



STAFF REPORT ACTION REQUIRED

Purchase Order Amendment to Sole Source Contract 47012030 with Loblaw Companies Limited for Food Certificates

Date:	April 15, 2009
To:	Board of Health
From:	Medical Officer of Health Acting Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	

SUMMARY

This report requests authority to amend and extend the current sole source contract 47012030 to Loblaw Companies Limited for the purchase of food certificates for the period of June 1, 2009 to May 31, 2011 by an estimated amount of \$850,000.00.

This report also requests City Council to delegate authority to the Medical Officer of Health to award, execute and amend on an ongoing basis the purchase of goods agreement for the purchase of food certificates from the three major grocery chains: Loblaw Companies Limited, Sobeys (Ontario Division) and Metro Ontario Inc. within the Toronto Public Health approved budget.

Food certificates are used to support the access of pregnant women, young families, children, and Tuberculosis (TB) clients to nutritional food and to promote healthy eating and provide food skills training which are critical components of a number of Toronto Public Health (TPH) programs. Food certificates are given to TPH clients in accordance with specific eligibility criteria and program policies and procedures. Acquiring food certificates from Loblaw along with certificates from other major grocery chains ensures that clients have a choice of grocery stores where certificates can be used.

RECOMMENDATIONS

The Medical Officer of Health and Acting Director of Purchasing and Materials Management Division recommend that:

1. Council grant authority to the Medical Officer of Health to extend and increase current sole source contract 47012030 with Loblaw Companies Limited, for the purchase of food certificates, under the same terms and conditions, for the period June 1, 2009 to May 31, 2011 by a total estimated amount of \$850,000.00, revising the current contract value from \$948,000.00 to \$1,798,000.00, taxes not applicable.
2. This report be forwarded to the May 12, 2009 Government Management Committee meeting for consideration.
3. City Council authorize the Medical Officer of Health to award, amend and execute, on an ongoing basis, the purchase of goods agreement for the purchase of food certificates from Loblaw Companies Limited, Sobeys (Ontario Division) and Metro Ontario Inc. within the approved budget and in accordance with established terms and conditions.

Financial Impact

The amendment to the current blanket contract 47012030 for the extended period June 1, 2009 to May 31, 2011 results in an increase of \$850,000.00. No taxes are applicable. Funding of approximately \$250,000 in 2009 is available in the TPH's 2009 Recommended Operating Budget under cost element 2741. The balance of the funds, in the estimated amount of \$600,000 for the remainder of the contract from January 1, 2010 to May 31, 2011 will be requested in the TPH 2010 and 2011 Operating Budget submissions.

Account	2009 From approx. June 1 to Dec 31, 2009	2010	2011 From approx. Jan 1 to May 31, 2011	Total
Various	\$250,000.00	\$425,000.00	\$175,000.00	\$850,000.00

Programs that purchase and distribute food certificates are funded in a number of ways. The Healthy Babies Healthy Children (HBHC) Program is funded 100% by the Ministry of Children and Youth Services. All other programs are funded 75% by the Ministry of Health and Long Term Care. Consequently, the Provincial share of the total cost of \$850,000 is approximately \$680,000 or 80%.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

A Sole Source for the purchase of food certificates from Loblaw Companies Limited was requested by TPH from Purchasing and Materials Management (PMMD) Division in 2006 and was approved by PMMD. Contract 47012030 was issued to Loblaw Companies

Limited in the amount of \$448,000 for the period ending October 31, 2007. PMMD approved, at the request of Toronto Public Health, two Purchase Order Amendments which increased the total value of the contract from \$448,000.00 to \$948,000 and extended the contract expiry date from November 1, 2007 to April 30, 2009.

The City of Toronto Municipal Code Chapter 71 – Financial Control, Section 71-11.1 states that if costs for a commitment exceed the original funding by more than \$500,000.00 excluding all taxes, approval must be obtained from the appropriate Standing Committee.

This report requests City Council to delegate authority to the Medical Officer of Health to award, execute and amend future purchase of goods contracts for the purchase of food certificates from the three major grocery chains: Loblaw Companies Limited, Sobeys (Ontario Division) and Metro Ontario Inc. within the Toronto Public Health approved budget.

A grocery retail chain must have a minimum of 20 stores across the City of Toronto to ensure access to TPH clients, be able to provide all necessary food as per the Canada's Food Guide for Healthy Eating and provide food certificates in a minimum of ten dollars or less. Loblaw Company Limited, Sobeys (Ontario Division) and Metro Ontario Inc. meet the criteria of a grocery retail chain.

COMMENTS

TPH makes effective use of food certificates from community grocery stores to improve access to nutritious food for high risk, low income TPH clients who participate in TPH Healthy Families, Healthy Living and Communicable Diseases Control programs. Food certificates are used in a number of programs in accordance with specific eligibility criteria and policies and procedures. They may be used to make purchases (excluding tobacco or alcohol products) from local grocery stores.

The Healthy Babies Healthy Children (HBHC) program provides universal screening and postpartum follow-up to all new mothers, and prenatal and parenting support and service co-ordination to high-risk families with children up to six years of age. The program is 100% funded by the Ministry of Children and Youth. One of the strategies funded through this program is the distribution of food certificates to low income pregnant women and families participating in the program.

Healthiest Babies Possible is a cost-shared program that provides nutrition counselling to at risk and high risk pregnant women with the aim of reducing low birth weight rates. Food supplements in the form of food certificates are a vital component of this program.

The Peer Nutrition program provides nutrition education for low income, multicultural families with children up to six years of age. Services are delivered in more than 30 languages. Food certificates are used in this program to purchase, prepare and distribute culturally diverse, nutritious food to the parents and children who participate in the parent education workshops and supports sites. Food certificates are also distributed to families to assist them to apply the food preparation lessons learned in the program at home.

Food certificates are distributed to some clients with active Tuberculosis (TB) to support their recovery and to promote compliance with TB treatment, including the isolation that is required during the time when their TB is infectious to others. In addition to taking the prescribed medications, access to nutritious food is a key component in effective TB treatment.

Providing nutritious food to participants of TPH programs is an important means of ensuring clients and other community members are able to participate fully in certain programs. For example, the Living and Learning with Baby, Nobody's Perfect and Incredible Years parenting programs provide information and skill building activities for parents of young children up to six years of age. Emphasis is placed on delivering these programs in the city's priority neighbourhoods. Role modelling healthy eating and the importance of family meal times are important components of these programs. Food certificates are used to provide the parents and children who participate in these programs with an opportunity to practice these skills.

By purchasing food certificates from the three major grocery chains: Loblaw Companies Limited, Sobeys (Ontario Division) and Metro Ontario Inc., TPH is able to offer clients access to the majority of grocery stores in their community. Food certificates are purchased from Sobeys, (Ontario Division) in the amount of approximately \$90,000 annually and are redeemable at Sobeys, IGA and Price Choppers. Food certificates are purchased from Metro Ontario Inc. in the amount of approximately \$75,000 annually and are redeemable at Metro and Food Basics. Food certificates purchased from Loblaw Companies Limited are redeemable at Loblaw, No Frills, Value Mart and Fortinos. The distribution of certificate purchases across retailers is based on client needs.

Food certificates are acquired through a sole source process with each of the three major grocery retailers. A major retailer is defined as a grocery chain that has at least twenty stores in Toronto. Each of the suppliers offers up to a five percent discount on food certificate purchases and TPH co-ordinates purchasing to maximize the discount.

The use and distribution of food certificates is an important component of a number of TPH programs and can make a difference to the lives of the people and families receiving them. An evaluation of the use of food certificates in the Healthy Babies Healthy Children Program was conducted in 2008. Parents who received food certificates through the program clearly indicated that the certificates helped them to buy essential things for their children. Comments such as "I only want to take the certificates from the nurse when I absolutely need it but I always seem to need it" and "I feel relieved having food certificates when money is short or late coming in" demonstrates how important these certificates can be to high risk families.

CONTACT

Sue Makin, Director
Healthy Families - Child Health
Toronto Public Health
Tel: (416) 338-7832
Fax: (416) 392-0713
E-mail: smakin@toronto.ca

John McNamara, Manager
Goods and Services
Purchasing and Materials
Management Division
Tel: 416-392-7316
Fax: 416- 392-8411
E-mail: jmcnama@toronto.ca

SIGNATURE

Dr. David McKeown
Medical Officer of Health

Victor Tryl, P. Eng.
Acting Director
Purchasing and Materials
Management