



# City of Grand Island

Tuesday, February 14, 2012

Council Session

## Item G12

**#2012-34 - Approving Lease Agreement for Ambulance**

Staff Contact: Tim Hiemer

# **Council Agenda Memo**

**From:** Robert J. Sivick, City Attorney  
**Meeting:** February 14, 2012  
**Subject:** Ambulance Lease  
**Item #'s:** G-12  
**Presenter(s):** Tim Hiemer, Fire Division Chief

## **Background**

In 2009 the City of Grand Island (City) purchased a Medtec AD170F Ambulance for use by the Grand Island Fire Department (GIFD). Soon thereafter problems with the vehicle arose and efforts to repair them proved unsuccessful. Late last year the GIFD placed the ambulance permanently out of service due to safety concerns.

Since October, 2011 the City Legal Department has been in negotiations with the manufacturer and its legal counsel seeking to reach a resolution to the matter that will be acceptable to the City. It is anticipated negotiations will take several more months and if litigation is necessary, even longer.

## **Discussion**

While City Legal is conducting negotiations, the GIFD is providing ambulance service to the City and surrounding areas with one vehicle less than the department would recommend. The Fire Chief has investigated the possibility of leasing an ambulance on a short term basis and he and the City Attorney have reached an agreement with Arrow Manufacturing, Inc. of Rock Rapids, Iowa to lease an acceptable used ambulance for six months at the rate of one thousand dollars per month.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve.
2. Refer the issue to a Committee.

3. Postpone the issue to a future date.
4. Take no action on the issue.

### **Recommendation**

City Administration recommends that the Council approve the proposed agreement with Arrow Manufacturing, Inc. to lease to the City a 2002 Medtec Ambulance for six months at the monthly rate of one thousand dollars.

### **Sample Motion**

Move to approve Resolution No. 2012-35 and authorize the Mayor to execute the lease agreement with Arrow Manufacturing, Inc..



## BAILMENT AND ASSUMPTION OF RISK AGREEMENT

1/19/2012

Arrow Manufacturing, Inc.  
801 South East Street  
PO Box 349  
Rock Rapids, IA 51246  
800-743-3157

I, **Grand Island Fire Department** acknowledge receipt of the following described vehicle:

Year **2002** Make **Ford** Model: **Medtec Ambulance** VIN#: **1FDXE45F82HB76542**  
bearing license plate #**D1837** of the State of Iowa in consideration of your loaning this vehicle to me, I promise and agree:

1. To return vehicle after lease period, free of any liens or encumbrances not now against it.
  2. To purchase the vehicle at your option and to pay you its' full retail value as of this date, if I fail for any reason to return it according to the provisions of paragraph 1.
  3. To reimburse you for any loss, which you may sustain as a result of lending this vehicle to me. "Loss" as used herein includes, but is not necessarily limited to, any legal liability or other detrimental obligation incurred by you.
  4. To use the vehicle in conformity with all applicable laws, regulations, and ordinances. I hereby represent that I am licensed to operate this vehicle.
  5. To release you from any claims I might have against you for alleged defects in or in any manner growing out of any use of the vehicle with the exception of any defects directly attributed to Arrow Manufacturing's negligence.
  6. To report to you within 12 hours by phone at 1-800-743-3157 any accident involving the vehicle and to furnish you a complete traffic report thereof in writing.
  7. Not to allow or cause the vehicle to be loaned or rented, or operated by any person other than myself, and not to operate or transport the vehicle beyond a normal business service area.
  8. Not to authorize or incur expense or obligation of any nature for the repair of the vehicle. I shall bear the expense of all gas, oil, and other maintenance and operation costs used or required by the vehicle until it is returned to you.
- A. It is understood that the vehicle has not been certified as an Emergency Medical Vehicle by the certification procedures of the Emergency Medical Services while in the possession of Arrow Manufacturing, Inc. If certification of the vehicle is required by law, borrower will be obligated to effect compliance with State Law.
- B. It is understood the retail value of the vehicle is: **\$28,000**. This value shall be paid to Arrow Manufacturing, Inc. within a period after an accident that would diminish the value of the vehicle or insurance company will settle.

C. It is understood that the borrower shall furnish to Arrow Manufacturing, Inc. an insurance policy that insures the vehicle as well as Public Liability, Property Damage, and comprehensive and all medical losses. This shall be the primary coverage.

D. It is understood that the rental fee for this vehicle shall be **\$6,000 for 6 months**, and that the full amount due is payable monthly at **\$1,000** per month.

I hereby state that I have read, understand, and will comply by the above listed terms.

\_\_\_\_\_Agent for **Grand Island Fire Department**

In consideration for the borrower's promises and agreements, dealer loans this vehicle according to the above listed terms.

\_\_\_\_\_Agent for **Arrow Manufacturing, Inc.**

Note: Borrower is advised to contact his insurance agent or broker to be certain he is protected by his own insurance within these terms.

RESOLUTION 2012-34

WHEREAS, the Grand Island Fire Department is in temporary need of an additional ambulance to provide adequate service to the people of Grand Island; and

WHEREAS, the City of Grand Island Fire and Legal Departments have negotiated an agreement with Arrow Manufacturing, Inc. of Rock Rapids, Iowa to lease a 2002 Ford Medtec Ambulance for six (6) months at a monthly rate of One Thousand Dollars (\$1,000.00); and

WHEREAS, the terms of the lease and the equipment leased are acceptable to the Fire and Legal Departments.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized to execute a lease agreement with the terms stated above, with Arrow Manufacturing, Inc. for a 2002 Ford Medtec Ambulance to be used by the Grand Island Fire Department.

Adopted by the City Council of the City of Grand Island, Nebraska, February 14, 2012.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk