



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-816

Meeting Date: 9/6/2022

TITLE:

AUTHORIZE CITY MANAGER TO ENTER INTO A PURCHASE AGREEMENT FOR THE PURCHASE OF FOUR (4) AMBULANCES THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) BUY COOP WITH REDSKY EMERGENCY VEHICLES

DEPARTMENT: FIRE DEPARTMENT, FINANCE DEPARTMENT

PRESENTED BY: DAN STEFANO, FIRE CHIEF, KRISTIN STEVENS,
MANAGEMENT ANALYST

CONTACT INFORMATION: DAN STEFANO, FIRE CHIEF, (714) 754-5106

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize City Manager or designee, to enter into a purchase agreement for four (4) ambulances through the Houston-Galveston Area Council of Governments (H-GAC) Buy Coop Purchasing contract # AM10-20 with Redsky Emergency Vehicles (Attachment 1), and secure funding through a master lease agreement.
2. Authorize the City Manager and City Clerk to execute the necessary documents to acquire the additional ambulances

BACKGROUND:

In July 2013, the City purchased six (6) custom 2013 Horton Model 623 rescue ambulances from Leader Industries. Navistar International Corporation ("Navistar") MaxxForce 7 engines were installed in all six vehicles. All six ambulances went into service in approximately the middle of 2014.

Approximately six months after the vehicles first went into service, the City started experiencing issues with the ambulances. Upon investigation of the issue, the City determined that all six ambulances were "growing oil". This meant the Navistar engines were flooding the cylinders with fuel during the regeneration process.

Between September 2016 and July 2020, the Fire and Rescue Department staff attempted to work with Navistar to resolve the issue. During this time, Navistar had repairs performed on all six vehicles to attempt to correct the issue. Ultimately, the power plants in all six vehicles were replaced between October 2019 and February 2020. Neither the repairs nor the power plant replacements resolved the issue.

Between February 2021 and November 2021, the City Attorney's Office and Fire and Rescue Department staff communicated with Navistar representatives to discuss potential resolutions, as the engine defects performed could not be corrected.

In December of 2021, the City received and accepted a legal settlement from Navistar International Corporation for \$500,000, which was set-aside for the unresolved and non-repairable engine defects. The majority of the settlement funds was used to purchase two ambulances.

ANALYSIS:

Public Works Department's Fleet staff has to service each ambulance every 14 days to ensure the ambulances are operational until the needed replacement units can be obtained. Due to the ambulance situation, the replacement parts are not readily available.

This results in that any given time there is at least one ambulance out of service for extended repairs as a result of the above mentioned engine defect. This level of continued mechanical service is not sustainable over the long-term.

As a result of the settlement, all current ambulances have an "as is" status and are no longer supported by the manufacturer. All six current ambulances continue to have the same engine defect and are not sustainable for long-term emergency service.

On June 7, 2022, City Council approved the purchase of two (2) replacement ambulances using the same cooperative agreement. It is staff's recommendation to replace the remaining four ambulances to ensure continued ambulance services for our community.

The City recommends utilizing the Houston-Galveston Area Council of Governments (H-GAC) Buy Coop Purchasing contract with Redsky Emergency Vehicles (Attachment 3) for the procurement of the four (4) additional ambulances. The agreement meets all of the City's purchasing requirements and all requirements set forth Section 2-165 (b) (5) of the Costa Mesa Municipal Code, which allows the City to purchase goods, supplies and services through cooperative agreements to receive competitive pricing.

ALTERNATIVES:

The City Council can provide alternative direction to staff.

FISCAL REVIEW:

The cost to replace the four (4) ambulances is estimated at \$841,068 (Attachment 2). The City received a \$500,000 settlement in 2021-2022, of which the majority was used to purchase two (2) ambulances. Staff is recommending that City Council authorize the City Manager and/or Finance Director to enter into a master lease agreement for funding of the four (4) additional ambulances.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the City Council Goals:

- Strengthen the Public's Safety and Improve the Quality of Life
- Achieve Long-Term Fiscal Sustainability
- Recruit and Retain High Quality Staff

CONCLUSION:

The City Council's approval for the addition of the four (4) ambulances to the City's fleet will facilitate and aide the Fire and Rescue department to continue the quality of service and first response services we provide.

Staff recommends the City Council:

1. Authorize City Manager or designee, to enter into a purchase agreement for four (4) ambulances through the Houston-Galveston Area Council of Governments (H-GAC) Buy Coop Purchasing contract # AM10-20 with Redsky Emergency Vehicles (Attachment 1), and secure funding through a master lease agreement.
2. Authorize the City Manager and City Clerk to execute the necessary documents to acquire the additional ambulances.