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DATE: January 5, 2012

REPORT TITLE: **AMBULANCE PLANNING AND PURCHASE**

FROM: Janette Smith, Commissioner of Health Services

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**RECOMMENDATION**

That the 2012 ambulance purchases be made through the Ministry of Health and Long-Term Care's (the Ministry) Ambulance Conversion Vendor of Record as qualified through the Ministry's Request for Proposal 2005-24 in accordance with Purchasing By-law 63-2008;

And further, that the purchase of 2012 ambulance fleet requirements be awarded to Demers Ambulances in the amount of \$2,272,080 (excluding applicable taxes) being the most cost effective solution in accordance with Purchasing By-law 63-2008;

And further, that the funds in the amount of \$2,272,080 from Capital Projects 10-7803 and 12-7803 be used to fund the 2012 purchase;

And further, that subject to an evaluation of the vehicle's performance as well as cost and future budget approvals, annual ambulance requirements be purchased through Demers Ambulances as the Region's primary vendor for three additional years subject to the annual renewal by the Ministry of the existing Vendor of Record or establishment of a new Vendor of Record with Demers Ambulances.

**REPORT HIGHLIGHTS**

- The Ministry issued a Request for Proposal (RFP) 2005-24 to establish Vendors of Record to supply land ambulances on behalf of the broader public sector.
- The Ministry Vendor of Record agreement included a provision to extend the end date annually resulting in an extension to September 30, 2012.
- The RFP process used by the Ministry is consistent with the Region's Purchasing By-law 63-2008, section 4.8.
- The Ministry established three Vendors of Record; Demers Ambulances, Crestline Coach and Tri-Star.
- 100 per cent of the current Regional ambulance fleet is comprised of Demers ambulances and it is proposed that 18 new ambulances approved for 2012 be purchased from Demers.

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## **AMBULANCE PLANNING AND PURCHASE**

### **DISCUSSION**

#### **1. Background**

The current ambulance fleet totaling 69 is comprised of 100 per cent Demers Ambulances. Peel Regional Paramedic Services (PRPS) conducts an annual review of all fleet assets to assess and forecast future year requirements.

Overall replacement of the fleet is based on lifecycle analysis which includes the vehicles age, engine hours, mileage, repair and maintenance costs, and fuel costs to determine the viability of maintaining the vehicle or decommissioning it and sending it to auction.

The Ministry of Health and Long-Term Care (the Ministry) establishes and maintains the standards for the construction and conversion of land ambulances to meet the need of patient care, delivery and safety. Vendor certification is necessary to show compliance with the Standard for any ambulance intended for use in Ontario.

#### **2. Procurement Process**

##### **a) Request for Proposal**

In 2005, the Ministry publically advertised RFP 2005-24 seeking qualified vendors to supply and deliver ambulances to the Broader Public Sector using standardized specifications. Successful vendors were offered a Vendor of Record agreement. The initial RFP established competitive pricing for vehicles that met the necessary standards.

This method of procurement is consistent with Section 4.8 of the Region's Purchasing By-law 63-2008 which references arrangements with area municipalities, local boards and other public bodies or authorities for the purchase of goods and services on a co-operative or joint basis where there are economic advantages in doing so.

##### **b) Annual Certification**

Annually, the Ministry opens the contract for new vendors to submit their products for review and approval. At the same time, existing vendors are permitted to submit new products for review and pricing for pre-approved models. If approved, vendors and their products are placed on the "Ambulance Contractor Certification Listing".

##### **c) Quality Assurance**

Every ambulance purchased through the Vendor of Record undergoes an in-depth quality assurance process both during manufacturing and prior to shipment, to ensure all required specifications are met and adhered to.

##### **d) Contract Term**

The original contract includes a provision to add multiple optional extensions at its conclusion. The Ministry reviews the contract annually and extends the contract in 12 month increments. The current expiry date is September 30, 2012.

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**e) Vendors**

There are only three vendors which meet the Ministry standards and specifications: Demers Ambulances; Crestline Coach; and Tri-Star, all Canadian companies. Standardizing on a singular product ensures consistency in vehicle layout, stocking location, reduced training requirements, reduced costs for vehicle maintenance and repair, as well as carrying costs for maintaining inventory of additional vendor-specific parts.

**f) Costs**

In the last contract period the Demers Ambulance costs have been consistent and the increases have been less than the consumer price index. In keeping with this standard, it provides efficiencies in parts, maintenance services and allows for less training due to familiarity with equipment and layout.

By continuing with Demers Ambulances the cost per ambulance will be approximately \$126,000 which includes the chassis, patient compartment, air-ride suspension, automated vehicle location, etc. The program has planned to purchase 18 ambulances in 2012.

**3. Proposed Direction**

It is proposed that ambulances be purchased from Demers Ambulances for fiscal year 2012 as the Region's primary vendor. In addition, subject to an evaluation of the vehicle's performance and cost, it is recommended that future annual ambulance requirements be purchased through Demers Ambulances for three optional 12 month periods subject to the annual approval from the Ministry.

The method of procurement is consistent with Purchasing By-law 63-2008 and further, staff have reviewed the current offerings from Demers Ambulance and have concluded that it represents good, competitive value for the Region.

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**FINANCIAL IMPLICATIONS**

These purchases are in accordance with the 10 year capital plan and are detailed in the 2012 proposed Capital budget. Funding for 2012 and future purchases to be funded through the annual approved budgets.



Janette Smith  
Commissioner of Health Services

**Approved for Submission:**





D. Szwarc, Chief Administrative Officer

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