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CONTRACT SCOPE AND 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 April 21, 2011 from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve a scope and value increase of \$150,000 from \$106,993.30 to \$256,993.30 excluding taxes to the current contract with Futuremed Health Care Products Inc. for supply and delivery of health care supplies.

2. PURPOSE

This report seeks Regional Council authorization to increase Contract T-10-91 and Purchase Order for supply and delivery of health care supplies, to allow purchase of non contracted medical supplies and equipment for convalescent care clients (pursuant to the change in scope provisions of the Purchasing By-law - Section 12.1 a).

3. BACKGROUND

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 of Community and Health Services. Futuremed Health Care Products Inc. was the overall lowest responsive and compliant bidder.

Specialized supplies and equipment for convalescent care clients were not included in this tender as the quantities of items could not be predetermined.

4. ANALYSIS AND OPTIONS

The tender awarded to Futuremed Health Care Products Inc. in 2010 was based on current operational needs, and did not include non-contracted supplies

The tender for supply and delivery of health care supplies was issued in 2010. At the time of issuing the tender, the health supplies were estimated based on current operational needs of the residents of the Region's 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. The estimated quantities and product codes for these contracted items were identified in the tender document. Futuremed Health Care Products Inc. was the lowest responsive and compliant bidder and was awarded the contract.

Staff have also been involved in discussion with the Central Local Health Integration Network relating to supply chain management and distribution, and options for participating in the regional hospital cooperative tendering process. Due to the uniqueness of medical supplies ordered by Long Term Care Homes participation has not been feasible, however future discussions are planned.

Non-contracted items relating to quantities of high intensity medical supplies and equipment that are required for convalescent care program clients in both Homes cannot be predetermined and were not included in the tender

A total of 34 long term care beds are designated as convalescent care beds. This program helps to free up acute care beds in hospitals and deliver services to these clients in a more cost effective manner. Clients in this program require intensive rehabilitation and therapy services for up to 90 days to maximize their functional abilities and level of independence.

It is difficult to estimate the cost of medical supplies for Convalescent Care Program clients as their post-operation requirements are unknown until they are admitted to the Home. Examples of the types of items that are required to be purchased based on individual client needs are: equipment and supplies for G-tube and J-peg feeds (includes pumps, tubing, spike kits and adapters, and the feed itself); equipment and supplies for intravenous infusions; dressing supplies including colloidal dressings; and special adhesives and pressure reduction surfaces including mattresses and toppers.

At the time of issuing the tender these items could not be itemized and quantified and therefore not included. An allowance is now requested through the same vendor contract for the first year. Long Term Care will not be exercising the option for renewal of the current contract for four additional twelve month periods, and will issue a new tender in July 2011, to be awarded for October 1, 2011.

Medical supplies and equipment for these clients are ordered under the High Intensity Needs Funds program and are 100% reimbursed by the Ministry of Health and Long-Term Care. It supports Long Term Care homes to fund the extraordinary treatment costs of residents with acute or intensive service needs.

Staff are now aware that an allowance can be included in the tender contract when itemized quantities cannot be identified, and this will be built into the new tender document.

5. FINANCIAL IMPLICATIONS

An allowance for \$150,000 excluding taxes is required to increase the contract scope and value of the Purchase Order with Futuremed Health Care Products Inc.

The original contract amount awarded for one year to Futuremed Health Care Products Inc. was \$89,161.08. As an interim measure, Regional staff recently activated the 20% scope change approval of \$17,832.22. This resulted in the total contract value increasing to \$106,993.30.

Contract allowance for Convalescent Care High Intensity Needs supplies and equipment requires Council approval for a scope value increase of the amount of \$150,000 excluding taxes. This amount will increase the total value of the contract to \$256,993.30.

The Long Term Care 2011 operating budget has sufficient funds to account for this additional scope value change of \$150,000. Also, all medical supplies and equipment ordered for Convalescent Care are 100% reimbursed by the Ministry of Health and Long-Term Care.

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-10-91 for supply and delivery of medical supplies by Futuremed Health Care Products Inc should be increased by \$150,000 excluding taxes for the current year contract. This will allow Long Term Care to order non-contracted high intensity care supplies from the same contract.

Long Term Care will not be exercising the option for renewal of the current contract for four additional twelve month periods, and will issue a new tender contract in September 2011.

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.