

# TORONTO STAFF REPORT

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January 20, 2003

To: Board of Health

From: Dr. Sheela Basrur, Medical Officer of Health  
Eric Gam, Commissioner of Community and Neighbourhood Services

Subject: Dental Laboratory Service  
Quotation request No. 0502-01-0026 / Open Contract No. 47004332

## Purpose:

The purpose of this report is to request the extension of the contract for dental laboratory services with C & B Dental Laboratory to May 31, 2003

## Financial Implications and Impact Statement:

There is no increase in the allocated budget for this contract and therefore, there is no additional financial impact arising from this report.

The change in the budget from \$350,000 to \$700,000 for a two year contract with the supplier, is as a result of clients paying their half of dental laboratory fees to Toronto Public Health (TPH) instead of to the dental laboratory. The gross budget appears to be increased however, there is no net increase in the budget.

The Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

## Recommendations:

It is recommended that:

- (1) City Council authorize the extension of the current contract for dental laboratory services with C & B Dental Laboratory until May 31, 2003; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In March 2001, a two year contract, was awarded to C & B Dental Laboratory through the City's tendering process. The provisions of this contract (47004332) allowed for a renewal option in the third year. At the time of awarding the contract, the value of the contract was \$175, 000 for two years. This did not require Council approval based on purchasing policies at that time. The value of this tender reflects the fact that at that time, patients were required to pay half of the dental laboratory cost, directly to C & B Dental Laboratory, with Toronto Public Health (TPH) being responsible for paying the other half.

Comments:

On the advice of Corporate Finance, the remittance procedure to the lab was changed to reflect current accounting practices in the City. Patients are now required to submit their half of the dental laboratory cost to TPH which remits the full laboratory fee to C & B Dental Laboratory. This has resulted in budget adjustments which have the effect of increasing the value of the contract over the two year period, thereby requiring Council approval. Instead of the contract being valued at \$350,000 over 2 years, the contract is now valued at \$700,000. However there is no net increase in the allocated budget for this contract.

Extending the contract to May 31, 2003, means that the contract will be valued at \$780,000 for the period March 2001 to May 2003. The extension of the contract is being requested to allow staff the time to prepare and obtain the necessary approval, through the City's purchasing process, a new contract for dental laboratory services to be implemented June 1<sup>st</sup>, 2003.

The extension of the contract with C & B Dental Laboratory is required to allow the Toronto Public Health dental program to continue to offer denture services for seniors during the period Jan 1, 2003 to May 2003. During this time, staff, working with the Purchasing and Materials Management Division will re-tender and get the required approval to award a new contract for these services. If approval to extend this contract is not given, TPH would have to suspend the fabrication and repair of dentures for those seniors who utilize the TPH dental program.

Conclusion:

Due to a change in accounting practices and the time needed to re-tender and gain appropriate approval for a new contract for dental laboratory services, TPH is requesting an extension of the current contract with C & B Dental Laboratory to May 31<sup>st</sup>, 2003 for these services. This will allow the TPH Dental Program to continue to offer denture services to low income independent living seniors while tendering for a new contract for these services.

Contact:

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Eric Gam,  
Commissioner,  
Community & Neighbourhood Services

A handwritten signature in black ink, appearing to read "Sheela Basrur". The signature is fluid and cursive, with the first name "Sheela" and last name "Basrur" clearly distinguishable.

Dr. Sheela V. Basrur  
Medical Officer of Health