceed a total contract term of six (6) years. Proposers were asked to provide a pricing scheme that would allow each agency to build vehicles that meet their individual needs and would accommodate changes and updates to vehicle standards, component parts, technology, and truck build costs, and changes in trade-in values.

Each response was evaluated by the participating agencies on qualifications including experience, references, ability to supply multiple vehicles in a timely manner, customer service approach including warranty and after warranty work, pricing scheme for vehicles, accessories, parts, and value added items such as training, employee certification, and rebates. Upon review, two (2) vendors were short listed and the committee interviewed and reviewed equipment with both vendors (Mercy Sales representing Marque Ambulance and Rolland Specialty Vehicles representing American Emergency Vehicles). Upon completion of the interview and equipment review, the committee unanimously recommended Mercy Sales representing Marque Ambulance for award. The committee was made up of staff from Fire, Vehicle Maintenance, and Purchasing from all the agencies. Mercy Sales has extensive experience in building both types of vehicles. They have local representation to assist with any issues that arise and they have two (2) service centers in Michigan plus mobile technicians able to provide on-site service. The example truck pricing offered by Mercy Sales was very competitive. Their pricing scheme going forward includes volume discounted, firm fixed pricing which will be updated and confirmed yearly based on State/County

government pricing. In addition, Mercy Sales representing Marque Ambulance has excellent references and offer valuable extras including technician certification training and yearly rebates based on MITN Cooperative Volume, and like vehicle volume. The committee is confident Mercy Sales representing Marque Ambulance understands the full scope of the agreement and will provide quality vehicles and excellent customer service.

The City's ambulances are above what was currently budgeted; however there are adequate monies within the Fire Capital Fund (402) to cover the overage. There were two (2) changes that have caused the ambulances to be slightly above budget. The first being that of newly implemented Triple K Ambulance standards in which the State of Michigan has adopted and agencies purchasing new ambulances are required to comply with these standards. The most significant changes to the Triple K Ambulances Standard are the additional requirements for Ambulance Patient Compartment Seating Integrity and Occupant Restraints as well as Ambulance Litter Integrity, Retention, and Patient Restraints.

The second factor, a standard truck cab/chassis was anticipated to be utilized on the new units. On the recommendations of the Fleet Division based on the maintenance costs that has been incurred with the current ambulances and their serviceability, it was agreed and suggested that the Fire Department should utilize a heavier duty commercial chassis. The chassis recommended is already being utilized within the Department of Public Services Fleet and has been proven reliable as an ambulance, already being utilized in other communities. Additionally the Fleet Division Staff is familiar with the components of this chassis, parts and fluids are within the city inventory, and diagnostic software and components are already being utilized.

Since taking delivery of our current units in late 2009, the department has spent over \$220,000.00 dollars in maintenance and repairs. While working on the design for the new ambulances, the Fire Department in conjunction with the Department of Public Services- Fleet Division took into consideration several issues that we experience with our current ambulances. With taking into consideration these issues, the group worked to design a unit that best serves the patients and members by providing ambulances that are safe, meet current industry standards, properly constructed, easily maintained, and will function reliably in the pre-hospital setting.

PROCESS:

Vendor Name and Address:

Mercy Sales Incorporated
834 South Washington Avenue
Saginaw, MI 48601

Reason for Selection:

Best Value

Method of Purchase:

Purchase Order

BUDGET:



There are four (4) Ambulances currently included as part of the FY 2016 Adopted Budget with a total combined budget of \$798,740. There is one (1) Ambulance currently included as part of the FY 2017 Projected Budget with a budget of \$211,740. It is requested that the funding for the FY 2017 ambulance be "pulled forward" into FY 2016 so that the total combined budgeted funding for all five (5) Ambulances totals \$1,010,480.

If approved by City Council, Fiscal shall prepare a 2nd Quarter Budget Amendment to increase the FY 2016 Fire Capital Budget by \$485,305 (= \$1,284,045 total purchase - \$798,740 current 2016 budget) to cover the purchase. The funding budgeted in FY 2017 for the one (1) Ambulance replacement will be reduced to \$0, as this unit will be replaced in FY 2016. Funding is proposed to be drawn from (402) Fire Capital Fund Balance.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fire Capital	402.981000	Vehicles (4 x 2016)	\$798,740	\$1,027,236	(\$228,496)
Fire Capital	402.981000	Vehicles (1 x 2017)	\$211,740	\$256,809	(\$45,069)
		TOTAL	\$1,010,480	\$1,284,045	(\$273,565)

RECOMMENDATION:

It is recommended that City Council authorize the purchase of five (5) Type I Ambulances to Mercy Sales, Saginaw, Michigan in the amount not-to-exceed \$1,284,045.00.

APPROVALS:	SIGNATURE	DATE
Department Review		05-04-16
Department Director		05-04-16
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		