TORONTO

REPORT FOR ACTION

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

Date: May 10, 2021
To: Economic and Community Development Committee
From: Interim General Manager, Seniors Services and Long-Term Care and the Chief Procurement Officer
Wards: All

SUMMARY

The purpose of this report is to request authority to 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 in the City's 10 directly-operated long-term care homes for a five (5) year period from the date the contract is issued, in the total amount of $5,320,395 net of HST ($5,414,033 net of HST recoveries).

The contract being recommended in this report is solely to maintain the existing residential lift systems used in the City's long-term care homes. SSLTC will be issuing a competitive solicitation for new lifts in 2021. To mitigate the risk of multiple lift products, the division has a planned replacement strategy to conduct a complete replacement sequentially on a home-by-home basis, and redistributing all lifts which still have useful life remaining to other homes in the division.

City Council approval is required in accordance with Toronto Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of $500,000 net of Harmonized Sales Tax allowed under staff authority as per Toronto Municipal Code Chapter 71, Financial Control, Section 71-11a.

RECOMMENDATIONS

The Interim General Manager, Seniors Services and Long-Term Care and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Seniors Services and Long-Term Care 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 the City of Toronto's 10 directly-operated long-term care home locations, for a five-year period from the date the contract is issued, in the total amount of $5,320,395 net of Harmonized Sales Tax ($5,414,033 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the General Manager, Seniors Services and Long-Term Care and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total estimated contract award identified in this report is $5,320,395 net of HST, $6,012,046 inclusive of HST. The total estimated cost to the City is $5,414,033 net of HST recoveries.

Funding in the amount of $425,983 net of HST ($433,480 net of HST recoveries) is included in the 2021 Approved Operating Budget for Seniors Services and Long-Term Care. Funding for 2022-2026 will be included in the Annual Operating Budget Submissions for Seniors Services and Long-Term Care. All expenditures relating to this contract are fully eligible for provincial funding by the Ministry of Long-Term Care (MLTC).

Funding details net of HST recoveries are provided below:

Period	Cost Centre / Cost Element D3*144, D3Z990 / 4403, 3099, 4699 (net of HST Recoveries)	Total (net of HST Recoveries)
August 1, 2021 to December 31, 2021	$433,480	
January 1, 2022 to July 31, 2022	$606,872	
Total: First Year Period		$1,040,352
August 1, 2022 to December 31, 2022	$442,450	
January 1, 2023 to July 31, 2023	$619,009	
Total: Second Year Period		$1,061,159
April 1, 2023 to December 31, 2023	$450,993	

Period	Cost Centre / Cost Element D3*144, D3Z990 / 4403, 3099, 4699 (net of HST Recoveries)	Total (net of HST Recoveries)
January 1, 2024 to March 31, 2024	$631,390	
Total: Third Year Period		$1,082,382
April 1, 2024 to December 31, 2024	$460,012	
January 1, 2025 to March 31, 2025	$644,017	
Total: Fourth Year Period		$1,104,030
April 1, 2025 to December 31, 2025	$469,213	
January 1, 2026 to March 31, 2026	$656,898	
Total: Fifth Year Period		$1,126,110
Grand Total (net of HST recoveries)		**$5,414,033**

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

DECISION HISTORY

In 2018, RFQ 1004-17-0006 was issued and awarded to Arjohuntleigh Canada Inc. (Reference Blanket Contract Number 47021576) in the amount of $ 2,559,324.39 net of HST, for the non-exclusive supply, delivery, installation, preventative and corrective maintenance, calibration and warranty of mechanical lifts and slings and related parts, accessories and miscellaneous items for the City of Toronto's SSLTC for the period June 29, 2018 to May 31, 2021.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA81.7

On July 12, 13, 14, and 15, 2016, City Council granted the authority to enter into a non-competitive contract with Arjohuntleigh Canada Inc. for the purchase, maintenance, testing and repair of resident lifts in an amount not to exceed $2,029,531, net of all taxes and charges for a period of five (5) years from July 25, 2016 to July 31, 2021.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD13.4

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

COMMENTS

The non-competitive request is for the continued supply of proprietary sling accessories, maintenance, testing and repairs to existing resident lift systems used at the City's 10 directly-operated long-term care home locations. Lift systems are an essential piece of equipment within the City's directly-operated long-term care homes.

Approximately 60% of current residents require use of a resident lift system. The use of the lifts improves resident safety by reducing chance of injury when being moved or repositioned and also reduces the risk of injury to staff members. 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.

Seniors Services and Long-Term Care Division (SSLTC) has over 400 Arjohuntleigh resident lifts which are in constant use and require routine preventive maintenance, replacement of slings, batteries and other general maintenance/repairs to keep them in safe operating condition. Arjohuntleigh Canada Inc. is the exclusive rights distributor of Arjohuntleigh resident lift systems and is the original equipment manufacturer. 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 preventive repair and maintenance.

Three (3) different types of lifts that are used in different rooms and for different therapeutic purposes: (i) mobile mechanical lifts, to transfer and lift residents in a variety of circumstances (ii) sit-to-stand lifts; and (iii) ceiling lifts, to transfer residents to and from bed. MOHLTC funding required long-term care homes procuring the lifts under these funding agreements to make arrangement for the maintenance and servicing of the lifts, at a level that meets the manufacturer's specifications.

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, Seniors Services and Long-Term Care 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 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.

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 than purchasing new lift systems, before the life cycle of the existing lifts. The division is receiving fair and reasonable pricing which is based on proposed volume and includes a 15% discount on slings.

SSLTC will be issuing a competitive solicitation for new lifts in 2021. To mitigate the risk of multiple lift products, the division has a planned replacement strategy to conduct a complete replacement sequentially on a home-by-home basis, and redistributing all lifts which still have useful life remaining to other homes in the division.

The Fair Wage Office has reported that Arjohuntleigh Canada Inc. has reviewed and understands the Fair Wage Policy and Labour Trades requirements. They have also agreed to fully comply.

CONTACT

Dana Tulk, Director, Management Services, Seniors Services and Long-Term Care, 416-392-9061, Dana.Tulk@toronto.ca

Jacquie Breen, Manager, Corporate Purchasing Policy and Quality Assurance, Purchasing and Materials Management, 416-392-0387, Jacquie.Breen@toronto.ca

SIGNATURE

Paul Raftis
Interim General Manager
Seniors Services and Long-Term Care

Michael Pacholok
Chief Procurement Officer
Purchasing and Materials Management