



Committee Report

To:	Warden Milne and Members of Grey County Council
Committee Date:	February 23, 2023
Subject / Report No:	PSR-CW-03-23
Title:	Sole Source of Ambulance Purchase for 2023 and 2024
Prepared by:	Kevin McNab
Reviewed by:	Kim Wingrove, Mary Lou Spicer
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW36-23; Endorsed by County Council March 9, 2023, per Resolution CC21-23.

Recommendation

1. That report PSR-CW-03-23, regarding the sole source purchase of ambulances for 2023 and 2024, be received; and
2. That the purchase of four ambulances be sole sourced from Demers Ambulances; and
3. That staff be authorized to order the two ambulances in 2023 that are scheduled for replacement in 2024 ahead of budget approval; and
4. That action be taken prior to council approval as per Section 26.6 b of Procedural By-law 5134-22.

Executive Summary

There is a single vendor approved by the Ministry of Health to supply ambulance conversions in Ontario. Staff are requesting approval to sole source vehicles from this vendor. Currently the time from order to delivery for ambulances is 20 months. Staff are requesting approval to order the two ambulances that would normally be ordered in 2024 now, in order to account for the significant wait time for delivery and to avoid a pending price increase.

Background and Discussion

The Ministry of Health regulates who the approved vendors are for ambulance conversions and for many years there have only been two approved vendors within the Province of Ontario,

Demers, and Crestline. In 2018, Demers and Crestline announced a merger which created one of the largest ambulance manufacturing companies in the world. The merger created only one company that was approved to sell ambulances in the Province of Ontario which causes issues for purchasing ambulances according to the purchasing bylaw's requirement for competitive procurement.

Demers and Crestline continue to design and build ambulances with their historic designs which provides a variety of features to the end user. Over the years, Grey County has standardized its fleet with Demers using the exact configuration for each ambulance. This configuration ensures that in an emergency paramedics have familiarity with and where equipment is stored. The standardization of the fleet also aids our mechanics with repair and maintenance.

The process of building an ambulance involves an approved manufacturer purchasing a GM, Ford or Mercedes chassis and then retrofitting the box (patient compartment) on top of that. The paramedic service when required to make an order for an ambulance will select which vehicle manufacturer and then the conversion company will attach the desired box. For many years Grey County has chosen the Demers design on a GM chassis.

Paramedic Services has a 10-year capital plan for the purchasing of ambulances. During the COVID-19 pandemic vehicle manufacturers had significant challenges with manufacturing vehicles including ambulances. As a result, many dealers require advance ordering of vehicles early in calendar years to secure delivery dates later in the year. This year, Demers, Braun Crestline informed customers that orders will take up to 20 months to receive an ambulance from when a purchase order is issued. Meaning that any ambulance ordered now would be received and included in the 2024 capital budget.

Demers has provided Grey County with a quote for replacement ambulances for the 2023 year at a cost of \$261,376.67 net of HST for orders before March 01, 2023. The 2023 budget includes 2 ambulance replacements, and the 10-year capital plan includes the replacement of 2 ambulances in 2024 to maintain our fleet. Due to a delivery time of 20 months staff are requesting to purchase ambulances for the 2023 and 2024 years to ensure timely delivery of replacements.

The County has seen the price of ambulances increase significantly over the past 3 years. The County ordered 3 ambulances in 2021 at a price of \$186,242.90 per vehicle net of HST, 3 ambulances in 2022 for a price of \$239,302.89 per vehicle net of HST. Meaning the price has increased by \$22,073.78 or 9.22% since 2022 or \$75,133.77 or 40% since 2021. Staff are hopeful that ordering the ambulances ahead of the 2024 budget process should help protect The County against further price increases.

However, the price of the ambulances is not guaranteed as Demers, Braun Crestline maintains the right to increase the price of the vehicle based on external factors such as the Industrial product price Index, as well as increased chassis and power load costs from their suppliers.

Staffing Considerations

None

Legal and Legislated Requirements

Ambulances must be provided by an approved vendor and must meet the Ontario Provincial Land Ambulance and Emergency Response Vehicle Standard, Version 6.0.

Financial and Resource Implications

The 2023 approved budget provides funding at a cost per vehicle of \$239,303 net of HST, Based on the quoted price from Demers, a shortfall of \$44,100 is anticipated; given the ambulances will not arrive until 2024 this provides an opportunity to adjust the cost for the 2024 budget. The cost to acquire 2024 ambulances was previously estimated at \$251,258 net of HST, the 2024-2033 capital forecast will be updated to reflect the increase in pricing. This will result in an increase to the annual contribution to reserve to ensure there is adequate funds to maintain our fleet and equipment.

Relevant Consultation

External:

Internal: CAO, Finance

Appendices and Attachments

None