



## MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 023-19FFC

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2019 June 6

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### **CONTRACT AWARD – ORAL CONTRACEPTIVES INFORMATION FOR PARTICIPATING HEALTH UNITS**

#### ***Recommendation***

*It is recommended that the Finance & Facilities Committee receive Report No. 023-19FFC re: “Contract Award – Oral Contraceptives Information for Participating Health Units” for information.*

#### **Key Points**

- All public health units in Ontario were invited to join a cooperative bid for oral contraceptives.
- A joint bid was created for 17 of the 35 public health units.
- Six requests for quotation for the supply and delivery of oral contraceptives were issued on March 8, 2019, and five responses were received.
- Four requests for tender for the supply and delivery of oral contraceptives were issued on March 12, 2019, and two responses were received.
- Tender contract value is estimated to be \$165,000 and represents a 1.65% increase over the previous contract. Quote contract value is estimated to be \$56,000 and represents a 5.96% decrease from the previous contract.
- Contract terms of two years will be awarded, with the option to renew for the third year. The new contracts take effect on June 1, 2019.

#### **Background**

In 2016, the Middlesex-London Health Unit received one-time funding from the Ministry of Health and Long-Term Care to support a low-cost contraceptive project with the goal of taking the idea of bulk purchasing of contraceptives to the next phase. A Low-Cost Contraceptive Survey was developed and implemented by MLHU staff to understand the contraceptive needs and current purchasing practices of Ontario public health units. This led to a bid and an award of contracts in 2016, which are now set to expire.

Additional funding was not received in 2019, but MLHU’s Sexual Health and Procurement staff have continued to support other health units in this initiative. A questionnaire ([Appendix A](#)), was distributed to all 35 public health units to glean information from the previous two years of purchasing practices and help inform the continuation of the bulk purchasing initiative. The goal of the procurement process was to secure a firm purchase price for contraceptive products and to look for possible savings in the next two-year term and option year.

#### **2019 Request for Tender**

An annual consumption report outlining the purchases made by 17 of the 35 health units was submitted to the MLHU Procurement Team. The remaining health units chose not to participate. Participating health units are listed in [Appendix B](#). More than thirty different contraceptives were in use by the participating health

units. This represents a total expenditure of \$516,249. Requests for quotation for the aggregate volume of each oral contraceptive were submitted to the supplier by MLHU on behalf of the participating health units. Requests for tender were published on biddingo.com, an online bid publishing and bid document distribution portal.

## Evaluation Process

Vendor submissions were reviewed against the terms and conditions of the bid document. Subsequently, vendor proposals were analyzed to determine cost savings and value-added services. A total of seven submissions were received prior to the closing date in response to the request for quotation and the request for tender. The recommendations are based on the lowest bid(s) that meets all terms, conditions, and specifications as outlined in the tender.

## Conclusion

Based on the results of the tender process, it is recommended that seven contracts be awarded for supply and delivery of oral contraceptives, each being two years in duration with the option to renew for one additional year, to the following companies:

- 1) Allergan Pharmcare Canada
- 2) Aspen Pharmcare Canada
- 3) Medisafe Distribution Inc.
- 4) Searchlight Pharma
- 5) Trimedica Supply Network Ltd.
- 6) Merck Canada Inc.
- 7) Bayer Inc.

No bids were submitted from the following suppliers:

- Pzifer
- Palladin
- Jensen

Participating health units will be required to use vendor list pricing for products from the selected vendors. In addition, participating health units will be provided with updated pricing and contact information resulting from this joint initiative.

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



Christopher Mackie, MD, MHSc, CCFP, FRCPC  
Medical Officer of Health / CEO