

DETERMINATION AND FINDINGS
FOR A
SOLE SOURCE PROCUREMENT

AGENCY: Fire & Emergency Medical Services
SOLICITATION: DCFB-2011-C-0169
CAPTION: Re-chassis of Horton Type III Ambulances

FINDINGS

1. Authorization:

Procurement Practices Reform Act of 2010, Section 404; and 27 DCMR §1702.2

2. Minimum Need:

The DC Fire and Emergency Medical Services (FEMS) requires a company to re-chassis five (5) Horton ambulances. For units where the body is still good, the cost to re-chassis the unit is much less than purchasing a new ambulance.

3. Estimated Fair and Reasonable Cost:

\$853,755

4. Facts that Justify Sole Source Procurement:

The single dealership for Horton ambulances that services the DC market is Laake Enterprises t/a FESCO Emergency Sales. See attached letter from Horton Emergency Vehicles dated July 13, 2010.

In order to ensure that the vehicle meets Federal Motor Vehicle safety standards, a vehicle that is re-chassis should be completed by the manufacturer (or authorized service provider).

In addition, to avoid voiding any extended warranties on the body or electrical systems, this work should be done by the authorized manufacturer's service provider.

The re-chassis vehicle will be re-titled as new.

5. **CERTIFICATION BY AGENCY HEAD**

I hereby certify that the above findings are correct and complete to the best of my knowledge.

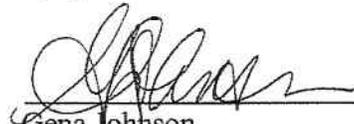
August 29, 2011
Date


Chief Kenneth B. Ellerbe

6. **CERTIFICATION BY THE CONTRACTING OFFICER:**

I hereby certify that the above findings are correct and complete to the best of my knowledge. A notice of the District's intent to award this sole source contract along with this D&F will be posted on the OCP website for 10 days prior to award.

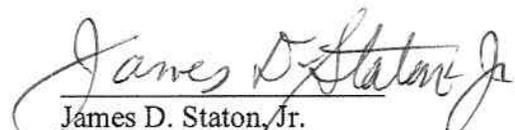
8/31/11
Date


Gena Johnson
Contracting Officer

DETERMINATION

Based on the above findings and in accordance with the Procurement Practices Reform Act, Section 404, it is hereby determined that the subject contract may be procured using the sole source method of procurement.

8/31/11
Date


James D. Staton, Jr.
Chief Procurement Officer



July 13, 2010

DC Department of Public Works, Office of Administrative Services
Attn: Gena Johnson, Deputy Administrator
2000 14th St., NW, 6th Floor
Washington, DC 20009

Dear Jena,

I am receipt of your inquiry of July 6, 2010, regarding some questions about the structure and operations of Horton Emergency Vehicles and FESCO Emergency Sales in your area. Your questions are certainly good ones and I'll try to clarify each of them for you.

- 1) With the exception of our home state, Horton does sell exclusively through our dealer network. We do this because each state has unique needs and unique licensing requirements. In your case, in particular, DC has some special conditions and situations that must be met before one can do business with vehicles such as yours. Most important, because these vehicles are so highly customized to meet the needs of various end users, local service access is imperative. There is simply no way that a manufacturer or another dealer located a great distance away can provide what is necessary to support our customers.
- 2) In this type of business, manufacturers do not have multiple dealers working in one territory like many car and truck dealers do. This is because the ambulance industry is a very small volume industry with only about 5,000 units sold in the entire country per year. The highly technical nature of these vehicles requires intense training at both the sales and the service levels and the volume cannot support small geographic areas of representation. Once again, because our dealerships are usually limited to one per state or even one to several smaller states, the distances between dealerships are too far to make it practical to work across state lines and still be able to adequately service the customer.
- 3) For chassis service, the customer may take the vehicle to any appropriate chassis dealership, be it Ford, GM, International etc. If the vehicle is under warranty, the chassis manufacturers do require that the work be done at the dealerships. Outside of the warranty periods, the vehicles can be taken anywhere.

For the ambulance part of the warranty, the system works much the same way. We do require that the vehicle come back to the dealer who is trained to service it. After the warranty period, the customer is once again free to do whatever he chooses. However, we do not recommend that it be serviced by outside vendors. This is because typical repair shops are simply not qualified to work on equipment such as oxygen regulation and installation, patient area safety systems, suction systems, unique air conditioning or suspension components, etc. that ambulances contain. There is significant intellectual property included into these systems which is not available to outside sources who lack knowledge and training.

The re-chassis of a vehicle should always be done by the manufacturer who produced the vehicle. There are some shops that will perform this type of work, but at great risk to the end user. When a body is mounted onto a new chassis, there are many Federal Motor Vehicle safety standards, QVM standards and ambulance design requirements that are legally required. In order to re-certify to these standards, the facility doing the work must have conducted extensive testing to insure the safety and the integrity of the vehicle. There is a lot of documentation required by the federal government even after the completion of the vehicle under the TREAD Act. Aftermarket shops simply do not conduct any of the required testing nor are they compliant with TREAD Act. The end user who accepts a vehicle without these certifications runs a very great risk of litigation should an accident occur. Horton, unlike most converters, carries extensive liability insurance to protect our end users and ourselves.

In addition, Horton vehicles carry some long extended warranties, particularly on the body and the electrical systems. If outside work is performed on these systems during a re-chassis, we cannot continue to honor those warranties as we have no idea what an outside vendor may or may not have done to the vehicle and to our validated and certified systems. If Horton does perform a re-chassis, the vehicle will be re-titled on the new chassis. Our back up records will indicate that this is a re-chassis vehicle and the existing warranties on the ambulance conversion will continue as valid.

I hope that I have answered your questions in a way that is helpful to you. As you can see, some of these subjects are fairly technical in nature and can entail long discussions. If I have confused you or if you need some further information or discussion, please call or email me at any time.

Thank you for taking the time to fully question and understand how the system works. We appreciate customers who care enough to ask the right questions as you have done.

Yours truly,



David M. Lamon
Vice President Sales/Marketing

Cc: Chief Ronnie Gill, D.C. Fire and EMS
Pete Laake, Jr., Fesco