SUBJECT: Award of Tender for the Supply and Delivery of Medical and First Aid Supplies to Various City of Hamilton Departments C12-12-05 (FCS05103) (City Wide)

RECOMMENDATION:

That Report FCS05103 Award of Tender for the Supply and Delivery of Medical and First Aid Supplies to Various City of Hamilton Departments C12-12-05, be received for information.

EXECUTIVE SUMMARY:

The City of Hamilton tenders for the supply and delivery of Medical and First Aid Supplies to various City departments. The tender covers 351 different medical and first aid items divided into three schedules with vendors being able to bid on any or all of the schedules. Supplies are to be delivered to two hundred and fifty plus locations throughout the City. The estimated annual spending under this contract is $298,368.

BACKGROUND:

The current contract expired September 1, 2005 and Tender C12-12-05 was issued to secure a new supplier(s). The tender closed August 10, 2005 and six submissions were received and evaluated. Three of the submissions contained schedules which were deemed to be incomplete (not all items quoted) and the incomplete schedules
were disqualified from further consideration. The remaining submissions were costed and each of the schedules was awarded to the lowest qualified bid.

Due to the short time frame to close and award the tender, combined with the need to maintain a continuous supply of these vital items and in order to take advantage of the new prices, the contract was awarded to the lowest qualified vendors as follows:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Vendor</th>
<th>Cost</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Allied Medical Instruments Inc.</td>
<td>$191,446 (est./yr)</td>
<td>3 year term</td>
</tr>
<tr>
<td>B</td>
<td>Marchese Health Care</td>
<td>$34,962 (est./yr)</td>
<td>3 year term</td>
</tr>
<tr>
<td>C</td>
<td>Futuremed Health Care</td>
<td>$71,960 (est./yr)</td>
<td>3 year term</td>
</tr>
</tbody>
</table>

**ANALYSIS OF ALTERNATIVES:**

The current contract was split amongst four vendors and the contracts expired on Sept. 1, 2005. One option would have been to endeavour to negotiate short term extensions to allow a report to go to Council for approval. This option would only have been viable if all four vendors agreed to an extension. The new tender was being awarded to only three of the existing vendors and it was decided to award the contracts and to take an information report to Council outlining the process and actions taken.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial:

The contracts are for a three year period with total annual spending estimated to be $298,368. Council has approved the budgetary funding for these items in the 2005 current budget.

Staffing/Legal:

There are no staffing or legal implications

**POLICIES AFFECTING TENDER:**

Purchasing Policy #4 outlines the approval authorities for acquiring goods and services. This tender was for a Corporate Contract where the funding is contained in various budgets throughout the Corporation and exceeds $250,000. Under Policy #4 staff are required to bring a recommendation to Council for approval. The current Corporate Contract expires September 1, 2005. In order to maintain the continuous supply and
delivery of these vital items, it was decided to award the contract to the lowest qualified bidder of each Schedule and to take an information report to Committee and Council for approval.

**CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:**

Staff from Hamilton Emergency Services and Macassa and Wentworth Lodges participated in the tender process including creation of the specifications and evaluation of the submissions.

**CITY STRATEGIC COMMITMENT:**

The tendering of supply of goods and services aligns with the City’s commitment to spend wisely and invest strategically and ensures that the City obtains acceptable quality goods at competitive pricing. The tendering process also supports the integrity value: to demonstrate honesty and sincerity in all dealings, upholding only the highest ethical principles.