



STAFF REPORT ACTION REQUIRED

Non-competitive Contract with Arjohuntleigh Canada Inc. for the Purchase of Proprietary Sling Accessories and the Maintenance of Resident Lift Systems at Various Long-Term Care Home Locations

Date:	May 27, 2016
To:	Community Development and Recreation Committee
From:	General Manager, Long-Term Care Homes & Services Director, Purchasing and Materials Management
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to request authority for the General Manager, Long-Term Care Homes & Services to negotiate and enter into non-competitive contract with Arjohuntleigh Canada Inc. The contract is for the continued supply of proprietary sling accessories, maintenance, testing and repairs to existing resident lift systems used at various long-term care home locations for a five (5) year period from the date the contract is issued, for the total amount of \$2,029,531 net of HST and \$2,065,251 net of HST recoveries.

City Council approval is required in accordance with Municipal Code Chapter 195-1 Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five year commitment limit under Section 1 of the Purchasing By-Law and also exceed the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The General Manager, Long-Term Care Homes & Services and the Director, Purchasing and Materials Management recommend that:

1. City Council authorize the General Manager, Long-Term Care Homes & Services to negotiate and enter into a non-competitive agreement with Arjohuntleigh Canada Inc.,

for the continued supply of proprietary sling accessories, maintenance, testing and repairs to existing resident lift systems used at various long-term care home locations for a five (5) year period from the date the contract is entered into, for the total amount of \$2,029,531 net of HST (\$2,065,251 net of HST recoveries) on terms and conditions satisfactory to the General Manager, Long-Term Care Homes & Services and in a form satisfactory to the City Solicitor.

Financial Impact

The total estimated contract award identified in this report is \$2,029,531 net of HST, (\$2,065,251 net of HST recoveries). Funding in the amount of \$338,256 net of HST (\$344,209 net of HST recoveries) is included in the 2016 Approved Operating Budget for Long-Term Care Homes & Services. The funding for 2017, 2018, 2019, 2020 and 2021 will be included in 2017-2021 Annual Operating Budget Submissions for Long-Term Care Homes & Services, as detailed in the table below

All expenditures relating to this contract are fully eligible for provincial funding by the Ministry of Health and Long-Term Care (MOHLTC).

Funding details net of HST recoveries are provided below:

Period	Cost Centres	Cost Elements	Net of HST Recoveries
First Year Period			
Date of Award to December 31, 2016	D3*144, D3Z990	2823, 4403, 3055	\$221,167
January 1 2017 to July 31, 2017	D3*144, D3Z990	2823, 4403, 3055	\$309,633
Total: First Year Period			\$530,800
Second Year Period			
August 1 to December 31, 2017	D3*144, D3Z990	2823, 4403, 3055	\$190,886
January 1 2018 to July 31, 2018	D3*144, D3Z990	2823, 4403, 3055	\$267,241
Total: Second Year Period			\$458,127
Third Year Period			
August 1 to December 31, 2018	D3*144, D3Z990	2823, 4403, 3055	\$166,941
January 1 2019 to July 31, 2019	D3*144, D3Z990	2823, 4403, 3055	\$233,718
Total: Third Year Period			\$400,659
Forth Year Period			
August 1 to December 31, 2016	D3*144, D3Z990	2823, 4403, 3055	\$148,090
January 1 2020 to July 31, 2020	D3*144, D3Z990	2823, 4403, 3055	\$207,326
Total: Forth Year Period			\$355,416
Fifth Year Period			
August 1 to December 31, 2020	D3*144, D3Z990	2823, 4403, 3055	\$133,437
January 1 2021 to July 31, 2021	D3*144, D3Z990	2823, 4403, 3055	\$186,812
Total: Fifth Year Period			\$320,249
Grand Total			\$2,065,251

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

DECISION HISTORY

On February 7 and 8, 2011 City Council, granted the authority to enter into non-competitive contract with Arjohuntleigh Canada Inc. for the purchase, maintenance, testing and repair of resident lifts in an amount not to exceed \$3,800,000 net of all taxes and charges for a period of five (5) years from April 1, 2011 to March 31, 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM1.10>

ISSUE BACKGROUND

Long-Term Care Homes & Services (LTCHS) requires sling accessories, maintenance, testing and repairs for the existing resident lift systems. The purchase of these goods and services are essential because these resident lift systems are used for the safe transfer of residents within the City's long-term care homes.

Arjohuntleigh Canada Inc. is the sole proprietary distributor of Arjohuntleigh resident lift systems and is the original equipment manufacturer. These resident lift systems require specific accessories, including lifting slings, as well as specialized staff training to ensure proper and safe use of the specific equipment. The sling accessories are unique to the Arjohuntleigh lift systems and cannot be interchanged with other vendor "look alike" products as this would create a high risk of injury to both residents and staff. In-depth staff knowledge of the equipment and accessories leads to safer practice in using the devices and safely completing lifts and transfers. The resident lift systems must be considered as a total resident safety system, i.e. the lift and compatible sling accessories, which must be manufactured, by the same manufacturer, as well as product training, and ongoing preventative repair and maintenance.

COMMENTS

About 60% of current City long-term care residents require the use of a resident lift system. The use of the lifts improves resident safety by reducing chance of injury while being moved and also reduces the risk of injury to long-term care workers. The *Long-Term Care Homes Act, 2007* and *Regulation 79/10* (Section 36) states that "every licensee of a long-term care home shall ensure that staff use safe transferring and positioning devices or techniques when assisting residents". Further Section 90 (2) (a) requires the licensee to ensure that procedures are developed and implemented "to ensure that resident lift systems are kept in good state of repair and maintained at a level that meets the manufacturer's specifications". Failure to repair and maintain or replace unsafe equipment will put both residents and staff at risk and is in violation of both the *Long-Term Care Homes Act* and the *Occupational Health and Safety Act*.

It is financially beneficial for the City to repair and maintain the existing lifts as the cost to repair and maintain these existing lifts is significantly lower versus purchasing new lift systems before the life cycle of the existing resident lifts. The life expectancy of this product averages between seven (7) and ten (10) years depending on the usage.

In addition to the repairs and maintenance of existing lifts, LTCHS must replace slings and related accessories as a result of normal wear. The resident mechanical lift systems from Arjohuntleigh are designed in such a manner that they are only compatible with slings and related accessories from Arjohuntleigh Canada Inc. The life span of slings is three (3) to four (4) years, depending upon daily usage, frequency of soiling and washing, etc. The unavailability of slings renders the resident lift system as non-functioning. Slings come in a variety of sizes and shapes, depending upon the resident and their specific care needs and the type of resident lift system.

LTCHS has completed a comprehensive inventory listing to confirm the current status and many of the resident lift systems within the ten long-term care homes have reached their life expectancy and repairs at this stage would far exceed the cost of purchasing. A new Request for Purchase (RFP) process will be initiated, in the fall of 2016, to select a resident lift system for the planned replacement the residents' lift systems for use in the City's long-term care homes beyond 2021.

The below table identifies the expenditure during the five (5) year period from April 1, 2011 to March 31, 2016.

Contract Number	Contract Target Value Net of HST	Total Contract Expenditure Net of HST
47015756	\$3,800,000	\$3,724,833

Contract 47015756 has expired on March 31, 2016, LTCHS has requested a non-competitive bridge contract for the April 1, 2016 to August 1, 2016, in the amount of \$50,000 pending City Council approval for a new five year (5) contact. This bridge contract will ensure the continuity of services for the preventative maintenance of the resident mechanical lift systems and the safety of residents and staff using this equipment.

LTCHS has reviewed the pricing provided by Arjohuntleigh Canada and have determined the pricing is fair and reasonable and that the City is receiving the best possible price.

The Fair Wage Office has reported that the recommended firm has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

CONTACT

Dana Tulk
Director,
Management Services
Long-Term Care Homes &
Services
Telephone: 416-392-9061
Fax: 416-392-4180
E-mail: dtulk@toronto.ca

Jacquie Breen
Manager, Corporate Purchasing
Policy & Quality Assurance
Purchasing and Materials
Management
Telephone: 416-392-0387
Fax: 416-392-7470
Email: jbreen@toronto.ca

SIGNATURE

Reg Paul
General Manager,
Long-Term Care Homes & Services

Michael Pacholok
Director,
Purchasing and Materials Management