



BID AWARD PANEL CONTRACT AWARD

Award of Request for Quotation No. 0606-18-0110 to Gordon Food Service for the non-exclusive supply and delivery of Milk and related Dairy Products

Date: February 14, 2019
To: Bid Award Panel
From: Chief Purchasing Officer
Wards: All

RECOMMENDATIONS

The Chief Purchasing Officer recommends that the Bid Award Panel grant authority to award the following contract:

Call Number:
RFQ No. 0606-18-0110

Description:

The non-exclusive supply and delivery of Milk and related Dairy Products to various locations within the City of Toronto's Long-Term Care Homes & Services and Shelters, Support and Housing Divisions for a period of fifteen (15) months fixed, with the option to renew the Contract for three (3) additional one (1) year terms.

Should the option(s) be exercised, then the Manager of Food & Dietetic Services for Long-Term Care Homes and Services will request the Chief Purchasing Officer to process the renewals under the same terms and conditions.

Recommended Bidder:

Gordon Food Service

Contract Award Value:

\$1,982,947 net of all applicable taxes and charges (Including 15% miscellaneous)
\$2,240,730 including HST and all applicable charges
\$2,017,847 net of HST recoveries

Contract is expected to start on date of award and end on June 30, 2020.

Option Year 1: July 1, 2020 to June 30, 2021

\$1,531,827 net of all applicable taxes and charges (Including 15% miscellaneous)
\$1,730,964 including all applicable taxes and charges
\$1,558,787 net of HST recoveries

Option Year 2: July 1, 2021 to June 30, 2022

\$1,577,781 net of all applicable taxes and charges (Including 15% miscellaneous)

\$1,782,893 including all applicable taxes and charges

\$1,605,550 net of HST recoveries

Option Year 3: July 1, 2022 to June 30, 2023

\$1,625,115 net of all applicable taxes and charges (Including 15% miscellaneous)

\$1,836,380 including all applicable taxes and charges

\$1,653,717 net of HST recoveries

The total potential contract award including all option years is, \$6,835,901 net of HST recoveries, \$7,590,967 including all applicable taxes and charges and \$6,717,670 net of all applicable taxes and charges.

The above cost calculations for the Option Years reflect an estimated 3% increase in the Consumer Price Index.

FINANCIAL IMPACT

The total potential award including all option years is, \$7,590,967 including all applicable taxes and charges and \$6,717,670 net of all applicable taxes and charges. The total potential cost to the City is \$6,835,901 net of HST recoveries.

Sufficient base funding is available in the 2019 Staff Recommended Operating Budget for Shelter Support & Housing Administration and Long-Term Care Homes & Services Divisions. Funding for 2020 will be requested in their 2020 Operating Budget Submission.

Should the City choose to exercise its option(s) to renew for the three (3) additional, separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2020-2023 Operating Budget Submissions for Shelter Support & Housing Administration and Long-Term Care Homes & Services Divisions . Funding details are provided in Table 1 to follow:

Table 1: Financial Impact Table

Period	Cost Centre D3*032 C/E 2741	Cost Centre F01222, F03522, F03322 F01122,F03222,F030 72,F01322/C/E 2741	Total (net of HST Recoveries)
	Long-Term Care Homes & Services	Shelter, Support & Housing Administration	
Date of award – December 31, 2019	\$988,995	\$272,160	
January 1, 2020 – June 30 , 2020	\$593,397	\$163,296	
Total: Contract Period	\$1,582,392	\$435,455	\$2,017,847
July 1, 2020 – December 31, 2020	\$611,199	\$168,195	
January 1, 2021 – June 30, 2021	\$611,199	\$168,195	
Total: Option Year 1	\$1,222,397	\$336,389	\$1,558,787
Total: 2020 Budget Year	\$611,199	\$168,195	
July 1, 2021 – December 31, 2021	\$629,535	\$173,241	
January 1, 2022 – June 30, 2022	\$629,535	\$173,241	
Total: Option Year 2	\$1,259,069	\$346,481	\$1,605,550
Total: 2021 Budget Year	\$629,535	\$173,241	
July 1, 2022 – December 31, 2022	\$648,421	\$178,438	
January 1, 2023 – June 30, 2023	\$648,421	\$178,438	
Total: Option Year 3	\$1,296,841	\$356,875	\$1,653,717
Total: 2022 Budget Year	\$648,421	\$178,438	
Grand Total	\$5,360,700	\$1,475,201	\$6,835,901

CALL SUMMARY

Call Issued: October 25, 2018

Call Closed: November 13, 2018

Number of Addenda Issued: Three (3)

Number of Bids: One (1)

Table 1: Summary of Bids Received for RFQ No. 0606-18-0110

Bidder Name	Evaluated Bid Price (including H.S.T.)
Gordon Food Service	\$1,461,345.79**

* Bid prices include the bid value of the participating agencies requirements on this call.

** Evaluated Bid Price includes prompt payment discount

DIVISION CONTACTS

Elena Caruso, Manager, Goods & Services, Purchasing & Materials Management,
416-392-7316, Elena.Caruso@toronto.ca

Khashayar Amirhosseini, Manager Food & Dietetic Services, Long-Term Care Homes &
Services Division, 416-392-8912, Khashayar.Amirhosseini@toronto.ca

Kyesia Hatcher, Manager Food & Nutritional Services, Shelter, Support & Housing
Administration, 416-392-2886, Kyesia.Hatcher@toronto.ca

COMMENTS

For the recommended contract award, the following requirements have been met:

- a. The firm recommended for award is the lowest bidder meeting specifications;
- b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:
 1. for a contract funded by the operating budget, 5 years or less including any option years; or
 2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. there are no material written objections to the award;

e. the call document was advertised on the City's internet website and bids or proposals were opened publicly; and

f. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above calls are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Michael Pacholok
Chief Purchasing Officer