BID AWARD PANEL
CONTRACT AWARD

Award of Ariba Document Number 4104422604 to Ontario Medical Supply Inc. for the Non-Exclusive Supply and Delivery of Various Medical Supplies for Purchasing and Materials Management (Stores)

Date: November 9, 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 contracts:

Solicitation Number:
Request for Quotation, Ariba Document Number 4104422604

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

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 Supplier and that the Stores Division will monitor Supplier 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:
Ontario Medical Supply Inc.

Contract Award Value:
$819,458 net of all applicable taxes and charges
$925,988 including HST and all applicable charges
$833,881 net of HST recoveries

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

Option Year 1 (November 1, 2024 to October 31, 2025)
$844,042 net of all applicable taxes and charges (including 20% for miscellaneous items)
$953,767 including all applicable taxes and charges
$858,897 net of HST recoveries

Option Year 2 (November 1, 2025 to October 31, 2026)
$869,363 net of all applicable taxes and charges (including 20% for miscellaneous items)
$982,381 including all applicable taxes and charges
$884,664 net of HST recoveries

Option Year 3 (November 1, 2026 to October 31, 2027)
$895,444 net of all applicable taxes and charges (including 20% for miscellaneous items)
$1,011,852 including all applicable taxes and charges
$911,204 net of HST recoveries

Option Year 4 (November 1, 2027 to October 31, 2028)
$922,308 net of all applicable taxes and charges (including 20% for miscellaneous items)
$1,042,207 including all applicable taxes and charges
$938,540 net of HST recoveries

The total potential contract award identified in this report including all option years is $4,916,195 including all applicable taxes and charges and $4,350,615 net of all applicable taxes and charges. **The total potential cost to the City including all option years is $4,427,186 net of HST recoveries.**

The above cost calculations reflect a 3 percent 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 $4,350,615 net of all applicable taxes and charges, $4,916,195 including all applicable taxes and charges. The total potential cost to the City including option years is $4,427,186 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. Additional funding for the balance of the initial contract period will be included in their 2024 Operating Budget Submissions. Should all the option years be exercised, appropriate additional funding will be requested in their 2025-2028 Operating Budget Submissions. Additional funding follow in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

Period	Balance Sheet Accounts 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171	Total (net of HST Recoveries)
Date of Award – December 31, 2023	$138,980	
January 1, 2024 - October 31, 2024	$694,901	
Total: Contract Period	$833,881	$833,881
Total: 2023 Budget Year	$138,980	
November 1, 2024 to December 31, 2024	$143,149	
January 1, 2025 - October 31, 2025	$715,748	
Total: Option Year 1	$858,897	$858,897
Total: 2024 Budget Year	$838,050	
November 1, 2025 to December 31, 2025	$147,444	
January 1, 2026 - October 31, 2026	$737,220	
Total: Option Year 2	$884,664	$884,664
Total: 2025 Budget Year	$863,192	
November 1, 2026 to December 31, 2026	$151,867	
January 1, 2027 - October 31, 2027	$759,337	
Total: Option Year 3	$911,204	$911,204
Total: 2026 Budget Year	$889,087	
November 1, 2027 to December 31, 2027	$156,423	
January 1, 2028 - October 31, 2028	$782,117	

Total: Option Year 4	$938,540	$938,540
Total: 2027 Budget Year	$915,760	
Total: 2028 Budget Year	$782,117	
Grand Total	$4,427,186	$4,427,186

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

SOLICITATION SUMMARY

Solicitation Issued: July 24, 2023 **Solicitation Closed:** August 25, 2023
Number of Addenda Issued: Four (4)
Number of Bids: Eight (8)

Table 2: Summary of Bids Received including bid price.

Supplier Name	Bid Price* (excluding HST)
ONTARIO MEDICAL SUPPLY INC.	$682,881.90
CARDINAL HEALTH	$731,363.10
NULIFE MEDICAL & SURGICAL SUPPLIES.	$765,261.60
ALLIED MEDICAL INSTRUMENTS INC	$811,856.40
9500880 CANADA CORPORATION	$905,602.90
MSS LTD	$930,761.65
STEVENS COMPANY LTD	$960,563.65
ASHCON INTERNATIONAL INC.	$1,328,140.25

*Bid Price does not contain the 20% miscellaneous items

DIVISION CONTACTS

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COMMENTS

For the recommended contract award, 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
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> 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

Genevieve Sharkey
Chief Procurement Officer