



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	March 10, 2022
Subject / Report No:	PSR-CW-02-22
Title:	Cardiac Monitor/Defibrillator Single Source Request
Prepared by:	Kevin McNab
Reviewed by:	Kim Wingrove, Mary Lou Spicer
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW40-22; Endorsed by County Council CC27-22

Recommendation

1. That Report PSR-CW-02-22 be received; and
2. That Zoll Medical Canada Inc. be approved as a single source supplier for the supply, delivery, maintenance and worry-free warranty of twenty (20) Cardiac Monitor/Defibrillators: and
3. That Zoll Medical Canada Inc. be approved for a 5-year term for the supply of the Cardiac Monitor Defibrillators as well as supplies and equipment.

Executive Summary

Grey County Paramedic Services is seeking Council approval to single source the purchase of new cardiac monitor/defibrillators scheduled for replacement in 2023.

Zoll Medical Canada Inc. has approached the County with an opportunity to commit to purchasing these new units prior to March 31, 2022, to take advantage of the discounted pricing and increased trade-in value on eighteen (18) existing units. The units would be delivered towards the end of 2022 and payment would be required in January 2023.

The Single Source Agreement would provide net savings of \$28,566.70 to the Paramedic Services Equipment Reserve. Additionally, as outlined in the Warranty Analysis section of the report, staff estimates that the extended warranty will provide operational savings in excess of \$70,000 over the life of the defibrillators, resulting in total County savings of more than \$98,000.

Background and Discussion

Grey County Paramedic Services is seeking Council approval to single source the purchase of new cardiac monitor/defibrillators scheduled for replacement in 2023. The proposed model will be the Zoll X-Series Advanced and will be purchased directly from Zoll Medical Canada Inc.

Zoll Medical Canada Inc. has approached the County with an opportunity to commit to purchasing these new units prior to March 31, 2022, to take advantage of discounted pricing and increased trade-in value on eighteen (18) existing units. The units would be delivered towards the end of 2022 and payment would be required in January 2023. Zoll Medical Canada Inc. provided a costing that is offered to other paramedic services with similar features on their units. The trade in value amount that will be honoured is the same as a service who purchased units in early 2021. In the 2016 purchase, the trade in value was \$4000.00 and Zoll Medical Canada Inc. is now offering \$7500.00.

Grey County Paramedic Services has had a strong working relationship with Zoll Medical Canada Inc. for almost two decades and is satisfied that the Zoll X-Series Advanced will meet the current and future needs of the service. There are a number of value-added features to proceed with the Zoll product as indicated below:

- Staff familiarity with Zoll machine interface, products and services
- Opportunity to utilize existing battery charging systems
- Ability to utilize existing stock of defibrillator pads, cables and sensors
- Majority of Public Access Defibrillators are Zoll which allows pads to be transferred between devices

As part of the 10-year capital plan, Paramedic Services is purchasing twenty (20) units which is an increase of two (2), to match one (1) per vehicle and to ensure spares are available in the system. These new cardiac monitor/defibrillators have new features to treat patients more effectively in the field:

- Bag-Valve-Mask Help technology which provides paramedics with on-screen feedback while performing a life-saving procedure.
- End tidal CO2 technology which will most likely be a mandated requirement under the new Advanced Life Support Patient Care Standards in the foreseeable future.

Zoll Medical Canada Inc. has agreed to maintain the current pricing of our cardiac monitor/defibrillator supplies and equipment for the next 5 years without any increases. These prices have remained the same since our previous purchase of cardiac monitor/defibrillators in 2016.

Warranty Analysis

The defibrillators come with a standard manufacturer's warranty of one year. The County of Grey assumes a 7-year useful life in the 10-year capital plan. Therefore, it is recommended that the County purchase an extended warranty on the defibrillators to cover the maintenance costs and limit financial risk of repairing/replacing a damaged or malfunctioning defibrillator.

Zoll Medical Canada Inc. offers a variety of warranty options varying in term and coverage. Staff have been provided with the following three quotes:

- a) Precision Service Plan, 5 Years. \$6,930.87 per unit. \$138,617.47 total,
- b) Worry-Free Service Plan, 5 Years. \$8,244.60 per unit. \$164,891.90 total,
- c) Worry-Free Service Plan, 6 Years. \$9,892.99 per unit. \$197,859.70 total.

The Worry-Free Service Plan includes all the features of the Precision Service Plan as well as:

- 1) battery replacement – typically replaced every 3 to 4 years at a cost of \$500 per unit, estimate 10 will be replaced per year,
- 2) ECG 12-lead cable replacement – typically replaced every 3 years at a cost of \$400 per unit, estimate 10 will be replaced per year, and
- 3) accidental damage coverage – protects against all repairable damages

The chart below outlines the total cost of the warranty package for twenty (20) units and staffs estimated replacement costs for the batteries and ECG 12-lead cables when not covered under warranty.

	Option 1	Option 2	Option 3
	Precision 5 year	Worry-free 5 year	Worry-free - 6 year
Initial purchase	\$ 138,617.47	\$ 164,891.90	\$ 197,859.70
Software Upgrades	\$ 4,990.00	\$4,990.00	
Preventative Maintenance	\$ 5,917.34	\$5,917.34	
Battery replacements	\$ 35,000.00	\$ 5,000.00	
ECG 12-lead cable replacement	\$ 28,000.00	\$ 4,000.00	
Total cost	\$ 212,524.82	\$ 184,799.25	\$ 197,859.70
Cost per year covered	\$ 42,504.96	\$ 36,959.85	\$ 32,976.62

Staff recommends that the Worry-Free Service Plan with 6 years be purchased with the defibrillators. This option ensures the equipment is covered for its entire useful life when combined with the standard manufacturer’s warranty and provides the lowest cost per year covered.

Staffing Considerations

Staff will require training on the new features; Bag-Valve-Mask Help and End tidal, but overall functionality will remain the same and be incorporated into the continuing medical education cycle.

Legal and Legislated Requirements

Cardiac Monitor Defibrillator requirements are specified in the Provincial Equipment Standards for Ontario Ambulance Services in the most recent Version 3.6.

Financial and Resource Implications

Item	Excluding HST	Net HST
2022-2031 10 Year Capital Forecast	\$729,264.94	\$742,100
2022-2031 10 Year Capital Forecast Trade-In Value	(\$70,754.72)	(\$72,000.00)
2021-2030 10 Year Capital Forecast Cost from Reserve	\$658,510.22	\$670,100.00
Single Source Quote (Including Warranty)	\$765,437.60	\$778,909.30
Single Source Trade-In Value	(\$135,000.00)	(\$137,376.00)
Single Source Cost from Reserve	\$630,437.60	\$641,533.30
Purchase Cost Savings from Reserve Compared to 2022-2030 10 Year Capital Forecast	\$28,072.62	\$28,566.70

The 2022-2031 Ten Year Capital Forecast includes \$742,100.00 net of HST for twenty (20) new defibrillators in the year 2023, including a 5-year precision warranty. The forecast also includes the County's eighteen (18) defibrillators being traded in at a cost of \$4,000 per unit net of HST. This would require the additional \$670,100.00 to be drawn from the Paramedic Services Equipment Reserve to fund the purchase. These units would be scheduled for replacement in 2030.

The Single Source agreement proposes a price of \$778,909.30 in year 2022, which includes a 6-year worry-free warranty. Zoll Medical Canada Inc. has offered a trade in value of \$7,500 per unit or \$137,376 total net of HST. This would require the additional \$641,533.30 to be drawn from the Paramedic Services Equipment Reserve to fund the purchase. Grey County would take possession of the defibrillators at the end of 2022 and staff estimates they would need to be replaced in 2030.

Therefore, the Single Source Agreement would provide net savings of \$28,566.70 to the Paramedic Services Equipment Reserve. Additionally, as outlined in the Warranty Analysis section of the report, staff estimates that the extended warranty will provide operational savings in excess of \$70,000 over the life of the defibrillators, resulting in total County savings of more than \$98,000.

Relevant Consultation

External:

Internal: CAO, Finance

Appendices and Attachments

None