



Date: October 24, 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 now have 67 ambulances. Presently of those 67, we have eight out of service for what we consider long term, which is more than a week. Four of those eight vehicles are out of service for extensive repairs due to vehicle contacts that have occurred. One of those four is possibly totaled, so we will need to have a replacement unit built. The remaining four units that are out of service long-term are at AEV, our ambulance manufacturer awaiting chassis to be remounted.

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 because 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 employ 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 consider the total number 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 two more 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 stated in the August 2022 EMSA Board of Trustees meeting, we have identified a market of used ambulances for sale around the country. We have also been in contact with an Oklahoma based ambulance dealer that has several new Type II ambulances coming available at the end of October. Type II ambulances are the van style that we routinely use for our inter-facility non-emergency business, but these could be used for other needs as well. We have purchased seven used ambulances so far and are continuing to monitor this market. While certainly not the preferred purchase option, we believe that the purchases we have made will help bridge the gap until we can routinely get new and remounted ambulances flowing again. We have already had some discussions with AEV (and other manufacturers and dealers) about the availability of chassis, and we are seeing some positive movement, but no immediate relief (as in the next 6 to 12 months). These two new Type II ambulances we have identified will be available in a matter of days as they finish production towards the end of October. When both

the used and these new 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 number of in-service vehicles, it is imminent that EMSA will run short on ambulances if additional purchases are not made. 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 two recently identified new Type II ambulances for the negotiated price of \$210,000.