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Halifax Regional Council
March 18, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer

DATE: March 03, 2003

SUBJECT: Extension to Tender 01-101 - Purchase of Scott 2.2 Low Pressure Self-Contained Breathing Apparatus

ORIGIN

Prices for Self Contained Breathing Apparatus have increased significantly as of March 1st, 2003 due to air pak design changes. While the purchase of additional breathing apparatus is planned as part of the 2003-04 Capital Budget Process, there is an opportunity to commit to the purchase now from existing Acklands-Grainger Inc. Breathing Apparatus inventories and save approximately \$222,000.

RECOMMENDATION

It is recommended that:

1. Halifax Regional Council provide advanced funding approval of the proposed 2003/04 Capital Project CEJ00517, Breathing Apparatus in the amount of \$485,000.
2. Halifax Regional Council agree to the purchase of an additional 163 Scott AP50 Self Contained Breathing Apparatus for use within the Halifax Regional Rural Fire and Emergency Service from Ackland-Grainger Inc. in the amount of \$482,832.08(net tax included).

BACKGROUND

In October of 2002 Council approved the purchase of 96 Scott AP50 self-contained breathing apparatus for the rural fire service from Acklands-Grainger Inc. It is the intention of the rural service to standardize on the Scott air pak to continue to address its training and mutual aid issues. The proposed purchase of an additional 163 air paks is one more step in achieving this goal. This will leave an additional 30 air paks to be purchased over the next 12 months to achieve standardization.

DISCUSSION

The Halifax Regional Fire and Emergency Service purchased 96 Scott AP50 air paks from Acklands-Grainger Inc. in October of 2002. The design changes that came into effect on March 1st, 2003 have increased the per unit price of the Scott AP50 air pak by approximately \$1,361.00. Acklands-Grainger, on speculation of this significant price increase, pre-purchased approximately 600 Scott AP50 air paks identical to those acquired by HRM in November of 2002. Of the 600 purchased only 168 remain in the Acklands-Grainger inventory at the time of this report. Acklands-Grainger have agreed to hold 163 air paks for the HRM, pending Council approval on March 18th, 2003, for the early purchase from the proposed 2003-04 Capital Budget. This will allow the Halifax Regional Fire and Emergency Service to obtain air paks identical to those purchased in October of 2002 and maximize the funds available in the proposed 2003-04 Capital Budget.

Price Comparison:(Non-refundable portion of the HST included)

Scott AP50 Air Pak (price paid October, 2002) - \$2,815.55 each
 Scott AP50 Air Pak (March 1st price with design changes) - \$4,323.16 each
 Scott AP50 Air Pak (current price from Acklands-Grainger) - \$2,962.16 each
Potential Savings - **\$1,361.23 X 163 = \$221,880.49**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Proposed	\$485,000	\$242,000	\$0.00	
	113 units	56 units		total 169 units
Revised Proposal	\$485,000	\$130,000	\$0.00	
	163 units	30 units		total 193 units

Note: Staff have contacted other Scott Breathing Apparatus supplies and have been advised that they do not have sufficient stock(10-15 units only) of the AP50 model at pre March 1st, 2003 pricing.

BUDGET IMPLICATIONS

The requested advanced funding amount of \$485,000 would be the first charge against the upcoming 2003/04 Capital Budget.

Proposed Budget Summary - Project CEJOO517 - Breathing Apparatus-03/04

Cumulative Unspent Budget	\$485,000.00
Less: Purchase Price	<u>\$482,832.08</u>
Uncommitted Budget	\$ 2,167.92

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating Reserves, as well as any relevant legislation.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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