



# Committee Report

<b>To:</b>	Warden Hicks and Members of Grey County Council
<b>Committee Date:</b>	February 28, 2019
<b>Subject / Report No:</b>	PSR-CW-02-19
<b>Title:</b>	Purchase of Two New Ambulances for 2019
<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 by Committee of the Whole as presented as per Resolution <i>CW47-19</i> ; Endorsed by County Council on March 14, 2019 as per Resolution <i>CC24-19</i> .

## Recommendation

1. That Report PSR-CW-02-19 regarding ambulance purchases be received and that the purchase of two ambulances be awarded to Demers Ambulances for the amount of \$347,891.61 excluding taxes; and
2. That the budget shortfall of approximately \$347.84 be funded from the Paramedic Services Reserve; and
3. That ambulance units 1082, 1080 and 1094 be disposed of as per section 10.02 of Grey County's Purchasing Procedures.

## Executive Summary

The 2019 approved budget contains \$530,500 in funding to purchase three ambulances. One ambulance that was due to be replaced in 2019 was written off in an accident in the fall of 2018 and will be replaced with insurance proceeds.

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 2019 purchases is 2.3%.

The cost to purchase two of the ambulances totals \$354,014.50 net recoverable HST, which is \$347.84 over the capital funding allotment for two ambulances. Capital purchases are funded from the Paramedic Services Equipment and General Reserve; this reserve is anticipated to

have a balance of \$1,461,831 as of December 31, 2019. Staff recommends funding the shortfall from this reserve.

## Background and Discussion

Paramedic Services has a fleet of 15 ambulances with two or three replaced annually. Ambulances are on a six year replacement schedule and at time of replacement, typically have mileage exceeding 275,000 km.

The County of Grey tendered a 5 year contract for new ambulance purchases in May 2017 that was awarded to Demers Ambulances.

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 2019 are as quoted in 2018, + the Canadian Consumer Price Index (All Items) ending December 31, 2018, and so on throughout the years of this contract. The Consumer Price Index for the 2019 purchase year is 2.3%

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

2019 – 3 ambulances

2020 – 2 ambulances

2021 – 3 ambulances

This year will complete a six year plan to have powerload capabilities in each ambulance in the County. The powerload unit will greatly improve paramedic and patient safety by supporting the stretcher throughout the loading and unloading process.

## 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 2019 approved vehicle replacement budget contains \$530,500 in funding to purchase three ambulances. One ambulance that was due to be replaced in 2019 was written off in an accident in the fall of 2018 and will be replaced with insurance proceeds. It is anticipated that the funds received from insurance to replace the ambulance will cover all costs except the insurance deductible, the powerload unit and the street side seat configuration that have a value of approximately \$40,600. The cost to purchase two ambulances totals \$354,014.50 net recoverable HST, which is \$347.84 over the capital funding allotment for two ambulances. Capital purchases are funded from the Paramedic Services Equipment and General Reserve; this reserve is anticipated to have a balance of \$1,461,831 as of December 31, 2019. Staff recommends funding the shortfall from this reserve.

As for the three 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