



REPORT FOR ACTION

Non-Competitive Agreement with Zoll Medical Canada Inc., for the Purchase of Defibrillators for Toronto Fire Services Operational Apparatus

Date: August 16, 2019

To: Economic and Community Development Committee

From: Fire Chief and General Manager, Toronto Fire Services; Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to seek City Council authority for the Fire Chief and General Manager, Toronto Fire Services (TFS) to negotiate and enter into a non-competitive agreement with Zoll Medical Canada Inc. (Zoll), for the supply and delivery of 200 Automated External Defibrillators (AED) to replace the existing equipment used by TFS' Operations, Training, and Technical Operations Divisions.

Each year TFS responds to approximately 1,300 suspected cardiac arrest patient incidents. The optimal life cycle of AEDs is generally 7-10 years of service. The current units are due for replacement as they are past their optimal life span of 10 years.

The purchase of Zoll branded defibrillators will maintain consistency with the equipment being used by Toronto Paramedic Services (TPS). The introduction of dissimilar equipment would result in delays in the transition of patient care from TFS to TPS. Maintaining standard equipment supports joint operations and emergency response by both TFS and TPS.

Further, continuing with Zoll branded equipment avoids additional costs that would arise as a result of compatibility issues with TFS' existing equipment (e.g. defibrillation pads, mannequins for training, data management software and licenses, etc.), also manufactured by Zoll.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The Fire Chief and General Manager, Toronto Fire Services and the Chief Purchasing Officer, Purchasing and Materials Management Division recommend that:

1. City Council grant authority to the Fire Chief and General Manager, Toronto Fire Services to negotiate and execute a non-competitive contract with Zoll Medical Canada Inc. for the supply, delivery, and installation of 200 Zoll AED3 BLS Semi-Automatic defibrillators, related supplies, training equipment, and data management software licenses/subscriptions in the amount of \$754,806, net of HST (\$768,090, net of HST recoveries) on terms and conditions satisfactory to the Fire Chief and General Manager, Toronto Fire Services, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract value identified in this report is \$852,931, including all applicable taxes and charges. The total cost to the City is \$754,806, net of HST, (\$768,090, net of HST recoveries) for defibrillators, related supplies, training equipment, and subscriptions to data management software. Funding is available in the 2019 Approved Capital Budget for Toronto Fire Services under WBS CFR122-01.

Discounts between 10-30% have been provided by the manufacturer and are reflected in the net prices listed for certain goods and software subscriptions below.

The industry standard is a 7-year defibrillator replacement model therefore, TFS requires one 5-year and two 1-year subscriptions to cover this 7-year period (as the manufacturer only sells online subscriptions in 5 and 1 year subscription periods). The total contract value for these items is noted below, with the terms of purchase in accordance with industry standards:

Item	Model No.	Description	Qty	Discounted Unit Price	Total Net Price	Total Net of HST recoveries
Defibrillators and accompanying supplies/equipment						
1	8504-001103-06	ZOLL AED 3 BLS Semi-automatic	200	\$2,850.00	\$570,000.00	\$580,032.00
2	8000-000696	ZOLL AED 3 Battery Pack	200	\$184.50	\$36,900.00	\$37,549.44
3	8900-0190	Training CPR stat-padz	50	\$91.31	\$4,565.50	\$4,645.85

Item	Model No.	Description	Qty	Discounted Unit Price	Total Net Price	Total Net of HST recoveries
4	8900-0195	Replacement Training Electrodes	38	\$81.05	\$3,079.90	\$3,134.11
5		Freight Charges	1	\$1,540.00	\$1,540.00	\$1,567.10
Online data management subscription/license packages						
6	8400-110145-06	ZOLL Online CaseReview Premium 5 Year Subscription per AED-3 (2019-2024 Period)	160	\$619.00	\$99,040.00	\$100,783.10
7	8400-110141-06	ZOLL Online CaseReview Premium 1 Year Subscription per AED-3 (2024-2025 Period)	160	\$124.00	\$19,840.00	\$20,189.18
8	8400-110141-06	ZOLL Online CaseReview Premium 1 Year Subscription per AED-3 (2025-2026 Period)	160	\$124.00	\$19,840.00	\$20,189.18
Total Net Price					\$754,805.40	\$768,089.98
Less value ascribed by Zoll for trade-in of 170 Surplus AED Pro Model No. 9001-9910					-\$34,000.00	-\$34,598.40
Remainder of Total to Pay					\$720,805.40	\$733,491.58

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

DECISION HISTORY

At its meeting of December 9, 2015, City Council authorized the Chief and General Manager, Toronto Paramedics Services to negotiate and enter into an agreement with Zoll Medical Canada Inc.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD8.2>

COMMENTS

Each year TFS responds to approximately 1,300 suspected cardiac arrest patient incidents. The optimal life cycle of Automated External Defibrillators (AED) is generally 7-10 years of service. The current units are due for replacement as they are past their optimal life span of 10 years.

TFS currently utilizes Zoll equipment during cardiac arrest responses and for firefighter training. It is important that TFS purchase Zoll defibrillators in order to maintain consistency with the equipment being used by Toronto Paramedic Services (TPS). The introduction of dissimilar equipment would result in delays in the transition of patient care from TFS to TPS. Maintaining standard equipment supports joint operations and emergency response by both TFS and TPS. TFS ensuring compatibility between with the cardiac technology employed by TFS and TPS will support joint operations and emergency response by both TFS and TPS.

Further, continuing with Zoll equipment avoids additional costs that would arise as a result of compatibility issued with TFS' existing equipment (e.g. defibrillation pads, mannequins for training, etc.), which is also manufactured by Zoll. TFS would have to pay additional costs to make current equipment compatible with defibrillators made by another manufacturer. By purchasing from the same manufacturer that supplies the existing defibrillators TFS will be able to avoid additional costs with respect to the use of existing training mannequins, and defibrillation rhythm training simulators; use of currently stock of training defibrillation pads, and operational live defibrillation pads; and data capture related to participation in, and access to, prehospital medical research.

Zoll defibrillators are manufactured by, and proprietary to, Zoll Medical Canada Inc. All Zoll defibrillators sold to fire departments and paramedic services in Canada are distributed directly through Zoll Medical Canada Inc., and are not available for purchase through other vendors or distributors.

The City has 170 Zoll defibrillators (AED Pro Model No. 9001-9910) which would be surplus to the City's needs upon the purchase of the 200 ZOLL AED 3 BLS Semi-automatic, Model No. 8504-001103-06 defibrillators.

Zoll has made an offer to issue a credit note for the 200 ZOLL AED 3 BLS Semi-

automatic, Model No. 8504-001103-06, in the amount of \$34,000 (\$34,599 net of HST recoveries) through the trade-in of the City's surplus goods.

In 2019, in addition to the purchase of the defibrillators and accompanying equipment, TFS will also be purchasing 7 years' worth of online subscriptions/licenses for access to Zoll Online CaseReview Premium (to align with the 7-year industry standard defibrillator replacement model). These licenses are sold in 5-year and 1-year packages therefore TFS will purchase one 5-year subscription period and two 1-year license periods.

The Fair Wage Office has reported that Zoll Medical Canada Inc. has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

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SIGNATURE

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