
DATE: January 24, 2011

REPORT TITLE: **DOCUMENT 2010-251P - MEDICAL EQUIPMENT AND SUPPLIES FOR PEEL REGIONAL PARAMEDICS**

FROM: Janette Smith, Commissioner of Health Services

RECOMMENDATION

That the contract (Document 2010-251P) for the supply of Medical Supplies and Equipment be awarded to Allied Medical Instruments Inc. in the estimated amount of \$4,619,907 (exclusive of applicable taxes), for a two-year term commencing April 1, 2011 and expiring on March 31, 2013 being the most cost-effective solution in accordance with Region of Peel Purchasing By-Law 63-2008;

And further, that authority be given to increase/extend this contract for similar requirements to the limit of the approved operating and capital budgets for medical supplies and equipment where actual annual requirements exceed the estimates;

And further, that approval be granted to award the contract for three additional 12 month periods, based on satisfactory service, performance, and pricing, in an amount not to exceed the approved operating and capital budgets for medical supplies and equipment for each optional year.

REPORT HIGHLIGHTS

- Paramedic Services proposes to enter into a contract directly with Allied Medical Instruments Inc. for the supply and delivery of medical supplies and equipment.
- This contract allows for other municipalities to utilize the contract and enter into separate agreements with the successful vendor.
- Request for Proposal (Document 2010-251P) was competitively bid and Allied Medical Instruments Inc. achieved the highest overall score. It is therefore recommended the contract for Medical Equipment and Supplies be awarded to Allied Medical Instruments Inc.
- The estimated award represents a 24 month term with overall costs reduced by 1.42 per cent compared to current pricing.

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DISCUSSION

1. Background

A Request for Proposal (RFP) was issued to the market place for the provision of medical supplies and equipment for Paramedic Services. Based on the success from 2005, this RFP maintained the provision to access the contract by land ambulance service providers throughout Ontario and covers supplies and equipment required to support the tiered response program with Brampton, Mississauga and Caledon fire departments.

The proposal has been written to be inclusive and open to other municipalities and includes primary and advanced medical equipment as well as conveyance equipment. As other municipalities participate, Peel expects that this model will be able to serve a wide range of Ontario municipalities and will support smaller communities that do not have access to purchasing resources and, more importantly, drive down the overall cost of purchasing medical supplies and equipment.

a) Purchasing Process

Request for Proposal, Document 2010-251P was issued on behalf of Paramedic Services and was publicly advertised in the Mississauga News, The Brampton Guardian and on Peel's external website. At the close of the RFP, there were six bids submitted from:

- Allied Medical Instruments Inc.
- Medical Mart
- Sands Canada
- Ashcon International Inc.
- Stevens
- EMRN

Purchasing staff reviewed all the vendor submissions and deemed them in compliance and therefore available for acceptance with the exception of Stevens. This vendor was deemed non-compliant and was not given any further consideration for award.

With a wide range of products listed in the RFP and to facilitate increased competition, the RFP was divided into three categories: Medical Equipment and Supplies; Conveyance Equipment; and Permitted Substitutes. Vendors could select from any one or all of the categories to bid on, but had to bid on all items within the category to be considered.

The evaluation process had four phases: Submission Conformance; Prequalification of Vendors and Service; Evaluation of Product Samples; and Evaluation of Pricing Data. To advance to the next phase, the vendor must be successful at the previous phase. The evaluation team was comprised of Paramedic Services' staff and facilitated by Purchasing.

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Phase I: Submission Conformance: Review submissions for mandatory conformity with requirements. This was evaluated on a pass/fail grade.

Phase II: Prequalification of vendors and service: The criteria for evaluation included quality control, customer service, online ordering and reporting capabilities, continuity of supply, delivery lead times, bar coding and capacity to accommodate a 30 day supply of all items.

Phase III: Evaluation of Product Samples: This applied to only those items listed under Category 3 in the RFP which permitted substituted items. Only the best qualified vendors would be required to submit product samples for evaluation.

Phase IV: Evaluation of Pricing Data: Purchasing received sealed pricing documents. If a vendor was successful through phases 1, 2 and 3 (if applicable), the pricing was opened. Pricing for any vendors, eliminated at an earlier phase, remained sealed. Vendors, who made it to the pricing phase, then received a technical and financial score out of 100.

Staff evaluated all submissions in accordance with the methodology outlined in the RFP. Phase II was a key stage in the evaluation whereby vendors were to respond to requirements to demonstrate their ability to meet the operational demands of the contract. Upon completion of this pre-qualification phase for all three categories, only Allied Medical Instruments Inc. proceeded to Phase III. All other vendors submitted limited or no information to the requirements stipulated in the RFP and therefore scores were insufficient to warrant proceeding to the next phase of the evaluation. Allied Medical Instruments Inc.'s proceeded to Phase V and the sealed pricing envelope was opened.

In order to assess pricing, Allied Medical Instruments Inc.'s pricing was compared against current contract pricing. Staff selected a representative sample of items from each of the three categories and conducted a cost analysis. It was determined that overall costs have decreased by 1.42 per cent representing approximately \$30,000 in savings. As a result of the analysis, staff have validated that the submission from Allied Medical Instruments Inc. is competitive and represents good value.

2. Proposed Direction

Staff recommends to award the contract for the supply of Medical Equipment and Supplies to Allied Medical Instruments Inc. based on the analysis and information provided above.

Allied Medical Instruments Inc.'s submission was responsive and responsible and is recommended for award for a 24 month period, at an estimated cost of \$4,619,907

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(exclusive of applicable taxes) representing the most cost effective solution in accordance with Purchasing By-Law 63-2008.

It is the intent of the contract documents to purchase the goods on an as required basis. The estimated quantities within the document are for comparing document submissions only. The Region may purchase more or less depending on actual requirements.

FINANCIAL IMPLICATIONS

All costs associated with the award of the Medical Supplies & Equipment contract are included in the 2011 operating budget. Provisions to extend the contract past the first 24 months would require budget approval in each of the optional years.



Janette Smith
Commissioner of Health Services

Approved for Submission:



D. Swarc, Chief Administrative Officer

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