



## REPORT FOR ACTION

## Amendments to Contracts 47020879 and 47022168 with K-Dental Incorporated for the Provision of Dental Clinic Supplies and Equipment

**Date:** November 1, 2019

**To:** Economic and Community Development Committee

**From:** Medical Officer of Health & Chief Purchasing Officer

**Wards:** All Wards

### SUMMARY

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The purpose of this report is to request authority to amend two existing contracts (Contract Numbers 47020879 and 47022168) with K Dental Incorporated for the provision of Clinic Supplies and Equipment in order to support additional purchases directly relating to Toronto Public Health (TPH) Dental Care Programs funded by the Ministry of Health, and, in particular, the Ontario Seniors Dental Care Program (OSDCP).

On April 11, 2019, the Government of Ontario announced a \$90 million investment for the Ontario Seniors Dental Care Program (OSDCP), a new publicly-funded dental program for low-income seniors. The Ministry is providing Toronto Public Health with up to \$15,543,300 in additional base funding for their 2019-2020 funding year. This program will be fully funded by the province.

### RECOMMENDATIONS

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The Medical Officer of Health and the Chief Purchasing Officer recommend that:

1. The Economic and Community Development Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Contract Number 47020879 issued to K-Dental Incorporated for the provision of various dental clinic supplies and equipment by an additional \$579,000 net of all applicable taxes and charges (\$589,190 net of HST recoveries) revising the current contract value from \$2,759,388 net of all applicable taxes and

charges (\$2,807,953 net of HST recoveries) to \$3,338,388 net of all applicable taxes and charges (\$3,397,143 net of HST recoveries)

2. The Economic and Community Development Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Contract Number 47022168 issued to K-Dental Incorporated for the for the provision of supply, delivery, installation, warranty, calibration, removal and disposal of various Dental Clinic Equipment and associated staff training by an additional \$1,675,222 net of all applicable taxes and charges (\$1,704,706 net of HST recoveries) revising the current Contract value from \$119,234 net of all applicable taxes and charges (\$121,332 net of HST recoveries) to \$1,794,456 net of all applicable taxes and charges (\$1,826,038 net of HST recoveries)

## FINANCIAL IMPACT

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Funding is available in the 2019 Approved Operating Budget for Toronto Public Health for the requested amendments to increase contract numbers 47020879 and 47022168. Additional funding will be included in the 2020 Operating Budget Submission for Toronto Public Health. Additional Funding details follow (Net of Harmonized Sales Tax recoveries):

### Contract Number 47020879

Cost Centre/Cost Element	2019	2020
PH3015, PH3601, PH3740 C/Es 2825, 2999, 3060, 4425	\$122,112	-
PH3015, PH3601, PH3740 C/Es 2825, 3060, 4425, 4433, 4447, 4995		\$467,078
Total (net of HST recoveries)		\$589,190

### Contract Number 47022168

Cost Centre/Cost Element	2019	2020
PH3015, PH3601, PH3740 C/Es 2825, 2999, 3060, 4425	\$966,720	-
PH3015, PH3601, PH3740 C/Es 2825, 3060, 4425, 4433, 4447, 4995		\$737,986
Total (net of HST recoveries)		\$1,704,706

An additional \$9,098,133 will be included as part of the 2020 Operating Budget Submission, to fully implement and run the OSDCP on an annual basis.

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2020 budget process.

## **DECISION HISTORY**

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In May 2019, the City retained K-Dental (Contract 47022168) Incorporated through a Request for Quotation (RFQ) No. 0502-19-0020, for the non-exclusive supply, delivery, installation, warranty, calibration, removal and disposal of various Dental Clinic Equipment and associated staff training for approximately twenty-five (25) Public Health Dental Clinics for a one (1) year period from Date of Award with the option to review the Contract for three (3) additional one (1) year periods. The total value for this service was \$119,234 net of all applicable taxes and charges.

On July 19, 2017, by authority of the Bid Award Panel, Contract 47020879 for the non-exclusive supply and delivery of various dental clinic supplies and equipment to approximately twenty-five (25) Public Health Dental Clinics, as and when required for a period from July 1, 2017 to June 30, 2018, with the option to renew for four (4) additional separate one (1)-year periods was awarded to K-Dental Incorporated, in the amount of \$898,669 net of all applicable taxes and charges.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA32.10>

City Council, at its meeting on October 2, 2019 approved an increase in TPH's 2019 Approved Operating Budget by \$2,111,025 thousand gross, \$0 net, and 52 permanent positions with a 2020 impact of \$4,334,142 gross, \$0 net to commence the implementation of the OSDCP.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.HL9.7>

## **COMMENTS**

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As the population ages, more seniors are keeping their natural dentition and the demand for treatment services to improve and maintain oral health continues to increase. Since most seniors lose dental benefits when they retire, the City of Toronto has provided dental treatment services to low income seniors through municipally funded dental clinics since amalgamation in 1999. .

On April 11, 2019, the Government of Ontario announced a \$90 million investment for the Ontario Seniors Dental Care Program (OSDCP), a new 100% provincially-funded dental program for low-income seniors across the province. As a result the Ministry of Health is providing the City of Toronto with up to \$15,543,300 in additional base funding for the 2019-2020 funding year in order to implement the OSDCP in Toronto.

On August 20, 2019, the Ministry provided the 2019 Public Health Funding and Accountability Agreement stating that the above funding would be prorated at \$11,657,400 for the period of April 1 to December 31, 2019. The Ministry has not provided full implementation details for the new program; however, they have expressed their desire to begin implementation in November 2019.

Through the funding that will be provided by the Ministry of Health to Toronto Public Health (TPH), additional dentists, dental hygienists, denturists, and other staff will be hired to provide OSDCP services through the existing 25 TPH provincial and municipal dental clinics and supplies and Equipment utilizing existing contracts:

In order to accommodate this influx in staffing and to prepare dental clinic operators for increased service levels, additional dental equipment and supplies are required and can be purchased through two existing contracts listed below which were both a result of a competitive process:

Contract Number 47020879 was issued to K-Dental Incorporated for the provision of various dental clinic supplies and equipment by an additional \$579,000 net of all applicable taxes and charges (\$589,190 net of HST recoveries) revising the current Contract value from \$2,759,388 net of all applicable taxes and charges (\$2,807,953 net of HST recoveries) to \$3,338,388 net of all applicable taxes and charges (\$3,397,143 net of HST recoveries) and,

Contract Number 47022168 was issued to K-Dental Incorporated for the for the provision of supply, delivery, installation, warranty, calibration, removal and disposal of various Dental Clinic Equipment and associated staff training by an additional \$1,675,222 net of all applicable taxes and charges (\$1,704,706 net of HST recoveries) revising the current Contract value from \$119,234 net of all applicable taxes and charges (\$121,332 net of HST recoveries) to \$1,794,456 net of all applicable taxes and charges (\$1,826,038 net of HST recoveries).

Prior to the recent provincial announcement, there were no provincially funded dental programs for low income, independent living seniors. The provincial OSDCP will allow eligible seniors to receive timely treatment services that would otherwise, if left untreated, negatively affect their overall health and wellbeing. In order to provide these treatment services, supplies and equipment must be procured in a timely manner.

## **CONTACT**

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## **SIGNATURE**

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Dr. Eileen de Villa  
Medical Officer of Health

Michael Pacholok, JD.  
Chief Purchasing Officer

## **ATTACHMENTS**

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Appendix A – MOHLTC Senior Dental Funding Letter