



MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 022-19FFC

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2019 June 6

CONTRACT AWARD – MEDICAL SUPPLIES

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 022-19FFC re: “Contract Award – Medical Supplies” for information.

Key Points

- A tender for the supply and delivery of medical clinic supplies was issued on March 14, 2019, on biddingo.com.
- A total of nine bids were received, eight of which were submitted prior to the closing date.
- Contracts associated with the tender process will be for a two-year term with the option to renew in the third year, and will commence June 1, 2019.
- The contract value is estimated to be \$30,000 and represents a 3.82% increase over the previous contract.

Background

The previous quote was issued in 2016 for 96 items on the clinical supplies list. The contract was awarded to Cardinal Health Canada Inc. for a two-year term, with the option to renew for a third year. The Middlesex-London Health Unit currently engages up to six different vendors for the supply and delivery of medical clinic products, with only one vendor providing firm pricing for the contract period. The additional suppliers were required to supplement the initial supplies list.

2019 Request for Quote

On March 14, 2019, MLHU issued a request for quote for supply and delivery of medical clinic supplies on biddingo.com, an online bid publishing and bid document distribution portal. Nine submissions were received. Eight completed bids were received prior to the closing date and time; one submission was non-compliant. Vendor bids were reviewed by Procurement staff to determine if the submissions were compliant with the terms and conditions of the bid document and were analyzed to calculate product cost, cost savings, and value-added services.

Product samples were requested for several items, which were evaluated by the clinical teams. These evaluations were taken into consideration for the award of specific supplies.

Conclusion

Per the results of the quote process, it is recommended that three contracts be awarded for the supply and delivery of medical clinic supplies. Based on cost and product evaluation, it is recommended that the contract be awarded to the following companies for a period of two years with an option to renew for one additional year:

- 1) Medical Mart Supplies (62%)
- 2) Cardinal Health Canada Inc. (25%)
- 3) The Stevens Company Ltd. (13%)

The new contract represents a cost increase of 3.82% over the last year of the previous contract, and is based on a partial products match for the vendor with most usage in 2018 (Cardinal Health Canada Inc.). More specifically, of the 52 items on the 2016 quote, 24 remain currently required. This change in product mix is related mainly to discontinuation of certain materials. A breakdown of items awarded to each vendor is attached in [Appendix A](#).

This report was prepared by the Procurement & Operations Team, Healthy Organization Division.



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