



Date: September 8, 2022
To: Johna Easley, Interim President & CEO
From: Frank Gresh, Interim Chief Operating Officer
Subject: Additional Used Ambulance Emergency Purchases

Policy and Law:

EMSA Purchasing Policy A3 and Section 176.I of Title 60 of the Oklahoma Statutes requires that any purchases over \$50,000 be conducted in compliance with the Oklahoma Public Competitive Bidding Act. An exception to our policy and the law allows for Emergency Purchases in an amount greater than \$75,000 to be completed without public bidding. Section 176.I of Title 60 provides as follows: *should the trustee or the trustees find that an immediate emergency exists, which findings shall be entered in the journal of the trust proceedings, by reason of which an immediate outlay of trust funds in an amount exceeding Seventy-five Thousand Dollars (\$75,000.00) is necessary in order to avoid loss of life, substantial damage to property, or damage to the public peace or safety, then the contracts may be made and entered into without public notice or competitive bids.*

Present Situation:

In the post-COVID world, there have been significant supply chain shortages and reduced manufacturing of all kinds. This has also impacted the ability to manufacture new and remount older ambulances. In June we received a letter from American Emergency Vehicles (AEV), the company that manufactures and remounts EMSA's ambulances, invoking force majeure for all of their contracted sales and remounts (letter previously submitted for the August 22, 2022 EMSA Board of Trustees meeting). Just recently the American Ambulance Association in conjunction with the International Association of Fire Chiefs, International Association of Firefighters, and the National Association of Emergency Medical Technicians presented a letter to the United States Secretary of Transportation, Pete Buttigieg, imploring the Secretary to "step in and help to resolve this situation" (letter previously submitted for the August 22, 2022 EMSA Board of Trustees meeting).

This is not specifically an EMSA issue, but rather a nationwide issue. Where this nationwide issue impacts EMSA is that we have been unable to maintain our schedule of getting older ambulances remounted on new chassis as well as getting new ambulances to replace those lost to significant crashes and in one case a fire that destroyed one. In addition, those supply chain issues have impacted our ability to repair ambulances that are now out of service due to crashes or mechanical issues because our vendors (and our own shop) have been unable to get the parts necessary to facilitate such repairs.

In the Western Division, we have 60 ambulances. Presently of those 60, we have 12 out of service for what we consider long term, which is more than a week. Six of those 12 vehicles are out of service for extensive repairs. Those range from replacing an engine (in two units) to other serious mechanical issues. Between waiting on parts, and the time it takes to complete the more extensive repairs (while keeping the rest of the fleet serviced and functioning), we hope to have two of those units back in service by the end of August, two more by mid-September, two more by the end of September and the final one back by the end of October. We have done a couple of things to expedite those repairs including using Ford Dealerships for some of the repairs and we have sent units to our shop in Tulsa as well. The remaining six units that are out of service long-term are either at AEV, our ambulance manufacturer, or are out of service permanently and awaiting a replacement unit to be built. Those at AEV are awaiting new chassis from Ford in order for the boxes to be remounted. We anticipate addressing this shortage, in part, by bringing four of those units back from AEV since the chassis for those units won't likely be in until mid to late summer of 2023 (if even then). While these four are high mileage, it's possible that we can keep them functioning for a period of time.

In the Eastern Division we have 50 ambulances, only two are out of service long term, and both of those are permanently out (one due to a crash and one to the fire I mentioned previously). These units will need to be replaced and are unable to be remounted. We have not yet ordered replacement ambulances for these vehicles due to the known critical supply chain shortages.

In FY22 EMSA budgeted \$2 million for ambulances which was not spent due to the fact that we were not able to purchase new vehicles or get remounts completed. For FY23 EMSA has budgeted \$2.4 million for ambulance purchases and remounts. EMSA is seeking to purchase up to eight (8) used ambulances (for a max total of \$760,000) in accordance with the above policies and statutes and to address the shortage facing EMSA which is further detailed below, which would be in addition to the four units we will be bring back from AEV.

EMSA continues to be in the process of employing more EMTs and Paramedics to fill openings on our schedule. EMSA faces a critical shortage of vehicles in both divisions in which to put crews into. The immediate need is greater in the Western division. Our new shift bid in the Western Division will peak at 43 units. When you add in the amount of units we need for a safety margin (20% or a total of 52 units) and additional units needed for special events and other standbys, we are critically short of ambulances by at least six ambulances. In the Eastern Division, our peak is lower by one at 42, but not being able to replace those two vehicles in a timely fashion will cause a shortage this fall in the Eastern Division (when we have additional standbys for football season), also in consideration of the necessary safety margin (20% or a total of 51 units, which is one more than we presently own).

As previously stated in the August 2022 EMSA Board of Trustees meeting, we have identified that there is a market of used ambulances for sale around the country. We have been able to purchase four used ambulances so far and we are continuing to monitor this market. While

certainly not the preferred purchase option, we believe that purchasing these used ambulances will help bridge the gap until we can routinely get new and remounted ambulances flowing again. That gap is likely to be another two to three years according to conversations with industry experts. The used ambulances we have seen available on the used market range from \$40,000 up to \$100,000 depending on their respective mileage and condition. When these ambulances become available on the market, we have observed that they are usually only available for a day or two before another ambulance service in a similar position purchases them. It is imperative that EMSA move quickly when such units become available on the market, which will ultimately mean that from time-to-time EMSA will need to assemble the Board of Trustees on very short notice to facilitate an emergency meeting in order to obtain such units, and to do so in accordance with the constraints of the statutory purchasing requirements. We have been advised by legal counsel that we are unable to pre-approve such purchases until used vehicles are identified, because the emergency clause in the statutes contemplates an identified piece of equipment when making the declaration of emergency.

Request:

With the current amount of in-service vehicles, it is imminent that EMSA will run short on ambulances if additional purchases are not made. We would not be able to enable a hybrid system of service delivery or implement any critical level staffing assistance due to the critical shortage of vehicles. We will not have enough available ambulances to provide the required special event coverage (especially at high school and college sporting events) in the Western Division. So, to avoid “damage to the public peace or safety” by not being able to put the necessary amount of vehicles on the street, I am requesting you and the EMSA Board of Trustees declare that an immediate emergency exists requiring an immediate outlay of funds and to authorize the purchase of three recently identified used ambulances for the negotiated price of \$239,750.