

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	15430	Agenda Number	67.
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Meeting Date:	May 24, 2012
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Department:	Purchasing
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**Subject**

Authorize award and execution of a 36-month requirements supply contract with HENRY SCHEIN, BOUND TREE MEDICAL LLC, MIDWEST MEDICAL SUPPLY CO., LLC, SOUTHEASTERN EMERGENCY EQUIPMENT, QUADMED, INC., AND SOUTHERN SAFETY SALES to provide medical supplies in an estimated amount not to exceed \$7,969,997 each and combined, with three 12-month extension options in estimated amounts not to exceed \$3,204,854 for the first extension option each and combined, \$3,525,339 for the second extension option each and combined, and \$3,877,873 for the third extension option each and combined, for a total estimated contract amount not to exceed \$18,578,063 each and combined.

**Amount and Source of Funding**

Funding in the amount of \$802,618 is available in the Fiscal Year 2011-2012 Operating Budget of the Emergency Medical Services Department. Funding for the remaining 32 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated bids received.
Prior Council Action:	
For More Information:	Colleen Athey, Senior Buyer, 974-2938
Boards and Commission Action:	
Related Items:	

**MBE / WBE:**

The contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Additional Backup Information**

These contracts will provide for medical supplies, soft goods, and medications used in pre-hospital patient care by the Austin-Travis County Emergency Medical Services (A/TCEMS) System. All qualified suppliers are receiving an award on this solicitation.

The A/TCEMS System includes:

- The Austin-Travis County Emergency Medical Services Department, which provides Advanced Life Support response and transport to all areas inside the Travis County boundaries.
- The Austin Fire Department, which provides Basic Life Support first response to areas inside the City of Austin boundaries.
- The Travis County First Responder organizations, which provide both Basic Life Support and Advanced Life Support first response to areas outside the City of Austin boundaries.

The products included in the medical supply contracts are used daily to treat and stabilize the sick, traumatically injured, and other patients the A/TCEMS System responds to 24-hours per day, 365-days per year.

Examples of products:

- Medications are used by the Paramedics to treat and stabilize patients that have had or are having a heart attack, a heart complication, a stroke, difficulty breathing, a diabetic event, or other ailment requiring medical attention.
- Soft goods include all of the necessary items to administer the medications, such as breathing and airway management items, spinal bandaging and immobilization items, splint items for laceration wounds from violent attacks and bone fractures.
- Medical supplies would include non-capital diagnostic tools and other necessary items used by all responding agencies. Examples include blood pressure cuffs, thermometers, glucometers, blankets, and containers to dispose of I.V. catheters and used needles.

This contract will replace several previous contracts for medical supplies and will consolidate the bulk of medical supply purchasing under a single agreement.

In order to determine the best-value to the City, evaluation criteria included cost for specified line items, discount on less frequently ordered items, on-line web based access system, and the ability to provide a bar-coding system.

In the event of a stock outage, emergency, or pandemic event the City of Austin reserves the right to purchase items from any qualified awarded Vendor.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

**PRICING COMPONENT**  
 IFB Best-Value No. CEA0015  
 Medical Supplies  
 (123 line items)

<b><u>Vendor</u></b>	<b><u>Total Price for a 12-Month Period</u></b>
Henry Schein Melville, NY	\$2,686,202.14
Bound Tree Medical, LLC Dublin, OH	\$2,363,421.49
Midwest Medical Supply Co., LLC Earth City, MO	\$1,383,308.56
QuadMed, Inc. Jacksonville, FL	\$1,223,671.10
Southeastern Emergency Equipment Wake Forest, NC	\$1,179,033.31
Southern Safety Sales Inc. Austin, TX	\$679,043.63
North American Rescue, LLC Greer, SC	*
Physio-Control, Inc. Redmond, WA	**

\*North American Rescue, LLC did not submit all the required solicitation documents; therefore, was considered non-responsive and cannot be considered for award.

\*\*Physio-Control, Inc. took exceptions to the City's terms and conditions; therefore, was considered non-responsive and cannot be considered for award.

The expenditures for the first 12 months of this contract are estimated to be \$2,407,854.

A copy of the complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

#### **PRICE ANALYSIS**

- a. Adequate competition.
- b. Sixty-six notices were sent, including 1 MBE and 1 WBE. Eight bids were received. The MBE and WBE did not respond.
- c. The pricing offered for medical supplies represents a 30% increase from the last contract award in April 2009. This increase can be attributed to rising cost in manufacturing medical supplies and pharmaceuticals as evidenced by the Producer Price Index for medical equipment and supplies manufacturing and the Producer Price Index for pharmaceutical and medical manufacturing which have seen a 22% increase since November 2008, when the prior solicitation was issued. A representative sample of high use items were used in determining a price comparison of the 123 line items of the bid.

#### **APPROVAL JUSTIFICATION**

- a. Best evaluated bids.
- b. The Purchasing Office concurs with the Emergency Medical Services Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.