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LONG TERM CARE BULK PURCHASING AND DISTRIBUTION SYSTEM CONTRACT

The Health and Emergency Medical Services Committee recommends the adoption of the recommendations contained in the following report, February 23, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Request for Proposal (RFP) for the provision of a purchasing and distribution system to support food and associated product procurement for the Long Term Care and Seniors Branch be awarded to Sysco Food Services.

2. The contract be effective April 1, 2007 for an initial term of three years, with two option years at the discretion of the Commissioner of Community Services, Housing and Health Services, subject to satisfactory performance and at an estimated contract value of $3.5 million over the potential five year contract.

2. PURPOSE

The purpose of this report is to secure Regional Council approval to award a contract to Sysco Food Services for the provision of a purchasing and distribution system to support food and associated product procurement for the Long Term Care and Seniors Branch.

3. BACKGROUND

A RFP was prepared and released by Supplies and Services on behalf of the Long Term Care and Seniors Branch. Advertising was done in the *Toronto Star* and through Bid Navigator, as well as from a bidders list. Four companies received the RFP documents.

4. ANALYSIS AND OPTIONS

The RFP closed on November 28, 2006 and was opened by the proposal opening committee comprised of representatives from Supplies and Services and the Long Term Care and Seniors Branch. A single response was received from Sysco Food Services of Toronto.

4.1 Sysco Food Services Proposal

Representatives from Supplies and Services examined the Sysco Food Services proposal for accuracy and compliance to standard procedures. It was found to be in order as it relates to those criteria.

Sysco Food Services currently serves as the Region's food service distributor for the long term care facilities. Food pricing offered by the company is based on its partnership with Complete Purchasing, an umbrella bulk/group purchasing organization with whom the Region maintains membership through an arrangement with the Ontario Association of Non-profit Homes and Services for Seniors (OANHSS).

Sysco Food Services is the current provider and has consistently offered good pricing and service to the Long Term Care Program. As well, the company provides, at no extra cost, menu management, nutritional planning software and automated on-line ordering. The company has provided the Region with excellent quality, good value products in a timely and efficient manner over the previous seven years. Accordingly, Supplies and Services deemed that a formal scoring of the RFP was, under the circumstances, unnecessary in order to recommend an award.

The value of the pricing is further demonstrated by the fact that Sysco Food Services is also the preferred supplier of these products to our Long Term Care Association (OANHSS) under their group purchasing plan, which was awarded through a competitive bid process. To be identified as the preferred supplier by the LTC purchasing group, Sysco Food Service's prices and value-added services were deemed to be the most competitive of the suppliers that had submitted bids under that process.

4.2 Projected Contract Values

Table 1 below provides an estimate of contract amounts based on project volumes:

Table 1
Projected Contract Values for
Contract Period April 2007 – March 2010

Category	Year 1 (2007)	Year 2 (2008)	Year 3 (2009)	Year 4 (2010)	Year 5 (2011)
Food/Dietary Products	$585,000	$602,500	$620,600	$639,200	$658,400
Non-Food Products	78,000	80,340	82,750	85,200	87,800
Totals	$663,000	$682,840	$703,350	$724,400	$746,200

5. FINANCIAL IMPLICATIONS

There are adequate funds provided for in the proposed 2007 Long Term Care and Seniors Budget to fund the cost of this contract.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact associated with this report.

7. CONCLUSION

The contract for the provision of a purchasing/distribution system to support food and associated product procurement for the Long Term Care and Seniors Branch be awarded to the lowest responsive and responsible bidder, Sysco Food Services for a three year term with the option to renew for two additional years.

The Senior Management Group has reviewed this report.