

Clause 22 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

22

Purchase Agreement Approvals for Paramedic Services

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 25, 2018 from the Commissioner of Community and Health Services:

1. Council authorize purchase agreements between The Regional Municipality of York and the service providers identified in Attachment 1, for a total cost of \$4,529,745 excluding applicable taxes.
2. Council authorize the purchase of additional deliverables under contracts with the service providers set out in Attachments 2 and 3 for a total cost of \$2,916,888 excluding applicable taxes.
3. Council authorize a contract with Imperial Oil Limited for the purchase of fuel and fuel-card services for a five year term for a total cost of \$5,000,000, excluding applicable taxes, as set out in Attachment 4.
4. The Commissioner of Community and Health Services be authorized to execute the purchase agreements with the service providers referenced in Attachments 1, 2, 3 and 4 on behalf of the Region up to a five-year term effective August 1, 2018.
5. The Commissioner of Community and Health Services be authorized to exercise the option to extend each purchase agreement provided that the contractors have performed the services to the satisfaction of the Commissioner and the costs, including increases, are within the approved annual budget for up to a five-year term.
6. The Commissioner of Community and Health Services be authorized to delegate the execution of purchase agreements and associated renewals to the Chief and General Manager, Paramedic and Seniors Services, where the total annual amount does not exceed \$100,000.

Report dated May 25, 2018 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize purchase agreements between The Regional Municipality of York and the service providers identified in Attachment 1, for a total cost of \$4,529,745 excluding applicable taxes.
2. Council authorize the purchase of additional deliverables under contracts with the service providers set out in Attachments 2 and 3 for a total cost of \$2,916,888 excluding applicable taxes.
3. Council authorize a contract with Imperial Oil Limited for the purchase of fuel and fuel-card services for a five year term for a total cost of \$5,000,000, excluding applicable taxes, as set out in Attachment 4.
4. The Commissioner of Community and Health Services be authorized to execute the purchase agreements with the service providers referenced in Attachments 1, 2, 3 and 4 on behalf of the Region up to a five-year term effective August 1, 2018.
5. The Commissioner of Community and Health Services be authorized to exercise the option to extend each purchase agreement provided that the contractors have performed the services to the satisfaction of the Commissioner and the costs, including increases, are within the approved annual budget for up to a five-year term.
6. The Commissioner of Community and Health Services be authorized to delegate the execution of purchase agreements and associated renewals to the Chief and General Manager, Paramedic and Seniors Services, where the total annual amount does not exceed \$100,000.

2. Purpose

This report seeks approval to enter into purchase agreements between The Regional Municipality of York and the service providers identified in Attachments 1, 2, 3 and 4. These purchase agreements are required to continue the availability of products and services required by York Region Paramedic Services to provide quality patient care and meet the requirements of the Ministry of Health and Long-Term Care and the *Ambulance Act*. The purchase agreements, if approved, will be effective August 1, 2018 and the annual timeframe for each contract will run from August to July, rather than a calendar year.

Council approval is required in the following circumstances:

- **Direct Purchases exceeding \$150,000:** Section 10 of the [Bylaw](#) permits direct purchases of goods and services exceeding \$150,000, subject to Council approval, as follows:
 - Section 10.1(a) permits direct purchases when the paramount consideration is compatibility with existing equipment, facilities or services.
 - Section 10.1 (b) permits direct purchases when there is only one legal entity reasonably capable of providing the deliverables.
- **Scope Change/Additional Deliverables:** Section 12.2(a) requires Council approval where the change in scope and/or additional deliverables exceed provisions in the Bylaw.
- **Contracts greater than five years:** Section 18.1 (a) of the Bylaw requires Council approval for contracts where the proposed contract term extends beyond five years, or where extension or renewal of a contract or a direct purchase would result in an aggregate term greater than five years.

3. Background

York Region Paramedic Services purchases products and services from highly specialized suppliers

Paramedic Services operates in a unique and dynamic environment and purchases a variety of products and services in compliance with the Purchasing Bylaw to provide a wide range of health care services. For some procurement needs, there may only be a limited number of suppliers available that meet Paramedics Services' highly specialized requirements. Competitive processes are followed to obtain suppliers when possible, but on occasions, suppliers may be chosen for one or more of the following reasons:

- The supplier may be the only one capable of providing the good or service
- The supplier is used by other paramedic services agencies across the province to purchase the same item
- The supplier is determined by the manufacturers and/or the Ministry of Health and Long-Term Care standards (which limits our ability to find alternatives)

4. Analysis and Implications

Paramedic Services reviewed its procurement requirements over the next five years and identified those that require Council approval under the Purchasing Bylaw

These purchases are grouped into the following four categories:

- Direct purchases (see Attachment 1)
- Scope changes/additional deliverables required under existing contracts awarded in compliance with the Purchasing Bylaw (see Attachment 2)
- Scope changes/additional deliverables required under existing contracts approved by Council (see Attachment 3)
- Direct purchase with a new service provider (see Attachment 4)

Each category is described further in the following sections.

Attachment 1 lists direct purchases required by Paramedic Services over the next five years, their five-year value and a brief rationale for each purchase

These purchases are required either because:

- The good or service is compatible with existing equipment, facilities or services (e.g., Snap-On-Tools that provides repairs to existing tools and shop equipment), or
- The service provider is the only entity capable of providing the required good or service (e.g., Stericycle that provides disposal services for biohazardous waste, narcotics and uniforms without requiring them to be pre-sorted)

Approval of the direct purchases identified in Attachment 1 would be in accordance with Sections 10.1(a) and 10.1(b) of the Purchasing Bylaw. Furthermore, the approval would be in accordance with Section 18.1 (a) of the Purchasing Bylaw, as the continued purchase of the service requirements will result in an aggregate term of greater than five years. The total value of the direct purchase agreements is \$4,529,745, excluding applicable taxes.

Additional purchases from existing service providers are required to meet operational requirements

The service providers listed in Attachment 2 have existing contracts with the Region, awarded in compliance with the Purchasing Bylaw. The additional purchases listed below are required from these providers to meet operational requirements over the next five years:

- Repair and maintenance for paramedic vehicles from four companies whose contracts expire in 2018. Extensions of each contract for up to 24 months is required to maintain services while request for proposal and procurement processes are carried out to establish new contracts.
- Clothing and tactical uniforms provided by two companies and are required due to increased distribution frequency and growth in staff numbers. A competitive bid process will be issued for future supplies prior to the expiration of the contracts in 2021.
- Frontline equipment bags are required to purchase more bags from the current supplier due to increased staffing and training requirements. A competitive bid process will be issued for future supplies prior to the expiration of the contracts in 2021.

The total cost of the additional deliverables required from each supplier in Attachment 2 exceeds 20 per cent of the cost of each contract at the time of award. As such, section 12.2 (a) of the Purchasing Bylaw requires Council approval of these purchase agreements, which have a total value of \$1,687,279, excluding applicable taxes.

Analysis of procurement requirements with service providers listed in Attachment 3 for the next three years identified that service requirements will exceed the estimates identified at the time of contract award

In [June 2016](#), Council authorized purchase agreements with the service providers listed in Attachment 3 for a three-year term, with the option to extend each purchase agreement for an additional two years, provided that the contractor performed the services to the satisfaction of the Commissioner and the cost was within the approved budget. Analysis of the procurement requirements for the next three years identified that service requirements will exceed the cost estimates identified at the time of contract award. Additional approvals are required for purchasing the following:

Purchase Agreement Approvals for Paramedic Services

- Additional community paramedicine equipment and supplies to maintain an increased number of blood analyzer units
- Sufficient quantities of life safety gear for frontline to meet Provincial Equipment standards for Ontario Ambulance services, and to restock supplies used for other patient care
- Mannequins for paramedic training on patient care
- More uniforms and related items to accommodate increased staffing and movement of Paramedic staff to other positions. Staff will work with the Procurement Office on the issuance of a competitive bid prior the expiration of the contract in 2021.
- Warehouse supplies and equipment required due to increased product stocking levels at each Paramedic Station and a new method for stocking supplies at the 80 Bales location

The three-year cost of the additional deliverables required from each supplier in Attachment 3 exceeds 20 per cent of the total cost of each contract at the time of award. As such, section 12.2 (a) of the Purchasing Bylaw requires Council approval of these purchase agreements, which have a total value of \$1,229,609, excluding applicable taxes.

Expenditures for the linen services are estimated to exceed the remainder of the current contract requiring a new direct purchase approval

The approval to purchase linen services was provided by Council in [June 2014](#), authorizing a direct purchase contract with Mackenzie Health for a five-year term. An analysis of the service requirements for the remainder of the contract term has determined that expenditures will exceed the remaining time of contract award due to higher patient volumes than estimated. A new direct purchase approval is required to ensure that ongoing linen services meet service requirements.

Approval to leverage an existing contract with Imperial Oil would improve accountability and save money

In October 2016 the Region awarded *Request for Proposal (RFP) P-16-06, for Transportation Services – Fleet, for the Provision of Retail Fuel Services*, to Imperial Oil by its Managing Partner, Imperial Oil Limited (Imperial Oil). The proposal submitted by Imperial Oil was identified as the sole proposal meeting mandatory requirements identified in the Request for Proposal. The five-year contract was awarded in the amount of \$1,726,500, excluding applicable taxes, and ends on February 23, 2022.

Purchase Agreement Approvals for Paramedic Services

While the Region has a current contract with another service provider for provision of Fuel and Purchasing Card Services for Paramedic Services, joining Imperial Oil's services would result in two key benefits:

- Increased security, improved accountability and better tracking of costs – Imperial Oil is the only firm that can provide level three secure data capture using Radio Frequency Technology. This technology, used together with the retail fuel credit card program, initiates two prompts to authorize fuel transactions or vehicle-related purchases.
- No card fees – The Region is charged fuel card fees by our existing service provider. Imperial Oil offers a zero monthly fee fuel card program which would further reduce annual operating costs by approximately \$4,300.

Should the Region terminate its contract with the current service provider, the Region would not incur any financial penalties.

The five-year cost for the services with Imperial Oil for Paramedics Services would be \$5,000,000, excluding applicable taxes.

5. Financial Considerations

Twenty-nine vendor purchase agreements have been identified to fulfill the highly specialized requirements for Paramedic Services. The total estimated purchase agreement value for the entire contract terms is \$12,446,633, excluding applicable taxes.

As new service providers emerge within the marketplace, York Region Paramedic Services will continually assess providers to ensure that best value-for-dollar is achieved. This is done by attending annual tradeshow, conferences and through the Ontario Association of Paramedic Chiefs working groups that meet throughout the year.

The costs to purchase the products and services listed in Attachments 1, 2, 3 and 4 will be managed within the approved annual operating and capital budgets for Paramedic Services.

The estimated five-year total costs are based on anticipated growth and historical purchases. The cost calculations include fixed pricing with increases based on the projected Consumer Price Index, volume concessions, fluctuating exchange rates and other factors.

6. Local Municipal Impact

Delivering effective, efficient programs and services to patients provides the Region and its local municipalities with high quality patient care and programs that meet local and regional needs.

7. Conclusion

Approval of the recommended purchase agreements identified in Attachments 1 to 4 will enable York Region Paramedic Services to continue delivering quality programs and services mandated through the Ministry of Health and Long-Term Care and the *Ambulance Act*.

For more information on this report, please contact Norm Barrette, Chief and General Manager, Paramedic and Seniors Services at ext. 74709.

The Senior Management Group has reviewed this report.

May 25, 2018

Attachments (4)

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Accessible formats or communication supports are available upon request

Attachment 1: Purchase Agreement Approvals for Paramedic Services - Direct Purchases

SERVICE PROVIDER	SERVICES PROVIDED	RATIONALE FOR DIRECT PURCHASE	ESTIMATED ANNUAL COST 2018/19	ESTIMATED ANNUAL COST 2019/20	ESTIMATED ANNUAL COST 2020/21	ESTIMATED ANNUAL COST 2021/22	ESTIMATED ANNUAL COST 2022/23	ESTIMATED 5 YEAR TOTAL
Category: Direct Purchases, Compliant with Sections 10.1 (a) and (b) of Purchase Bylaw								
5 Year Category Total :	\$4,529,745							
Beavers Surplus Exchange Limited	Personal Protective Equipment Bags for Frontline Staff	Initially procured through a competitive process of obtaining quotes for different types of bags. Only one bag was compatible with existing PPE equipment and in-ambulance storage.	\$48,000	\$52,800	\$58,080	\$63,888	\$70,277	\$293,045
Centre for Addiction and Mental Health (CAMH)	Delivery of mental health wellness checks to PS staff	Recommended by the Paramedic Services (PS) Mental Wellness Needs Assessment (Jan. 20, 2017) and intended to proactively manage the mental health needs of PS staff.	\$44,880	\$73,040	\$86,680	\$86,680	\$86,680	\$377,960
Concept Controls	Fit test machine supplies and repairs	The only Canadian distributor for TSI Incorporated, the supplier of fitted masks required by PS and long-term care staff and mask fit testing machines.	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$160,000
CTOMS	Trauma medical supplies for Frontline Staff	Supplies mandated by MOHLTC Provincial Equipment Standards for Ontario Ambulance Services	\$75,000	\$82,500	\$90,750	\$99,825	\$109,808	\$457,883

Attachment 1: Purchase Agreement Approvals for Paramedic Services - Direct Purchases

SERVICE PROVIDER	SERVICES PROVIDED	RATIONALE FOR DIRECT PURCHASE	ESTIMATED ANNUAL COST 2018/19	ESTIMATED ANNUAL COST 2019/20	ESTIMATED ANNUAL COST 2020/21	ESTIMATED ANNUAL COST 2021/22	ESTIMATED ANNUAL COST 2022/23	ESTIMATED 5 YEAR TOTAL
Happy Jet Custom Clean	Mobile Decontamination Services for Paramedic Services Ambulances	This is the only known qualified vendor that is able to perform this service on-site with staff that are trained and qualified to perform decontamination/cleaning services on ambulances.	\$60,000	\$66,000	\$72,600	\$79,860	\$87,846	\$366,306
Kardtech Incorporated	On-site Inspection/Mobile Repair Service for 80 Bales Refueling Site	Authorized service provider for the Petro Vend dispensing system installed at this site. Performs on-site inspections, repairs, technical support and emergency support 24 hours a day, 7 days a week, 365 days a year.	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Lennox Moran Medicine Professional Corporation	Consulting services relating to the community paramedicine program	Provides medical advice/oversight in the creation of medical directives and clinical pathways that would better support the unique needs of paramedic special operations.	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Physio-Control	Automatic External Defibrillators	Provider of Automatic External Defibrillators, service and maintenance. Currently 109 units located throughout the Region. Forty new units are required for the Annex and 50 units will be replaced over the next 5 years.	\$39,242	\$42,211	\$115,136	\$56,040	\$59,479	\$312,108

Attachment 1: Purchase Agreement Approvals for Paramedic Services - Direct Purchases

SERVICE PROVIDER	SERVICES PROVIDED	RATIONALE FOR DIRECT PURCHASE	ESTIMATED ANNUAL COST 2018/19	ESTIMATED ANNUAL COST 2019/20	ESTIMATED ANNUAL COST 2020/21	ESTIMATED ANNUAL COST 2021/22	ESTIMATED ANNUAL COST 2022/23	ESTIMATED 5 YEAR TOTAL
Rowland Emergency Vehicle Products	Emergency Vehicle Conversions to meet Ministry standards	The emergency response vehicle conversion offered by Rowland allows PS to maintain a standardized fleet, resulting in faster and more efficient repairs, reduced inventory carrying costs and larger quantities of common parts that can be purchased at lower unit prices.	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$950,000
Sands Canada	Medical Supplies and Personal Protective Equipment	This is the only distributor in Canada for our triage tags and other mass casualty incident items for frontline operations.	\$55,000	\$60,500	\$66,550	\$73,205	\$80,526	\$335,781

Attachment 2 - Purchase Agreement Approvals for Paramedic Services - Scope Change - Purchasing By-Law

SERVICE PROVIDER	SERVICES PROVIDED	APPROVED CONTRACT VALUE	ESTIMATED INCREASE 2018/19	ESTIMATED INCREASE 2019/20	ESTIMATED INCREASE 2020/21	ESTIMATED INCREASE 2021/22	ESTIMATED INCREASE 2022/23	ESTIMATED TOTAL INCREASE REQUESTED
Category: Purchase of Additional Deliverables (Scope Change)								
Existing Contracts Awarded in Compliance with the Purchasing Bylaw								
5 Year Category Total : \$1,687,279								
Chrislynn Automotive Group	Repair and Maintenance for Paramedic Vehicles	\$ 370,500	\$119,000	\$119,000	\$0	\$0	\$0	\$238,000
Carleton Uniforms	Polar Fleece Sweater for Frontline Staff	\$ 129,100	\$42,000	\$46,200	\$50,820	\$0	\$0	\$139,020
Firetech Manufacturing	Frontline Equipment Bags	\$ 308,584	\$157,139	\$172,853	\$190,138	\$0	\$0	\$520,129
Fortech Automotive	Repair and Maintenance for Paramedic Vehicles	\$ 370,500	\$119,000	\$119,000	\$0	\$0	\$0	\$238,000
Mr. M's Auto Service Centre	Repair and Maintenance for Paramedic Vehicles	\$ 370,500	\$119,000	\$119,000	\$0	\$0	\$0	\$238,000
Outdoor Outfits	Tactical Uniforms for Special Response Unit staff	\$ 88,170	\$23,000	\$25,300	\$27,830	\$0	\$0	\$76,130
Ray & Son's Automotive & The Tire Store	Repair and Maintenance for Paramedic Vehicles	\$ 370,500	\$119,000	\$119,000	\$0	\$0	\$0	\$238,000

Total: \$1,687,279

Attachment 3 - Purchase Agreement Approvals for Paramedic Services - Scope Change - Approved by Council

SERVICE PROVIDER	SERVICES PROVIDED	AMOUNT AWARDED BY COUNCIL FOR THE 5 YEAR TERM OF CONTRACT	ESTIMATED INCREASE 2018/19	ESTIMATED INCREASE 2019/20	ESTIMATED INCREASE 2020/21	ESTIMATED INCREASE 2021/22	ESTIMATED INCREASE 2022/23	ESTIMATED TOTAL INCREASE REQUESTED
Category: Purchase of Additional Purchases Approved by Council; Clause 20, 5 Year Category Total : \$1,158,209								
Abbott	Community Paramedicine equipment and supplies	\$116,440	\$50,000	\$50,000	\$50,000	\$0	\$0	\$150,000
Carleton Uniforms	Dress Uniforms for all Frontline Staff	\$341,900	\$171,620	\$75,000	\$82,500	\$0	\$0	\$329,120
Ferno Canada	Purchase of Life Safety Gear for Frontline Staff	\$61,300	\$32,740	\$36,014	\$39,615	\$0	\$0	\$108,369
Grant Custom Products	Uniform Items	\$36,800	\$37,640	\$41,404	\$45,544	\$0	\$0	\$124,588
Laerdal	Patient care training - Simulation Equipment	\$245,100	\$100,000	\$100,000	\$0	\$0	\$0	\$200,000
Uline Canada	Warehouse supplies and equipment	\$153,200	\$74,360	\$81,796	\$89,976	\$0	\$0	\$246,132
Category: Purchase of Additional Purchase Approved by Council; Clause 5, 5 Year Category Total : \$71,400								
Mackenzie Health	Linen Services	\$393,000	\$71,400	\$0	\$0	\$0	\$0	\$71,400
							Total: \$1,229,609	

Attachment 4: Purchase Agreement Approvals for Paramedic Services - Direct Purchase - New Service Provider

SERVICE PROVIDER	SERVICES PROVIDED	ESTIMATED ANNUAL COST 2018/19	ESTIMATED ANNUAL COST 2019/20	ESTIMATED ANNUAL COST 2020/2021	ESTIMATED ANNUAL COST 2021/22	ESTIMATED ANNUAL COST 2022/23	ESTIMATED 5 YEAR TOTAL
Category: Leveraging an Existing Contract Awarded by the Chief Administrative Officer on October 17, 2016 for transportation services							
5 Year Category Total :		\$5,000,000.00					
Imperial Oil Limited	Fuel and P-card Services for Paramedic Fleet Vehicles	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

Total: \$5,000,000.00

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