

Municipality of Chatham-Kent

Chatham-Kent Fire & Rescue

To: Mayor and Members of Council
From: Chris Case, Fire Chief
Date: December 9, 2024
Subject: Land Ambulance Service Contract

Recommendations

It is recommended that:

1. The contract to provide EMS Services for a five-year period from January 1, 2025, through December 31, 2029, be awarded to Medavie at a total contract price of \$82,857,813 (HST Exempt).
2. The Mayor and Clerk be authorized to sign the necessary agreements.

Background

The current contract between the Municipality and Medavie EMS will be coming to an end on December 31, 2024. Medavie began providing Land Ambulance Service to the Municipality of Chatham-Kent in 2012.

The responsibility for the provision of land ambulance service rests with upper-tier regional government or a designated delivery agent. As such, the Municipality of Chatham-Kent must provide an ambulance service to the region (Chatham-Kent).

Currently, the land ambulance service in Chatham-Kent is being provided by an external contract provider. In the year 2000, the province downloaded the responsibility for Land Ambulance services. The Municipality has contracted out the provision of Land Ambulance through multiple requests for proposal and service contract negotiations.

Since the download of EMS from the province to upper-tier municipalities, the majority of other municipalities have moved to a direct delivery model for EMS, except the Municipality of Chatham-Kent, Elgin-St. Thomas, and a few small hospital-based services (Dufferin County, Parry Sound and Lanark). Perth County, Lennox and Addington have Medavie provide General Managers to oversee the operation with the paramedics being municipal employees.

The Municipality and Medavie have worked together on several successful programs and partnerships since 2012, including the Community Paramedicine Program, COVID-

19 vaccination and flu clinics; along with assisted healthcare to CKHA through the use of the mobile EMS trailer, public education and community safety initiatives.

All ambulances, equipment and EMS stations are owned by the Municipality of Chatham-Kent and Medavie provides staffing and oversight of the Land Ambulance Service contract. There are currently 14 ambulances, 3 support vehicles for supervisors, 3 vehicles for the Community Paramedicine program and a mobile support trailer.

Medavie provides Land Ambulance Service to the Municipality from 6 Municipally owned EMS Stations strategically placed throughout the Municipality. The Stations are located in Chatham, Wallaceburg, Tilbury, Thamesville, Ridgeway and Blenheim.

Comments

Medavie Chatham-Kent employs 1 full-time general manager, 4 full-time managers, 4 full-time supervisors, 5 part-time supervisors and 1 admin staff out of the Chatham Headquarters along with 123 unionized staff, comprised of 87 full-time paramedics and 36 part-time paramedics.

All payroll, benefits, pensions and WSIB are paid by Medavie therefore costing the municipality no additional cost for these benefits or administration.

From a service delivery perspective, to have paramedics within the Municipal structure provides opportunities for closer partnerships, deployments, and innovation. However, Chatham-Kent has the benefit of not directly employing paramedics with HR aspects such as WSIB, negotiations etc. which we currently engage at a fixed contract price.

Medavie has provided fixed pricing for the next five years (2025-2029).

The EMS Land Ambulance contract is 50% funded by the Ministry of Health.

We have previously gone through the Request for Proposal process and at that time Medavie was the only bidder. We have good connections within the industry, and as such were able to benchmark costs and confirm that no other providers are offering paramedic services in Ontario.

Under the negotiated contract extension, terms have been adjusted to address some administrative matters that will add value for Chatham-Kent, such as:

- Medavie attending Council meetings to present and answer any questions that Council may have on its annual report.
- A commitment by Medavie to provide a minimum of 100 hours of support in the community such as providing services around mental health, homelessness, and addiction.
- The ability to extend the contract for a six-month period if the Municipality has not reached a decision on the future service provider or delivery model by the end of Medavie's five-year contract.

- Medavie will be required to provide a comprehensive Paramedic Master Plan by November 1, 2028.
- Additional reporting by Medavie on performance metrics, turnover rates, training opportunities, and opportunities to utilize paramedics in other municipal sectors, if needed.

As the relationship between Medavie and the Municipality has been longstanding, Medavie has negotiated some changes to the contract to be in line with their current processes. Administration has reviewed Medavie's requests and finds the following amendments reasonable:

- A limit on Medavie's liability for their services to a limit of \$20 million, in line with the insurance coverage Medavie provides as part of the contract.
- The Municipality will pay for repairs to ambulances in excess of \$5,000 if the damaged ambulances are beyond their expected lifecycle. The Municipality procures and owns the ambulances used by Medavie, so it is reasonable for the Municipality to contribute to major repairs for ambulances which have not been replaced once they have reached their lifecycle.
- Medavie will be permitted to terminate the contract before the five-year term end date if it is no longer feasible for them to provide the services. Medavie must provide 15 months' notice that they will be choosing to terminate the agreement on either the third or fourth anniversary of the contract. This means Medavie will only have two opportunities to terminate, and Medavie will be required to provide enough advance notice to allow Municipality time to procure another service provider or to deliver the service directly.
- Medavie will not be required to provide a letter of credit for the renewal of their services. Although this previously was a requirement, Medavie has asked for its parent company to instead provide a guarantee for all of its obligations under the contract up to the amount of the previous letter of credit. Administration has reviewed the financial information of the parent company, and it is a going concern with assets that can be relied upon should Medavie default on any provisions in the contract.

Council Term Priorities

This report supports the following Council Term Priorities:



Consultation

Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
2a	3c		

The Chief Administrative Officer, Chief Financial Officer/Treasurer, Fire Chief and Director, Legal Services were consulted to discuss the financial and contractual information of the contract with Medavie.

Diversity, Equity, Inclusion and Justice (DEIJ)

The chosen provider will need to consider how to continue to contribute to health equity for communities that experience barriers to accessing care in Chatham-Kent.

Financial Implications

In 2024, the Municipality of Chatham-Kent will pay Medavie EMS \$14,235,660, of which approximately 50% is paid by the Ministry of Health as contracted.

Below shows the financial breakdown of the contract agreement as agreed upon between Medavie and the Municipality of Chatham-Kent, again of which approximately 50% is paid by the Ministry of Health.

	Current Year	New Contract				
	2024	2025	2026	2027	2028	2029
Total Cost for Medavie	\$14,235,660	\$15,280,457	\$15,937,517	\$16,559,080	\$17,204,884	\$17,875,875
% Increase		7.339%	4.300%	3.900%	3.900%	3.900%

Prepared by:
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Reviewed by:

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Dave Taylor, Director, Legal Services
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Consulted and confirmed the content of the consultation section of the report by:

Ken Labonte, Assistant Fire Chief