TORONTO

BID AWARD PANEL
CONTRACT AWARD

Award of Ariba Document Number 3970716559 to Cardinal Health for the Supply and Delivery of Sodium Chloride and Saline Solutions for Purchasing and Materials Management (Stores)

Date: October 12, 2023
To: Bid Award Panel
From: Chief Procurement Officer
Wards: All

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:
Request for Quotation, Ariba Document Number 3970716559

Description:
For the non-exclusive supply and delivery of Sodium Chloride and Saline Solutions to various Purchasing and Materials Management (Stores) locations from the date of award to July 31, 2024, with the option to renew the Contract for four (4) additional separate one (1) year periods at the sole discretion of the City and subject to budget approval.

The Request for Quotation is structured to award contract to the lowest supplier meeting specifications and providing the lowest total bid price of the Pricing Form.

Prior to the renewal of the contract, Purchasing and Materials Management Division will perform a market analysis to verify the current market conditions as compared to the proposed increase by the vendor and that the Stores Division will monitor vendor performance during the first term of the contract.

Should the option year(s) be exercised, then the Manager of Materials Management and Stores will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
CARDINAL HEALTH

Contract Award Value:
$235,264 net of all applicable taxes and charges (including 20% for miscellaneous items)
$265,848 including HST and all applicable charges
$239,404 net of HST recoveries

Contract is expected to start on date of award and end on July 31, 2024

Option Year 1 (August 1, 2024 to July 31, 2025)
$242,322 net of all applicable taxes and charges (including 20% for miscellaneous items)
$273,823 including all applicable taxes and charges
$246,587 net of HST recoveries

Option Year 2 (August 1, 2025 to July 31, 2026)
$249,591 net of all applicable taxes and charges (including 20% for miscellaneous items)
$282,038 including all applicable taxes and charges
$253,984 net of HST recoveries

Option Year 3 (August 1, 2026 to July 31, 2027)
$257,079 net of all applicable taxes and charges (including 20% for miscellaneous items)
$290,499 including all applicable taxes and charges
$261,604 net of HST recoveries

Option Year 4 (August 1, 2027 to July 31, 2028)
$264,791 net of all applicable taxes and charges (including 20% for miscellaneous items)
$299,214 including all applicable taxes and charges
$269,452 net of HST recoveries

The total potential combined contract award identified in this report including option years is $1,249,047 net of all applicable taxes and charges, $1,411,423 including all applicable taxes and charges. **The total potential cost to the City including option years is $1,271,030 net of HST recoveries.**

The above cost calculations reflect a 3% Consumer Price Index adjustment applied annually to each year's cost after the initial one (1) year period.

FINANCIAL IMPACT

The total potential combined contract award identified in this report including option years is $1,249,047 net of all applicable taxes and charges, $1,411,423 including all applicable taxes and charges. The total potential cost to the City including option years is $1,271,030 net of HST recoveries.

The materials on this contract will be purchased for Purchasing and Materials Management Division (Stores) inventory purposes. The material value will be held in inventory holding Balance Sheet accounts (160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171) 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.

Funding from the date of award to December 31, 2023 is available in the appropriate Divisions 2023 Approved Operating Budgets and additional funding for the balance of the initial contract term will be included in their 2024 Operating Budget Submissions. Should the option years be exercised, appropriate additional funding will be requested in their 2024-2028 Operating Budget Submissions. Additional details follow in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

Period	Cost Centre 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171	Total (net of HST Recoveries)
Date of Award – December 31, 2023	$99,752	
January 1, 2024 - July 31, 2024	$139,653	
Total: Contract Period	$239,404	$239,404
Total: 2023 Budget Year	$99,752	
August 1, 2024 to December 31, 2024	$102,744	
January 1, 2025 - July 31, 2025	$143,842	
Total: Option Year 1	$246,587	$246,587
Total: 2024 Budget Year	$242,397	
August 1, 2025 to December 31, 2025	$105,827	
January 1, 2026 - July 31, 2026	$148,157	
Total: Option Year 2	$253,984	$253,984
Total: 2025 Budget Year	$249,669	
August 1, 2026 to December 31, 2026	$109,002	
January 1, 2027 - July 31, 2027	$152,602	
Total: Option Year 3	$261,604	$261,604
Total: 2026 Budget Year	$257,159	
August 1, 2027 to December 31, 2027	$112,272	
January 1, 2028 - July 31, 2028	$157,180	
Total: Option Year 4	$269,452	$269,452
Total: 2027 Budget Year	$264,874	
Total: 2028 Budget Year	$157,180	

Grand Total	$1,271,030	$1,271,030

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

SOLICITATION SUMMARY

Solicitation Issued: May 15, 2023 **Solicitation Closed:** June 13, 2023
Number of Addenda Issued: One (1)
Number of Bids: Five (5)

Table 2: Summary of Bids received including bid price.

Supplier Name	Bid Price (excluding H.S.T.)
Cardinal Health	$196,053.10
9500880 Canada Corporation	$227,851.20
Henry Schein Canada, Inc.	$1,383,464.05
Stevens Company*	$197,634.70
Saint-Leger*	$7.45

*Supplier found to be non-compliant with mandatory requirements.

DIVISION CONTACTS

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COMMENTS

For the recommended contract awards, the following requirements have been met:

a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;

c. the total contract value is less than $20 million dollars (excluding applicable taxes) and the contract term is:

1. for a contract funded by the operating budget, 5 years or less including any option years; or

2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. the Solicitation document was advertised on the City's internet website and bids or proposals were submitted electronically in Ariba; and

e. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Geneviève Sharkey
Chief Procurement Officer