

**REPORT FOR ACTION****Amendment to Contract No. 47020428 for the
Provision of Overflow Preventative Maintenance and
Repair Services to Vehicles of Various Classes**

Date: May 10, 2019

To: Economic and Community Development Committee

From: Acting Chief, Toronto Paramedic Services and Chief Purchasing Officer,
Purchasing and Materials Management

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Contract No. 47020428 issued to Roy Foss Chevrolet Buick GMC, as a result of RFQ No. 6102-16-3100 for the non-exclusive supply of all labour, materials and equipment necessary to perform overflow vehicle maintenance, repairs and inspections to various light, medium and heavy-duty vehicles (Class 1 through Class 8), on an as-and-when required basis, by an additional amount of \$1,099,676 excluding all taxes and charges or \$1,119,030, net of HST recoveries, over the life of the contract ending February 12, 2022.

During the term of this contract, TPS submitted two previous amendments which were approved by staff delegated authority, totalling \$343,696.40 net of all taxes. The first amendment was approved on August 20, 2018, in the amount of \$79,929.86 net of all taxes and the second amendment on December 13, 2018, in the amount of \$263,768.54 net of all taxes.

In accordance with the Financial Control by-law (Chapter 71), appropriate standing committee approval is required for an amendment request that exceeds \$500,000. This request for amendment is in the amount of \$1,099,676 net of all taxes or \$1,119,030, net of HST recoveries. This amendment is intended to avoid overspending of the contract over its remaining life until February 12, 2022 and to ensure TPS' vehicle fleet maintenance and inspections continue to meet legislative requirements under the *Ambulance Act* (Ontario Provincial Land Ambulance & Emergency Response Vehicle Standard).

RECOMMENDATIONS

The Acting Chief, Toronto Paramedic Services and the Chief Purchasing Officer recommend that:

1. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw), grant authority to amend Contract No. 47020428 for the provision of overflow preventative maintenance, repairs and inspections to vehicles and equipment of various classes, by an additional amount of \$1,099,676 excluding all taxes and charges, for the remaining life of the contract to February 2022. This increases the current contract value from \$1,555,479 to \$2,655,155 excluding all taxes and charges (or net of HST recoveries from \$1,582,855 to \$2,701,885).

FINANCIAL IMPACT

Toronto Paramedic Services' (TPS) emergency call demand continues to experience an average annual growth rate of 4%, with call volumes expected to continue to grow at this rate over the next 10 years. To manage this increase, since 2015, TPS has increased the number of vehicles in its fleet by more than 40%.

The *Ambulance Act* requires that paramedic service vehicles comply with the maintenance and repairs outlined in the Owner's Manual under the "Severe Service" category. TPS' vehicles currently average 5.6 Preventative Maintenance (PM) services each per year.

Since 2017, TPS has been using both its own fleet maintenance resources as well as contracting service demands through a 3rd party contract with Roy Foss Chevrolet Buick, GMC, to adhere to the maintenance requirements under the *Ambulance Act*.

The original 5-yr contract provided funding for approximately 250 PMs per year. The requested increase to this contract will provide an average additional 633 PMs per year over the remaining life of the contract (or 1,687 total PMs). The Program has confirmed that the increase in the contract in combination with the use of their own fleet maintenance staff will provide adequate resources to keep pace with increasing service demands.

The amendment to Contract No. 47020428 for an additional amount of \$1,099,676 excluding all taxes and charges (\$1,119,030 net of HST recoveries), increases the current contract value of the contract from \$1,555,479 excluding all taxes and charges (\$1,582,855 net of all HST recoveries) to \$2,655,155 excluding all taxes and charges (\$2,701,885 net of HST recoveries) for the remaining life of the contract to February 2022.

As detailed in the following table, the 2019 requirement of \$113,709 (net of HST recoveries) to support the cost of the contract amendment is included in the 2019 Approved Operating Budget for TPS. The additional funding requirement of \$1,005,321 (net of HST recoveries) over the next three years will be included in the 2020-2022 Operating Base Budget Submissions for TPS.

Amendment to Contract 47020428 for Overflow Preventative Maintenance and Repairs

Net of HST recoveries	2019	2020	2021	2022 (Expires February 12, 2022)	Total
Operating Funding: B41100 C/E 4404/2130	\$113,709	\$455,830	\$442,643	\$106,848	\$1,119,030

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of February 8, 2017, Bid Award Panel adopted, without amendment, item BA7.3 from a joint RFQ #6102-16-3100, awarding multiple bidders who met the specification requirements for each participating division i.e., Toronto Paramedic Services, Toronto Fire Services and Fleet Services. The report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA7.3>

COMMENTS

Since 2015, TPS has increased the size of its vehicle fleet by more than 40% to accommodate continued growth in emergency call volume. In the past 10 years, TPS' emergency call demand grew by 4% annually. In 2015, to ensure consistent compliance with manufacturers' and Ministry of Health and Long-Term Care (MOHTLC) maintenance requirements for emergency response vehicles, TPS increased its preventative maintenance (PM) cycle by adding a routine PM (e.g., oil change, visual inspection of brakes, tire pressure, wheel torque, fluid levels, suspension, steering, etc.) to enhance compliance. Initially, TPS contracted with the City's Fleet Services Division to conduct these routine PMs. However, given its own significant workload demand, the City's Fleet Services Division was unable to meet TPS' needs.

For the year-end 2016, emergency call volumes increased by 6.5%. As a result, given that TPS' fleet maintenance staff were also operating at full capacity, an RFQ was prepared to absorb the additional, estimated work required to ensure that TPS continued to meet its legislated requirements for PM cycles under the *Ambulance Act*. The contract was awarded in 2017 and helped TPS ensure near 100% compliance for vehicle maintenance during the June 2017 Land Ambulance Audit by the MOHLTC.

In 2018, emergency call volumes increased by 5.4% over 2017, 1.4% greater than the expected 4% growth. TPS expects demand to continue to grow at an average rate of 4% annually for the next 10 years. In addition, in 2018, there were staff shortages in TPS' fleet services area. The RFQ was prepared for a five-year contract and the 2016-2018 actual call volumes and staffing issues could not have been foreseen at that time, both of which resulted in the 2018 amendments of the contract in the total amount of \$343,696.40 net of all taxes. Increased call volumes result in more vehicle mileage travelled and greater vehicle wear-and-tear, which translate into more frequent PMs to meet the requirements of the *Ambulance Act*.

In 2019, it is anticipated that there will be staff shortages in TPS' fleet services due to retirements which may place PM schedules in jeopardy without additional contract capacity. In addition, TPS is scheduled for an MOHLTC Land Ambulance Audit in 2020, which provides an even greater requirement to ensure PM compliance is maintained consistently.

If approved, this contract amendment affords TPS' fleet services the flexibility to remain compliant with legislated requirements for PMs, and helps address future growth in emergency call demand. Maintaining the PM cycles also ensures that emergency response vehicles continue to remain operationally safe for patients and staff.

CONTACT

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SIGNATURE

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