

T Transportation Committee

Meeting date: June 11, 2007

ADVISORY INFORMATION

Date:	June 2, 2007
Subject:	Authorization to Purchase 347 Hospital Beds
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures
Staff Prepared/Presented:	Brian Lamb, General Manager, 612-349-7510 Mark Fuhrmann, Deputy General Manager, 612-349-7513 Julie Johanson, Assistant General Mgr – Admin, 612-349-7514 Chris Gran, Director of Purchasing, 612-349-5060
Division/Department:	Metro Transit

Proposed Action/Motion

That the Metropolitan Council:

- Determine that the inaccurate statement described below is a non-material deviation in Hill-Rom Company's bid and accept the bid, and
- Authorize the Regional Administrator to purchase 347 hospital beds from Hill-Rom Company, Inc. in the amount of \$2,583,415 and to transfer title to the 347 hospital beds to the U.S. Department of Veterans Affairs in accordance with the Exchange Agreement between the Council and the Department of Veterans Affairs.

Issue

In May 2006, the Council authorized the Regional Administrator to execute an Exchange Agreement with the U.S. Department of Veterans Affairs (VA). The agreement requires the Council to competitively procure hospital beds, with a value not-to-exceed \$2,586,712, and to transfer title to the hospital beds to the VA. In exchange, the VA will grant a permanent easement to the Council on Parcel 21A for the Hiawatha LRT system. The agreement was executed in January 2007.

Overview and Funding

As set forth in the Exchange Agreement, the Minneapolis VA Medical Center prepared specifications for a hospital bed and the Council conducted the competitive procurement. Sealed bids were solicited. Hill-Rom Company submitted the only bid. Their bid price is \$7,445 per bed.

The other manufacturer of hospital beds was contacted as to why they did not submit a bid. They stated there were seven dimensions or features specified that they decided they could not comply with.

The Hill-Rom bid price of \$7,445 per bed is fair and reasonable when compared with recent prices paid for the same hospital bed.

Funds for this purchase are available in the Hiawatha Light Rail Project budget (amended) of \$715.3 million.

The Hill-Rom bid included a required statement that they either had submitted an affirmative action plan to the Minnesota Department of Human Rights (MDHR) for approval or they had a currently effective Certificate of Compliance from MDHR. (A Certificate of Compliance is required for all purchases greater than \$100,000 if the bidder had more than 40 full-time employees within Minnesota on any single working day during the previous 12 months.) After the bid opening, Hill-Rom was asked to provide the Council with evidence of compliance with this requirement. Hill-Rom said they had submitted an affirmative action plan to MDHR after the bid due date, rather than prior to, as they had certified. Hill-Rom was issued a Certificate of Compliance by MDHR on May 16, 2007. Staff recommends that the Council determine that the inaccurate statement supplied by Hill-Rom is a non-material deviation and that the bid be accepted.