



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Long Term Care

TO:	Chair and Members Healthy and Safe Communities Committee
COMMITTEE DATE:	February 17, 2022
SUBJECT/REPORT NO:	Procurement of Pharmacy Services (HSC22004) (Wards 7 and 13)
WARD(S) AFFECTED:	Wards 7 and 13
PREPARED BY:	Holly Odoardi (905) 546-2424 Ext. 1906
SUBMITTED BY:	Angela Burden General Manager Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

That Council approve the single source procurement with CareRx Holdings Inc. pursuant to Procurement Policy #11 – Non-competitive Procurements, and extend the current contract for the supply of pharmaceutical services at Macassa and Wentworth Lodges until June 30, 2023 or until a new contract is awarded (whichever is earlier) and that the General Manager, Healthy and Safe Communities Department be authorized to negotiate and execute the amendment to the Contract and any ancillary documents required to give effect thereto, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

This Report is requesting Council's approval for the extension of Contract C5-04-15, the Supply of Pharmaceutical Services for residents of Macassa and Wentworth Lodges (the "Homes") until June 30, 2023 or until another competitive procurement process can be issued and a new contract awarded (whichever is earlier).

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Financial: N/A

Staffing: N/A

Legal: Legal Services staff may be required to assist with any amendment to extend the Contract.

HISTORICAL BACKGROUND

The current contract for the Supply of Pharmaceutical Services for Macassa and Wentworth Lodges, Contract C5-04-15 ("Contract") was awarded to Rexall/Pharma Plus Pharmacies Ltd. ("Rexall") on January 5, 2015 and was scheduled to expire on January 4, 2021.

Since their sole focus was to provide enhanced care to the residents and support the staff during the COVID-19 pandemic, staff at the Homes were not able to undertake a competitive procurement process and award a new contract prior to the expiry of the Contract. In order to maintain continuous services to the residents, a Policy 11 Non-Competitive Procurement was approved in June 2020 to extend the Contract for an additional 12 months until January 5, 2022 to allow staff the time to issue and award a new contract.

In mid-2021, the City was requested to consider an assignment/corporate change from Rexall/Pharma Plus Pharmacies Ltd. to CareRx Holdings Inc. and in October 2021, the assignment was completed, and the applicable contracts were changed. The new vendor for the Contract was CareRx Holdings Inc. ("CareRx").

In September of 2021, the nursing leadership team worked with the Procurement Section to begin to develop a new Request for Proposals ("RFP") to secure a new a proponent to provide pharmacy services for the residents of both Homes. However, due to staffing shortages and the COVID-19 pandemic, it was necessary to delay the work on the competitive procurement by both LTC and Procurement staff.

Once again, in order to maintain the services, a second extension to the Contract was approved in October 2021 through another Policy 11 Non-Competitive Procurement, extending the Contract with CareRx to July 5, 2022.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Long-Term Care Homes have an obligation under the *Long-Term Care Homes Act 2007 (2010)* and Ontario O. Reg. 79/10: 119(1) Every licensee of a long-term care home shall retain a pharmacy service provider for the Home.

The recommendations in Report HSC22004 comply with the City of Hamilton's By-law 21-215, Procurement Policy 4.11, Policy #11 – Non-Competitive Procurements, section 2, subsection (b):

- “(2) Council must approve any requests for negotiations for:
 - (b) an extension as set out in subsection (1)(c) of this Policy #11, where the extension exceeds 18 months from the expiry of the Contract with a vendor.”

RELEVANT CONSULTATION

Procurement Section staff was consulted and support the Recommendation in this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

These services provided to residents at the Homes under the Contract are at zero cost to the City. All costs are paid by either the Province or the resident where applicable. Additional services provided to City staff by the pharmaceutical vendor are also included in the Contract's scope of work and are also at zero cost to the City.

CareRx has proved to be a competent and satisfactory vendor to the City, without any vendor performance issues. They have been supportive of the recent Contract extensions and have provided the services without interruption or concern.

Due to continuance of the pandemic, and specifically Wave 4, staff is requesting an additional 12-month extension to the Contract with CareRx until July 4, 2023, to allow the leadership team to continue to focus on the health and safety of our residents, staff, and Homes. The extension of the Contract will allow staff to continue to work with the Procurement Section on a new Request for Proposal process to ensure a successful competitive procurement. The further extension will also ensure there are no service disruptions to our 430 residents across both Homes.

The Procurement Policy, Policy #4.11, Policy 11 Non-Competitive Procurement requires Council approval where the extension of a contract “exceeds 18 months from the expiry of the contract with a vendor”. Since the Contract has been extended from January 5, 2021 to July 5, 2022, Council approval is required to extend the Contract further.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

APPENDICES AND SCHEDULES ATTACHED

None