SUBJECT: Procurement of Emergency Medical Services Paramedic Response Vehicles (FCS08036/HES08009) (City Wide)

RECOMMENDATION:

That staff be authorized to negotiate a single source purchase of eight (8) Ford Expedition Paramedic Response Units from Rowland Emergency Vehicle Products Inc., to the upset limit of $510,000 (exclusive of taxes).

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EXECUTIVE SUMMARY:

Purchasing Policy, Section 4.11, Policy for Negotiations requires that single source purchases of $250,000 or greater require Council approval. It is proposed that staff be authorized and directed to negotiate a single source purchase of eight (8) Ford Expedition Paramedic Response Units (PRUs) from Rowland Emergency Vehicle Products Inc., an approved Ministry of Health and Long-Term Care (MOHLTC) vendor of record for the supply and conversion of PRUs. The purchase of these response units includes the vehicle and associated conversion required by the municipality.

Seven (7) of the vehicles are required for new paramedics being hired as per Council approval to add more Emergency Medical Services (EMS) street service coverage by the end of 2008. The other vehicle is needed to replace a unit that was involved in a recent collision.

Late in 2007, EMS began the process to purchase new paramedic response units and during the process sought to standardize to hybrid technology in a utility vehicle. Regrettably, after four (4) months of proceeding with the analysis to standardize that has involved multiple and protracted discussions with potential vendors, vehicle manufacturers and the MOHLTC, it has been determined that the use of a hybrid vehicle for a front-line emergency application is not feasible at this time. At this juncture, EMS now faces an urgent need to purchase these units to ensure that there are sufficient vehicles for the staff being hired and that the vehicles in use are reliable.

Adding to time sensitivity, the response vehicles are specialty emergency service units that are manufactured at certain intervals throughout the year. The delivery date for the next production of these vehicles by General Motors is October 2008 and to fully convert for EMS purposes is predicted to be December 2008. A scan of Ontario revealed all of the units previously produced are sold. Rowland’s, is one of two (2) MOHLTC Vendor of Record certified to provide conversion of Emergency Response Vehicles and has been used by EMS when it was the only provider until recent months. Rowlands has indicated that they can provide and convert eight (8) Ford Expedition Special Duty Vehicles with delivery of the first unit within nine (9) weeks if ordered promptly. The suggested pricing being offered for the eight (8) vehicles is less than the previously quoted prices for this vehicle, and approximately $3,000 less than the price for a Tahoe when it becomes available again.

EMS is proposing that in order to expedite the procurement process that Council approves a single source purchase of these eight (8) converted Ford Expeditions, with Rowland Emergency Vehicle Products Inc. The delivery of the vehicles is expected to be approximately nine (9) weeks after the purchase order has been issued.

These purchases are within the approved budget.
BACKGROUND:

EMS has capital budget approval to purchase another eight (8) PRUs in 2008. Of the eight (8) vehicles, one (1) is a replacement unit for a vehicle recently involved in a collision, and the other seven (7) are to purchase vehicles to be used for new paramedic staff, approved to be hired based on 2007 approved staff enhancements.

After several months of exploring many different options with hybrid application for Emergency Service Vehicles, it was determined this technology would not be able to provide the advantages and performance expected due to several factors.

Three (3) PRUs have been ordered, which were purchased as part of the approved Capital Budget and were to have been compared with the performance against hybrid vehicles. Ideally EMS would tender for the remaining vehicles; however, this process would consume several months not including the time for production of the vehicles and EMS needs these vehicles as soon as possible. One vehicle is a replacement for a vehicle recently involved in a collision and the seven (7) others are for new paramedics that have been hired.

These response units otherwise known as Special Service duty vehicles by the vehicle manufacturers (General Motors, Ford) are typically produced twice per year. The production of the General Motors Special Service Duty vehicle will not commence again until August 2008 and by the time they are produced and converted, they would not likely be available to EMS until December 2008.

Adding to the risk of delaying the order of the PRUs, there is currently an axle strike in the United States that is affecting the production of various General Motors products. The most recent news reports on the labour discussions referenced by staff indicate that this situation continues. The potential exists that this could put pressure, not only directly on the supply of General Motor products, but also Ford products if there is a shift in the demand based on supply.

The MOHLTC Vendor of Record for conversion of Emergency First Response Vehicles has confirmed that eight (8) Ford Expedition vehicles can be obtained through Ford, converted and delivered in late June or early July 2008. As EMS is in a situation where these vehicles are needed as soon as possible, it is recommended that these eight (8) vehicles be purchased and converted through the MOHLTC Vendor of Record Rowland Emergency Vehicle Products Inc. Toronto, who has been the vendor used previously for such purchases, and until the past few months, the only approved vendor to certify and convert the PRU for use in a land ambulance service in Ontario.

ANALYSIS/RATIONALE:

The rationale for the single source purchase of eight (8) Ford Expedition PRUs and having them converted by Rowland Emergency Vehicles Inc. is based on an immediate need by EMS to be able to staff vehicles due to the increase in staffing.
Ideally EMS would tender for the purchase of these emergency response vehicles, however, due to the unavailability of the Chevrolet Tahoe until October 2008, the only other Special Duty vehicle available comparable to the Chevrolet Tahoe which EMS currently uses is the Ford Expedition which EMS can immediately order and have delivered by the middle of May 2008,

EMS has also been offered a substantial municipal discount on these vehicles which is far below the typical invoice price.

By acquiring the Ford Expedition, EMS will also have the opportunity to do a comparison between this vehicle and the Chevrolet Tahoe in regards to fuel efficiencies, repair costs, performance and end user evaluation.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative in this situation, although not recommended, is to purchase these eight (8) vehicles through the tender process. However, with the Chevrolet Tahoe not being available until December 2008, this would not be a viable alternative.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**
The funding for the proposed vehicles is available from the approved Capital Budgets. The total cost of the eight (8) units converted exclusive of taxes is estimated to be $510,000.

**Staffing**
There are no staffing implications.

**Legal**
By procuring the vehicle conversion and certification to a vendor of record, the Municipality will be assured it complies with MOHLTC regulations and standards pertaining to emergency response vehicles.

**POLICIES AFFECTING PROPOSAL:**

Purchasing Policy Section 4.11 - Policy for Negotiations requires Council approval of single source purchases over $250,000.

**RELEVANT CONSULTATION:**

Corporate Services Department, Financial Services Division, Purchasing Section
In consultation with the Manager of Purchasing it was recommended that EMS seek Council approval for the purchase and conversion of the emergency response vehicles under Section 4.11 – Policy for Negotiations of the City’s Purchasing Policy.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “**Triple Bottom Line**”, (community, environment, and economic implications) Having the opportunity to evaluate and compare two types of Emergency Response Vehicles, in particular environmental concerns and operating costs we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community

**Community Well-Being is enhanced. ☑ Yes ☐ No**

Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

**Environmental Well-Being is enhanced. ☑ Yes ☐ No**

Human health and safety are protected.

**Economic Well-Being is enhanced. ☑ Yes ☐ No**

Investment in Hamilton is enhanced and supported.

Does the option you are recommending create value across all three bottom lines?  

☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No

The creation of a respectful, desirable and supportive workplace.

American Axle & UAW Strike Articles and impact on production of GM products

April 11, 2008, Strike Discussions; “Talks Yield Little Agreement”

March 31, 2008, Affecting GM production
http://www.freep.com/apps/pbcs.dll/article?AID=/20080331/BUSINESS01/80331034/0/BUSINESS06