



HISTORIC
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TENNESSEE

ITEM #16
BOMA 05/28/13

MEMORANDUM

May 15, 2013

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator *ES*
Russell Truell, Assistant City Administrator / CFO
Rocky Garzarek, Fire Chief
Todd Horton, Battalion Chief
Brian Wilcox, Purchasing Manager

SUBJECT: Consideration of sole-source purchase from Physio-Control, Inc. of Redmond, WA in the total estimated amount of \$46,470.00 for a three-year term for technical service support services for the City's inventory of automated external defibrillators and cardiac monitors, for the Fire Department (\$12,600 budgeted for this purpose in FY2013 in line item 110-82620-42200; CoF Contract No. 2013-0065)

Purpose

The purpose of this procurement is to purchase technical support services for a three-year term of service for the City's inventory of automated external defibrillators (AEDs) and cardiac monitors. These services are necessary in order to provide annual inspections and expedited repairs; they also include discounted pricing for accessories and disposables as well as battery replacement service.

Background

Staff is of the opinion that the proposed purchase, if authorized, would be a sole-source purchase. Evidence to support this opinion includes the fact that the services are only available from the manufacturer, Physio-Control, Inc. (The sole-source purchase of AEDs manufactured by Physio-Control, Inc. has been previously approved by the Board of Mayor and Aldermen.)

Physio-Control, Inc. has indicated in writing that the quoted pricing represents the best municipal pricing possible for the quantity indicated. Further, Battalion Chief Todd Horton is of the opinion that the quoted pricing is within what would be expected in the market place for this industry at this time.

Financial Impact

The technical service support services are offered on a per unit basis and would vary by model. For a three-year term for support for all of the defibrillators and cardiac monitors currently in the City's inventory, the technical service support services would be in the total estimated amount of \$46,470.00. The fee for services would be payable in annual installments, estimated to be in the amount of \$15,490.00 per year upon mutual decision to continue. The budgeted amount of \$12,600.00 in FY2013 for this service was based on the quantity of units in the City's inventory at the time the FY2013 budget was prepared. This larger amount is expected to be absorbed within the existing budget.

Options

Staff is not aware of any options to purchasing these services, nor is it aware of any options to purchasing these services other than directly from the manufacturer, Physio-Control, Inc.

Recommendation

Staff recommends that the City accept the pricing quoted by Physio-Control, Inc. of Redmond, WA in the total estimated amount of \$46,470.00 for a three-year term for technical service support services for the City's inventory of defibrillators and cardiac monitors, and approve the sole-source purchase for the Fire Department. Purchasing Manager Brian Wilcox is of the opinion that the proposed sole-source purchase appears to be justified, and that the staff recommendation appears to be made in a fair and impartial manner based upon the information available.