



Council Communication

Office of the City Manager

Date

August 20, 2007

Agenda Item No. 45

Roll Call No. 07-

Communication No. 07-493

Submitted by: Phillip C. Vorlander.

Chief of the Fire Department

AGENDA HEADING:

Rescinding award to Taylor Made Ambulances for two (2) ambulances; and approval of exception to Competitive Procurement Process; and approval of procurement of four (4) replacement ambulances from Emergency Vehicle Sales and Service.

SYNOPSIS:

Rescinding the Council award on February 26, 2007, (Roll Call 07-358) for the purchase of two (2) ambulances to Taylor Made Ambulances, 3704 Medallion Place, Newport, AR 72112, (Joseph M. Taylor, Vice President), and acceptance of the amended bid of Emergency Vehicles Sales and Service, 1781 Balsam Avenue, Alexander, IA 50420, (Eugene Draper, President), for the purchase of two (2) ambulances as provided for in the 2007 Capital Improvement Budget and two (2) ambulances as provided for in the 2008 Capital Improvement Budget to total four (4) ambulances. One reserve ambulance will be traded in and the second ambulance that would normally be traded in will be retained to assure that the required number of ten (10) vehicles – seven (7) first-line and three (3) reserves remain in the fleet

FISCAL IMPACT:

Amount: \$552,968

Funding Source:

- 2007 CIP Fund Code CP041, Organization FIR990000, Project FIR013, Account 544070, Page: Fire Protection Improvements – 5
- 2008 CIP: Fund Code CP041, Organization FIR990000, Project FIR013, Account 544070, Page: Fire Protection Improvements – 6

ADDITIONAL INFORMATION:

On February 20, 2006, Roll Call 06-365, Council approved the low compliant bid of \$350,260 after trade-ins for three (3) ambulances and installed equipment submitted by Taylor Made Ambulances, 3704 Medallion Place, Newport, AR 72112, (Joseph M. Taylor, Vice President). A purchase order (PO) was issued to Taylor Made on August 31, 2006. The delay between approval by Council and issuance of the PO was due to Taylor Made Ambulances' delay in obtaining and providing the required bond and issues related to Taylor Made Ambulances' expectation that they would deliver their standard product without consideration of the City's specification. These discrepancies from specification were discussed at the

preconstruction conference held at Taylor Made Ambulances' plant (as required in the specifications) and were not insignificant, having to do with the structural components of the patient care module, layout of cabinetry in the patient care area, and required electronic components. Additional concerns that the Des Moines Fire Department (DMFD) had related to quality of hardware, work surfaces, casework, interior finishes, etc. were not well defined in our specifications and, thus, were not considered issues of noncompliance. It should be noted that Taylor Made Ambulances offered some changes in design that were positive.

At the time of the pre-delivery inspections at Taylor Made Ambulances' plant, scheduled by Taylor Made Ambulances who assured the DMFD that the units were ready for delivery, construction of the ambulances was substantially incomplete; however, many problems were identified and Taylor Made Ambulances agreed that they would be corrected prior to delivery. The three ambulances arrived in Des Moines on November 7, 2006, at which time the two trade-in ambulances were delivered to Taylor Made. The DMFD retained the titles to trade-in vehicles pending our acceptance of the new units.

DMFD acceptance inspections of the units identified so many material deficiencies that Des Moines Fire Department Superintendent of Maintenance David Harmon requested that Taylor Made Ambulances return the units that were traded in so that we could place them back in service. He additionally requested Taylor Made retrieve the new units for return to the factory. Superintendent Harmon provided an itemized listing of the deficiencies to be corrected and advised Taylor Made Ambulances that the City would not accept nor pay for the new units until they were returned in an acceptable condition suitable for service. The trade-ins were back in Des Moines and the new units picked up for return to Taylor Made Ambulances' plant on November 10, 2006.

The new units were redelivered on November 22, 2006. In addition to the normal fitting out of the new units prior to placing into service, several significant problems were corrected by DMFD Maintenance and Logistics staff, including relocating the patient gurney lockdowns so as to allow closing of the rear doors. As is our practice with most of our vendors, much warranty work is performed by DMFD Maintenance and Logistics staff and the vendor is invoiced for parts and labor. It is very unusual, however, for us to make significant repairs and modifications in order to accept and place into service a new piece of fire apparatus, ambulances, or support vehicles.

These three Taylor Made ambulances have been in service for approximately eight months and have approximately 12,000 miles. All three have required significant maintenance and are in need of very significant structural repair. Examples of the problems experienced, many of which have yet to be addressed, include: external compartment flooring that has given way due to the lack of supporting substructures, patient care modules with stress cracks and weld failures that raise concerns about the integrity of the underlying structural framing, problematic mechanical systems, doors that do not seal allowing dust to circulate and accumulate in the patient care modules, flooring and cabinetry in the patient care modules which are deteriorating causing problems in maintaining a clean, contaminant-free environment.

One of the Taylor Made units was out of service for well over a month awaiting warranty repairs at a local Ford dealership because of the failure of Taylor Made Ambulances to provide parts in a timely manner. Ford Motor Company covered the parts and labor related to their original equipment and Taylor Made Ambulances is responsible for the parts and labor of equipment that they install. The City paid that portion of the bill for which Taylor Made Ambulances is responsible in order to return the unit to service and was reimbursed by Taylor Made only after the City Legal Department notified them of our intent to proceed with legal action if necessary. There were periods during the time this unit was out of service

that the DMFD did not have enough ambulance vehicles available to deploy our normal complement of seven on duty medic squads.

These three ambulances at this stage of their service – eight months and 12,000 miles – are in considerably poorer condition than the oldest ambulance in our fleet (Reserve Medic 4) that was placed in service in May of 2000. DMFD Superintendent of Maintenance Harmon does not believe these units can be repaired to provide satisfactory service over their expected useful lifespan. Taylor Made Ambulances will be provided very specific written notice of the performance deficiencies; however, as stated above, there is no reasonable belief that the units can be satisfactorily repaired and the Chief of the Fire Department and the DMFD Superintendent of Maintenance are working with the Legal Department and Procurement Manager Michael Valen to determine if the City should go against Taylor Made's performance bond.

On February 26, 2007, Roll Call 07-358, Council approved the low compliant bid of \$235,008 after trade-ins for two (2) ambulances and installed equipment submitted by Taylor Made Ambulances. To date, due to another delay in receipt of the required performance bond from Taylor Made and an issue of credibility of a Qualified Vehicle Modifier (QVM) Certificate from Ford Motor Company authorizing the installation of specified air-suspension equipment (the City has been unable to verify the authenticity of this Certificate supplied by Taylor Made Ambulances) a purchase has not been issued to Taylor Made. Given the DMFD experience with the three Taylor Made ambulances already in its fleet, the Chief of the Fire Department, in consultation with and the concurrence of the City Manager's office and the Procurement Administrator, believes it to be in the City's best interest and recommends that the City not proceed with the purchase of the two ambulances from Taylor Made Ambulances as authorized by the Council action of February 26, 2007.

Notice to Bidders VO7-074 that resulted in the low bid from Taylor Made Ambulances was issued on January 17, 2007. Only two bids were received. The second lowest bidder to this request was Emergency Vehicles Sales and Service, 1781 Balsam Avenue, Alexander, Iowa 50420, (Gene Draper, President). In a letter dated July 17, 2007 they agreed to honor their original quoted price of \$126,792 per unit amended to reflect an additional cost of \$4200 per unit for Granning air-ride suspension components that were not available at the time of the original submissions of the bids and for which they hold a valid QVM Certificate from Ford Motor Company. They have further agreed to honor their original quote of \$10,250 for installed equipment for a total cost of \$141,242 per ambulance with no allowance for trade in. They have also agreed to honor their original quote of \$12,000 per trade in vehicle

The Fire Department intends to return the three (3) Taylor Made ambulances for repairs or rebuilding. If it is determined that satisfactory repairs cannot be made, the Fire Department will work with the City Legal Department to determine if a claim should be made on Taylor Made Ambulance' performance bond, taking into consideration the fact that Taylor Made Ambulances' failure to meet specifications, inferior design, poor workmanship, and inferior materials render the vehicles unsafe and denies the City of the full use for which they were purchased.

The Fire Department further recommends that Emergency Vehicles Sales and Service be awarded a contract to supply four (4) ambulances and installed equipment as specified in Bid VO7-074 as amended by their letter of July 7, 2007, and that one (1) ambulance vehicle be traded in for a total net expenditure of \$552,968; such trade in to be deferred until the resolution of the problems with the three Taylor Made units currently in inventory. These actions assure that the Fire Department can maintain its ambulance inventory at the required ten (10) vehicles – seven (7) first-line and three (3) reserves – thus ensuring the continuance of the quality patient care and transportation expected by our customers.

PREVIOUS COUNCIL ACTION(S):

Date: February 26, 2007

Roll Call Number: [07-358](#)

Action: Bids from the following: Taylor Made Ambulances for two (2) replacement ambulances and accessories, including trade-ins to be used by the Fire Department, \$235,008. (Twelve bids mailed, three received.) Moved by Hensley to adopt. Motion Carried 6-1.

Date: February 20, 2006

Roll Call Number: [06-365](#)

Action: Bids from the following: Taylor Made Ambulances for three (3) replacement ambulances and accessories, and sale or trade-in of two (2) existing ambulances to be used by the Fire Department, \$350,260. (Ten bids mailed, three received.) ([Council Communication No. 06-074](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE