



CITY OF

NEWPORT BEACH

City Council Staff Report

October 14, 2025
Agenda Item No. 11

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approval to Purchase Three 2026 or Newer Model Year Rescue Ambulances from Professional Sales and Service, L.C.

ABSTRACT:

City Council Policy F-9: City Vehicle / Equipment Replacement Guidelines establishes a replacement schedule for ambulances (on a commercial chassis) of 100,000 miles or 8 years. At least two of the City's ambulances will reach or exceed 100,000 miles by the end of calendar year 2025, and a third unit will likely reach or exceed this mileage limit on or before July 2026. Due to current production lead times of 24-28 months from the proposed manufacturer, and to secure fixed pricing, staff is requesting an advanced purchase of three 2026 Model Year or newer ambulances in the current Fiscal Year 2025-26.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve the selection and purchase of three 2026 or newer model year Horton 623FL Type 1 2WD ambulances on 2026 or newer Freightliner M2 Medium Duty Chassis, from Professional Sales and Service, L.C., using cooperative selection and pricing under Sourcwell Contract #122123-RVG;
- c) Authorize the City Manager to execute any necessary purchase agreements related to the purchase on a form approved by the City Attorney; and
- d) Approve Budget Amendment No. 26-032 appropriating \$1,570,065.69 in increased expenditures in the vehicle replacement fund, account no. 7529032-911016 from the Equipment Internal Service Fund (752) reserves.

DISCUSSION:

The City operates four frontline advanced life-support (ALS) capable ambulances, which are staffed with two firefighter-paramedics each. These units are strategically placed at Stations 2 (Balboa Peninsula), 3 (Fashion Island), 5 (Corona del Mar), and 7 (Santa Ana Heights) to provide the most effective coverage throughout the City. The Santa Ana Heights ambulance was approved as part of the Fiscal Year 2023-24 budget process to address growing demand and service needs. The fleet also includes four older ambulances that were placed in reserve status after reaching their normal service life per Council Policy F-9. These units, stored at the City's corporation yard and at fire stations with additional space, are used in instances of high activity, for large community events, or when a frontline unit is out of service for maintenance or repair.

Due to the high volume of medical-related calls, ambulances spend a large amount of their service life responding to incidents and transporting patients, often being dispatched again before returning to their assigned station.

Three of the four frontline ambulances are 2022 model year units, built by Leader Industries, Inc. and purchased in 2020 following City Council approval at the October 27, 2020 City Council Meeting. Per Council Policy F-9, ambulances are scheduled for replacement at 8 years or 100,000 miles. Two of the units will reach or exceed 100,000 miles by the end of calendar year 2025, and the third unit is expected to reach this mileage limit on or before July 2026.

Unit Number No.	Description	In-Service Date	Mileage (as of 9/29/2025)
2654	2022 Leader Ambulance	10/21/2022	65,500
2652	2022 Leader Ambulance	07/22/2022	81,957
2653	2022 Leader Ambulance	08/08/2022	94,962

Per Administrative Policy AP-001, cooperative purchasing may be used if the procurement requirements of the cooperative meet the City's purchasing requirements. The City is an active participating agency in Sourcwell, a State of Minnesota local government agency and service cooperative that establishes costs for purchases from various vendors using a competitive bidding processes. The large pool of public agencies participating in this cooperative creates an economy of scale, allowing manufacturers and vendors to sell in greater volume and pass on the savings to participating agencies through reduced pricing. The City most recently used Sourcwell selection and pricing in October 2024 to purchase four replacement fire engines, and in August 2025 to purchase Police Department patrol vehicles.

Following a Sourcwell Request for Proposals process in November 2023, the REV Group (the current parent company of Horton Ambulance) was awarded a contract (122123-RVG) for ambulances and emergency vehicles. Professional Sales and Service,

L.C. (PSS) offers a Horton ambulance built on a 2026 Freightliner M2 chassis that meets Newport Beach Fire Department specifications and requirements.

In anticipation of the upcoming replacement of the 2022 units, staff contacted PSS to obtain a proposal for three 2026 or newer model year Horton ambulances on the Freightliner M2 chassis. PSS is an authorized Horton dealer and was previously awarded the retrofit and re-chassis of reserve ambulance Unit No. 2647 (which uses the Horton ambulance box) in September 2023 following approval of the fourth frontline ambulance.

PSS has an estimated build time of 24-28 months for three units, will guarantee fixed pricing (no Consumer Price Index adjustments or price increases due to a model year chassis change) and will agree to liquidated damages of \$250 per ambulance, per day, should they fail to meet the delivery deadlines.

Vendor	Total Delivered Price (Each)	Total Delivered Price (Three Units)	Estimated Build Time
Professional Sales and Service, L.C.	\$523,355.23	\$1,570,065.69	24-28 months

A 2025 purchase would account for the estimated two-year delivery schedule and meet the City's F-9 policy regarding the replacement cycle for these units while locking in current pricing. If the City were to wait until 2026 or later for procurement, the replacement would be delayed to 2028 and the costs would likely increase.

FISCAL IMPACT:

Supply chain issues, production delays, and inflationary increases, coupled with changes in the fire apparatus manufacturing industry in the last few years have impacted availability and cost across the nation. The City's purchase cost of an ambulance has increased significantly since the last units were purchased in 2013 and 2020.

Year Ordered	Model Year	Description	Unit Cost
2013	2013	Leader (Halcore Group) / Freightliner Chassis	\$ 214,175.88
2020	2022	Leader (Halcore Group) / Freightliner Chassis	\$ 326,952.56
2025	2026	Horton (Formerly Halcore Group, now REV Group) / International Chassis	\$ 523,355.23

As part of the department's due diligence, staff requested proposals from two other ambulance builders (who also had cooperative purchasing awards) to compare pricing on ambulances with similar specifications. One complete proposal was received. The cost was approximately \$54,832 higher for three units and the build time was longer (an estimated 28-34 months).

The Finance Department conducted an analysis of the fleet internal service fund to determine the fund's capacity to purchase three ambulances in the current fiscal year. The department determined that the fund has sufficient cash balances to pay the increased replacement cost in the current fiscal year, and the purchase will not impact the ability of the fund to pay for all other scheduled replacements this Fiscal Year. It should be noted that \$407,380 in funding previously allocated for a lifeguard rescue vessel replacement was returned to the Equipment Internal Service Fund reserve due to project savings and will help offset the purchase of the new ambulances.

Budget Amendment No. 26-032 appropriates \$1,570,065.69 in increased expenditures in the vehicle replacement fund, account no. 7529032-911016 from the Equipment Internal Service Fund (752) reserves.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Proposal from Professional Sales and Service, L.C.

Attachment B – Sourcewell Contract 122123-RVG

Attachment C – Budget Amendment