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CONTRACT VALUE INCREASE LONG TERM CARE HEALTH CARE SUPPLIES

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated February 17, 2011, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve a contract increase of \$16,043.38 from \$149,836.75 to \$165,880.13 excluding taxes to Medical Mart Supplies Limited for supply and delivery of health care supplies.

2. PURPOSE

This report seeks Regional Council authorization to increase Contract T-07-62 for supply and delivery of health care supplies and to close out the contract.

3. BACKGROUND

Long Term Care awarded the contract for supply and delivery of Health Care Supplies in 2007

Medical Mart Supplies Limited was awarded contract T-07-62 for supply and delivery of health care supplies which commenced on September 26, 2007 and expired on September 30, 2010.

In September 2009, Regional staff activated the 20% scope change and 15% contingency change. In August 2010, a fast track approval of \$25,000 was activated on the contract. The total contract value over the 3 years including all increases is \$149,836.75.

Staff have exhausted authority in purchasing and there are still outstanding invoices of \$16,043.38 that cannot be paid without Council approval to increase the value of the contract.

Long Term Care awarded a new contract for supply and delivery of Health Care Supplies in 2010

Long Term Care issued a new tender for supply and delivery of health care supplies in August 2010. The contract T-10-91 was awarded to Futuremed Health Care Products Inc. for one year (September 29, 2010 to September 30, 2011), with an option to renew for four additional twelve month periods at the discretion of the Commissioner. Futuremed Health Care Products Inc. was the overall lowest responsive and responsible bidder.

4. ANALYSIS AND OPTIONS

The tender awarded to Medical Mart Supplies Limited in 2007 was based on past operational needs, and actual requirements were higher than estimated.

The tender for supply and delivery of health care supplies was issued in 2007. At the time of issuing the tender, the medical supplies were estimated based on past operational needs of the residents of the two long term care homes who are provided total nursing and medical care. Health care supplies are ordered based on each resident's medical needs.

Resident care and acuity levels of the residents have increased over the last few years as long term care residents often have multiple chronic illnesses and require specialized care and services. This has resulted in changes in program delivery to the residents of the homes. It is difficult to estimate the client's requirements and at the time of issuing the tender it was difficult to predict the amount of supplies required.

Long Term Care was also required to order additional supplies due to the necessity to store pandemic contingency supplies

Over the last 4 years requirements to adhere to enhanced legislative requirements, infection control safe operating practices and best professional practices resulted in a need to order additional health care supplies. Long Term Care was required to order and store pandemic contingency supplies based on one month's requirements.

5. FINANCIAL IMPLICATIONS

The outstanding invoices that must be paid to Medical Mart Supplies Limited is \$16,043.38 excluding taxes

The original contract amount awarded for 3 years to Medical Mart Supplies Limited was \$92,471.67. During the term, Regional staff activated the 20% scope change and 15% contingency change and a fast track approval of \$25,000. This resulted in the total contract value increasing to \$149,836.75.

Outstanding invoices that require Council approval for payment to the vendor total the amount of \$16,043.38 excluding taxes. This amount will increase the total value of the contract to \$165,880.13.

The outstanding amount of \$16,043.38 has been accrued at year end 2010 in the Long Term Care operating budget.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with this report. Proper ordering of health care supplies ensures that Long Term Care staff are able to provide high quality care to our residents in our long term care homes.

7. CONCLUSION

The contract T-07-62 for supply and delivery of medical supplies by Medical Mart Supplies Limited should be increased by \$16,043.38 excluding taxes in order to ensure that payment is made to the vendor for the outstanding invoices and to close out the contract.

For more information on this report, please contact Sylvia Patterson, General Manager of Housing and Long Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.