

**Supply and Delivery of Hand Sanitizers for H1N1
Outbreak, contract No. 47014402**

Date:	September 23, 2009
To:	Government Management Committee
From:	Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:/2009/Internal Services/pmmd/gm09028pmmd (AFS #10379)

SUMMARY

The purpose of this report is to advise on a Sole Source purchase in the amount of \$617,077.44 net of GST, for the supply and delivery of hand sanitizers, for pandemic planning in accordance with Toronto Municipal Code, Chapter 195, Purchasing, Sections 195-9B and C.

The purchase was required to guarantee availability of Hand Sanitizer during the H1N1 outbreak in April 2009 in the event that it reached a pandemic level in the City of Toronto.

Financial Impact

The line item details and amounts of the purchase order for the supply and delivery of hand sanitizer is as follows:

Material Description	Cost (net of GST)
(1) Hand Sanitizer 115ml	\$539,965.44
(2) Hand Sanitizer 354ml	\$ 77,112.00
Value of Contract	\$617,077.44

The total contract value was \$617,077.44 net of GST (\$645,645.84 including all applicable taxes). The funding for this contract was available in a non-program account for influenza pandemic planning for the purpose of purchasing and stockpiling antivirals, personal protective equipment and infection control supplies.

The hand sanitizer on this contract was purchased for Corporate Influenza Pandemic inventory purposes. The value is held in an inventory holding Balance Sheet account

until City Divisions require the material to support their work programs at which time the material value is charged to the appropriate Divisions' approved operating budgets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of March 31, 2009 Council adopted recommendations contained in the report from the City Manager, Medical Officer of Health and Deputy City Manager and Chief Financial Officer entitled "Stockpiling Requirements for Pandemic Influenza Preparedness – Status of Ongoing Work" which included the approval of the purchase of \$5.551 million in 2009 for Pandemic stockpiling requirements be held in inventory.

The report and Council decision document can be found at:

<http://www.toronto.ca/legdocs/mmis/2009/ex/reports/2009-03-24-ex30-cr.htm>

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-03-31-cc32-dd.htm>

ISSUE BACKGROUND

During the H1N1 outbreak in April 2009, direction was given to the Purchasing and Materials Management Division (PMMD) from the City Manager to expedite the procurement of Personal Protective Equipment and Infection Control products recommended by the Medical Officer of Health for use in the event of the onset of an influenza pandemic. PMMD discovered that the available supplies of these products were quickly being depleted in the marketplace and manufacturers had begun to control the release of the products by invoking allocation systems.

The allocation systems created challenges in finding sources of supply through distributors because they could not commit to delivering the product they were requested to quote on. PMMD was able to source the City's requirements for a high volume of hand sanitizers but would only be able to secure the supply by providing an immediate commitment to the supplier in the form of a purchase order number.

As the value of the purchase was greater than \$500,000.00 it was not possible to obtain immediate approval from the Government Management Committee to issue a Sole Source Purchase Order to secure the supply. In consultation with the Acting Director of PMMD and City Manager's Office, it was agreed that the purchase be processed as an emergent requirement according to Municipal Code, Chapter 195, Purchasing, Sections 195-9B and C to secure the quantities that were available at the time.

COMMENTS

A purchase order in the amount of \$617,077.44 net of GST for 115ml personal size bottles of hand sanitizer and 354ml pump size bottles of hand sanitizer was issued to Guillevin International Co. The main considerations for recommending the purchase were price, available volume and the best delivery given the increasing influenza pandemic alert level as assigned by the World Health Organization and the emerging demand for the hand sanitizers at that time.

Due to the emergent need for the hand sanitizer, the limited availability of product in the marketplace and the time constraints to guarantee supply in a timely manner, a Sole Source purchase order was issued to Guillevin International Co. for the supply and delivery of hand sanitizers for the H1N1 outbreak utilizing the emergency purchasing requirements in accordance with Municipal Code, Chapter 195, Purchasing, Sections 195-9B and C.

The hand sanitizer is currently stockpiled in a City owned warehouse facility and is available should a pandemic occur.

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SIGNATURE

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