

Corporate Report

REPORT NUMBER 364-2023-Corporate Services-Superior North EMS

DATE

PREPARED

November 10, 2023

FILE

MEETING DATE

November 27, 2023

SUBJECT

New Emergency Vehicle Purchase

RECOMMENDATION

WITH RESPECT to Report 364-2023 Corporate Services – Superior North Emergency Medical Service (SNEMS), we recommend City Council approve the purchase of four (4) new emergency vehicles from Crestline Coach Ltd. in accordance with section 4.10 of the Supply Management By-law 113-2011;

AND THAT the Manager – Supply Management be authorized to issue a purchase order to award this contract;

AND THAT the Mayor and Clerk be authorized to sign any necessary agreement related to the report;

AND THAT Appropriation #20 be approved to identify financing from the Ministry of Health and Long-Term Care for the Armstrong emergency vehicle;

AND THAT any necessary By-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

In 2021, a Request for Proposal (RFP) was conducted for the supply and delivery of emergency vehicles. The successful proponent was Crestline Coach Ltd., and the Contract was awarded with an option to extend the Contract to purchase additional units through to the year 2025. Administration has determined it is in the City's best interest to extend the Contract.

Based on a quotation received from Crestline Coach Ltd., the estimated cost of four (4) new ambulances is \$1,043,115 inclusive of Harmonized Sales Tax (HST). After accounting for the HST rebate, the net cost will be \$939,358.

In accordance with the Supply Management By-law No. 113-2011 Section 4.10, a Report must be submitted to Council prior to a Contract award when the acquisition has a value of \$500,000 or more.

DISCUSSION

An RFP was conducted in 2021 for the supply and delivery of new emergency vehicles. After review of the responses by Supply Management and Superior North EMS (SNEMS), it was deemed the bid from Crestline Coach Ltd. met all the requirements as outlined in the proposal document. Five (5) emergency vehicles were ordered in 2021 and four (4) in 2022.

Through this public procurement process, the City has the option to extend the Contract to purchase additional units over the next three (3) years (2023, 2024, 2025). Administration has determined it is in the City's best interest to extend the Contract.

Earlier this year, one of the ambulances deployed in Armstrong was involved in a collision where it was determined the vehicle was not repairable. Since the Armstrong station is fully funded by the Ministry of Health and Long-Term Care (MOHLTC), it has been confirmed that the purchase of a new ambulance will be fully funded by the Province.

In total, SNEMS is requesting the purchase of four (4) vehicles to replace one (1) that was written off in the past year, and three (3) as part of the cyclical ambulance replacement strategy.

In 2021, an industry wide shortage of vehicle chassis existed, and the shortage continues to impact delivery in 2023. The delay in receiving new vehicles is resulting in higher maintenance costs for existing vehicles which now must be kept in service longer than anticipated.

Superior North EMS has a fleet of 38 emergency vehicles with an average life cycle of six to nine years. The recommended purchase of the new emergency vehicles is critical to maintaining a reliable emergency vehicle fleet.

Should additional units not be purchased, the increased reliance on the current fleet will lead to faster depreciation of the vehicles and additional maintenance costs to extend their service. It could also impact the response times for emergencies in the community, should our fleet be unable to meet the demands due to the delayed replacement of emergency vehicles.

As the purchase would exceed \$500,000, in accordance with the Supply Management By-law No. 113-2011 Section 4.10, Administration must report to Council prior to awarding the Contract. If Council approves, the order will be placed with expected delivery in late 2024-early 2025.

FINANCIAL IMPLICATION

Administration has received a quotation in accordance with the contract extension with Crestline Coach Ltd. for the purchase of four (4) emergency vehicles.

Cost

Vehicles (\$230,777.75 x 4 units)	\$ 923,111
HST	<u>\$ 120,004</u>
Subtotal	\$ 1,043,115
Less HST Rebate	<u>(\$ 103,757)</u>
Total Cost Net of HST Rebate	\$ 939,358

Financing

SNEMS Capital Reserve Fund (2023 Budget)	\$ 700,000
Provincial Grant (MOHLTC)	\$ 234,840
SNEMS Capital Reserve Fund	<u>\$ 4,518</u>
Total Financing	\$ 939,358

The estimated cost, net of the HST rebate, for the four (4) vehicles is \$939,358. The 2023 Capital Budget included \$700,000 financing from the SNEMS Capital Reserve Fund to purchase emergency vehicles.

The MOHLTC has agreed to fund the net cost of replacing the Armstrong emergency vehicle that was written-off earlier this year (\$234,840). In accordance with Budget Policy No. 05-02-01, Appropriation #20 identifies additional funding sources and is presented as Attachment A for City Council approval.

CONCLUSION

It is concluded that the purchase of four (4) new emergency vehicles from Crestline Coach Ltd. be approved, and that Appropriation #20 be approved to allow Ministry funding to account for the purchase of one vehicle.

It is further concluded that the Manager – Supply Management be authorized to issue a purchase order for the four (4) emergency vehicles, and that the Mayor and Clerk be authorized to sign any necessary agreements pertaining to this report.

BACKGROUND

At June 14, 2021, Committee of the Whole Meeting, Council directed Administration to award a proposal for the purchase of emergency vehicles for up to five consecutive years to Crestline Coach Ltd. as outlined in Report R 73/2021.

Capital funds were allocated to purchase three new emergency vehicles during the 2023 budget process.

REFERENCE MATERIAL ATTACHED

Attachment A - Appropriation #20

REPORT PREPARED BY

Brent Cline, Superintendent Administrative Services Superior North EMS

REPORT SIGNED AND VERIFIED BY

Kathleen Cannon, General Manager (Acting) – Corporate Services

11/22/2023