

Meeting Date: September 25, 2018



Agenda Item #: 4B

# CITY COUNCIL AGENDA ITEM

## Contact Information:

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**City Manager:** Dale Arrington

## Type of Item:

<input checked="" type="checkbox"/>	Consent Agenda	<input type="checkbox"/>	Ordinance First Reading	<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Council Approval	<input type="checkbox"/>	Ordinance Second Reading	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	Discussion & Action	<input type="checkbox"/>	Presentation	<input type="checkbox"/>	Workshop

**SUBJECT:** Approve Purchase of Medical Supplies

## BACKGROUND:

The Orange City Fire Department (OCFD) adheres to a competitive quote process in order to purchase EMS supplies and medications to ensure supplies are purchased in the most economical and financially responsible way. OCFD currently uses a multitude of suppliers from national distributors such as; Boundtree, Concordance (MMS), Moore Medical, Quadmed and Arrow. In addition to these vendors, OCFD occasionally uses the Little Drug Company in New Smyrna for the purchase of medications as they have different availability due to different distributors. Most of these suppliers offer a wide array of supplies from bandages to medications. Arrow is the only exception as they offer a sole source product.

In conversations with some of our suppliers, a little flexibility in regards to price changes allows for overall cost savings to the City. If the City were to lock suppliers into a contract price, prices would be significantly higher as they do not know what pricing changes may occur throughout the year. Some suppliers will not provide quotes for medications due to them losing money with agencies holding them to contract pricing. Therefore, they will only quote on a per order basis. Some medications have had a 600% increase in price within the year. Due to the increasing costs of medications we do not wish to keep large quantities on hand and have to discard them when they expire. Occasionally we have a number of life saving calls and use a lot of medications. OCFD cannot predict what types of calls our firefighters will encounter.

While OCFD tries to obtain the best possible price, at times, we must purchase a medication at a slightly higher cost due to availability of the medication. Many of the medication manufacturers often have frequent and lengthy backorders, sometimes months or even years. These medications can go on manufacturer backorder without notice as well. Our suppliers give us very competitive pricing, some companies give us our own pricing and others use the Volusia County bid for EMS supplies, which is available for use by all agencies within the County.

On October 1, of each fiscal year, a list of EMS supplies, which we are required to use per the Volusia County Medical Director, is sent to multiple suppliers. Once quotes are received the information is entered into an Excel spreadsheet with best pricing for each item highlighted in order to expedite the purchasing process. When items warrant ordering, an inventory is taken and an order is placed with the respective supplier depending on the best pricing for those items. Last year, City Finance issued a not to exceed Blanket Purchase Order (BPO) based on budgeted funds with our four main suppliers; Boundtree, MMS, Moore and Quadmed. The BPOs have been a tremendous asset to OCFD in being able to get the medical supplies needed. By placing an order against the BPO it allows the order to be placed and received in a timely manner, sometimes the next day. While the way we purchase EMS supplies is still labor intensive, it remains the most fiscally responsible way.

The cost of EMS supplies for the current fiscal year exceeded the City's threshold of \$10,000 which would require the issuance of a formal Invitation to Bid (ITB). It is anticipated expenditures for EMS supplies for fiscal year 2018/19 will remain the same, if not increase. Staff requests the use of formal quotes in lieu of an ITB to ensure the best possible pricing is obtained for EMS supplies.

Under the City's current Purchasing Code; Chapter 12.3-33, Unique Circumstances, the City Council reserves the right to consider purchasing needs on their merits and make appropriate purchasing decisions for unique circumstances, which may arise.

**COUNCIL DISTRICT:**

City Wide

**RECOMMENDATIONS:**

Council is requested to designate the purchase of medical supplies and medicines as a "unique circumstance" under Section 12.3-33 of the Purchasing Code and authorize the purchase of same through the use of formal quotes in lieu of an ITB.

**ATTACHMENTS:**

None

**FINANCIAL IMPACT:**

Funds are available in the Fire Department operating budget.

**STRATEGIC PLAN:**

The action promotes the City's Priorities and Goals. Strengthen Quality of Life, Promote Public Safety.