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LONG-TERM CARE FOOD PROCUREMENT SERVICES CONTRACT

The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated December 16, 2011, from the Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize the award related to Request for Proposal P-11-37 for Long-Term Care food procurement services contract to Sysco Central Ontario Inc. for a one year term effective April 1, 2012, in the amount of \$1,160,663.47 plus applicable taxes.
2. The Proposal provides for an option to renew for four further periods of one year, and that the Commissioner of Community and Health Services be authorized to exercise the renewal option on behalf of Regional Council.
3. The Commissioner of Community and Health Services be authorized to execute any necessary contracts in relation to Proposal P-11-37.

2. PURPOSE

This report seeks authorization to award a Long-Term Care (LTC) contract for the provision of a food management system for the Region's two Long-Term Care homes. This system includes the ordering and procurement of food as well as a technology-based management program to ensure adequate dietary services and nutrition support.

3. BACKGROUND

The current five-year food services contract for the Region's two Long-Term Care homes expires on March 31, 2012

Long-Term Care issued a Request for Proposal (RFP) P-06-100 in 2006 for the provision of a food management system to support all dietary services in the two LTC homes, for example, food purchasing, menu management, recipes, inventory control, on-line ordering, food order customization for individual residents, (including modified texture and therapeutic alternatives) and nutritional analysis. Council awarded the contract to

Sysco Food Services for an initial term of three years, with two option years at the discretion of the Commissioner, subject to satisfactory performance.

The fourth and fifth year extensions were exercised, and the contract will terminate on March 31, 2012.

Long-Term Care homes are required to comply under the *Long-Term Care Homes Act* and Regulations

Long-Term Care homes are required to comply under the *Long-Term Care Homes Act 2007* (the Act) and accompanying Regulations to provide appropriate dietary services and a hydration management program to our residents.

The Act stipulates that every licensee of a Long-Term Care home shall ensure that there is an organized program of nutrition care and dietary services to meet the daily nutrition and hydration needs of the residents; that is safe, adequate in quantity, nutritious and varied.

The program must include menu planning, food production, dining and snack service and availability of supplies and equipment for food production, dining and snack service.

A food procurement services contract is required to enable purchase of a range of pre-determined acceptable products.

This contract will ensure that the following requirements are met:

- A transparent products and services procurement process that is compliant with the Region's Purchasing Bylaw.
- Cost savings through standardization of products and bulk buying.
- Efficient business processes such as ease of order placement, goods receipt and processing of payments.
- Efficient account management and ease of administration.

The program is required to offer a comprehensive dietary software management package that includes, but is not limited to, menu management, production (recipes), resident data and tracking, inventory and costing and emergency menu planning. The program must meet Ministry regulations offering a minimum three-week seasonal menu cycle with alternate choices including texture modified and therapeutic alternatives.

Partnership is also required with a group purchasing/supply chain provider that provides members with online ordering, inventory management, menu development and program support and best value products.

Long-Term Care also provides prepared meals to other program areas

Long-Term Care provides prepared meals to clients in the Supportive Housing - Alternative Community Living Program in Newmarket and the Adult Day Centre in Maple, totalling approximately 12,000 meals a year. In addition, catering is also provided to residents' family members who purchase meal tickets, for resident activities and special events, volunteer activities and meetings. All meals are provided on a cost recovery basis.

4. ANALYSIS AND OPTIONS

A Request for Proposal was released in September 2011

The Region released RFP P-11-37 in September 2011, requesting the submission of proposals from firms qualified and capable of offering a food procurement services contract to its two Long-Term Care homes.

Three vendors submitted proposals, two of which met the mandatory requirements

The proposals were evaluated by staff from the Housing and Long Term Care Branch and Supplies and Services Branch. On evaluation, Sysco Central Ontario Inc. and Gordon Food Service Ontario Inc. were the two proponents to successfully pass the Stage 1 mandatory criteria as set out in the RFP. Flanagan Food Service Inc. submission was deemed non-compliant and rejected because of the proponent's failure to comply with the mandatory requirement items of the RFP.

The mandatory requirements included:

- Quality food products standards – minimum standards; program information, electronic purchasing and reporting.
- Program support – dietary software management package; environmentally friendly products.
- Emergency planning.
- Management of damaged/out of date and recalled food products.
- Delivery holds, drop delivery etc.
- Unacceptable charges.
- Equipment and food product return policy/warranties.

The two successful vendors were evaluated on technical and financial submissions

The two successful proponents were then evaluated on technical and financial submissions. The weighted qualification points for the technical score was 70% and for the financial score was 30%.

Table 1 summarizes the evaluation of the bids received.

Table 1
RFP Proponents

Company	Technical Score	Total Price \$	Total Score %
Sysco Central Ontario Inc.	55.20	1,160,663.47	83.57
Gordon Food Service Inc.	44.10	1,095,051.18	74.10

Supplies and Services staff examined the proposals received for accuracy and compliance to standard procedures. They were found to be in order.

Proponents were required to achieve a minimum technical score of 42 points (60%) out of the possible 70 points in order to qualify their financial proposals. Site visits were held in order that each proponent could demonstrate the features of their Dietary Software Management Program and clarify information contained in their submissions. Both proponents met the minimum technical score and their financial submissions were considered.

Sysco Central Ontario Inc. achieved the highest total weighted score

The proponent with the highest overall score as a result of the evaluation is Sysco Central Ontario Inc. with a total weighted score of 83.57%.

Sysco Central Ontario Inc. proposal offers a partnership with Complete Purchasing Services that is a leading supply chain solution provider. Complete Purchasing Services is the endorsed supply chain solution program provider for Ontario Association of Non-Profit Homes and Services for Seniors, with whom the Region maintains annual membership.

Link to key Council-approved plans

There is no link to key Council approved plans as this is an operational matter.

5. FINANCIAL IMPLICATIONS

The total value of the food procurement services contract for Year 1, effective April 1, 2012 to March 31, 2013 will be \$1,160,663.47.

The total costs represent the “Basket of Goods” of food products that are most commonly ordered by the two Long-Term Care homes. The Region does not guarantee that this amount will be spent in the contract year. The prices and fee schedules is firm for Year 1. Subsequent overall pricing may not exceed the annual National Consumer Price Index for each subsequent year.

The proposed 2012 Operating budget for Long Term Care provides sufficient funds to manage the cost of this contract.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with this report.

7. CONCLUSION

It is recommended that the food procurement services contract for the two Long-Term Care homes be awarded to Sysco Central Ontario Inc. for a one year term with the option to renew for four additional one-year terms.

For more information on this report, please contact Sylvia Patterson, General Manager of Housing and Long-Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.