

<b>To:</b>	Warden Halliday and Members of Grey County Council
<b>Committee Date:</b>	April 26, 2018
<b>Subject / Report No:</b>	PSR-CW-04-18
<b>Title:</b>	Purchase of Two New Ambulances for 2018
<b>Prepared by:</b>	Kevin McNab
<b>Reviewed by:</b>	Kim Wingrove, Kevin Wepler
<b>Lower Tier(s) Affected:</b>	None
<b>Status:</b>	Recommendation adopted as presented by Committee of the Whole per Resolution CW105-18; Endorsed by County Council on May 10, 2018 per Resolution CC47-18.

## Recommendation

1. That Report PSR-CW-04-18 regarding ambulance purchases be received and that the purchase of two ambulances be awarded to Demers Ambulances for the amount of \$340,070 excluding taxes; and
2. That the budget shortfall of approximately \$1,049 be funded from the Paramedic Services Reserve; and
3. That ambulance units 1082 and 1093 be disposed of as per section 10.02 of Grey County's Purchasing Procedures.

## Executive Summary

The 2018 approved budget contains funding to purchase two ambulances at a cost of \$345,006.

The County of Grey tendered a 5 year contract for new ambulance purchases in May 2017 that was awarded to Demers Ambulances. Annual rate increases are based on Canadian Consumer Price Index ('All Items') as ended on December 31<sup>st</sup> of the previous year. The rate increase for 2018 purchases is 1.9%.

The cost of the ambulances totals \$346,055 net recoverable HST, which is \$1,049 over the capital funding allotment. Capital purchases are funded from the Paramedic Services Reserve; this reserve is anticipated to have a balance of \$1,667,731 at December 31, 2018. Staff recommends funding the shortfall from this reserve.

## Background and Discussion

The 2018 vehicle replacement budget calls for the purchase of two ambulances. Ambulances are replaced on a six year cycle and are funded from the Paramedic Equipment and General Reserves.

On March 23, 2017 County Council endorsed the following recommendation per report PSR-CW-07-17 - Resolution CC24-17;

**That Paramedic Services proceed with a tender for new ambulance purchases with a provision for a five year contract with the successful bidder for the years 2017 through 2021.**

On May 25, 2017 County Council endorsed the following recommendation per report PSR-CW-07-17 - Resolution CC25-17;

**That the County enter into a 5 year contract with Demers Ambulances based on the Canadian Consumer Price Index (All Items).**

Annual rate increases are based on the Canadian Consumer Price Index ('All Items') as ended on December 31<sup>st</sup> of the previous year. For example, the ambulance prices in 2018 are as quoted in 2017, + the Canadian Consumer Price Index (All Items) ending December 31, 2017, and so on throughout the years of this contract. The Consumer Price Index for the 2018 purchase year is 1.9%

The estimated purchase quantities; for this year and the following three years, are as follows:

2018 – 2 ambulances

2019 – 2 ambulances

2020 – 2 ambulances

2021 – 3 ambulances

## Legal and Legislated Requirements

All ambulances purchased for use in the department must be certified compliant with the current Ontario Provincial Land Ambulance and Emergency Response Vehicle Standard (Version 5.0, September 28, 2012).

## Financial and Resource Implications

The 2018 approved budget contains funding to purchase two ambulances at a cost of \$345,006. The cost of the ambulances is \$346,055 net recoverable HST, which is \$1,049 over the capital funding allotment. Staff recommends funding the shortfall from the Paramedic Services Reserve which is anticipated to have a \$1,667,731 balance at December 31, 2018.

As for the two ambulances being replaced, purchasing staff will dispose of each as per section 10.02 of the purchasing policy which states:

10.02 Disposal of Surplus Goods

c. Purchasing shall ascertain whether items falling into their respective authorities can be of use to another municipality or division rather than disposed of.

d. Items that are not required by another municipality or division may be disposed of using a public process that will take into consideration the type of materials being disposed of and the cost-benefit to the municipality. An example of this is a public auction website. Trade-in options may also be considered as a form of disposal.

The tendering process ensures that the County receives the best pricing for vehicles and equipment. The deployment of a consistent ambulance conversion platform allows for parts and repair efficiencies and expertise.

## Relevant Consultation

External:

Internal: CAO, Finance

## Appendices and Attachments

None