



REPORT FOR ACTION

Amendment to Blanket Contract No. 47021306 issued to GFS - Gordon Food Services Canada Ltd. for the Provision of Groceries to Long-Term Care Homes

Date: November 20, 2019

To: Economic and Community Development Committee

From: Interim General Manager, Seniors Services and Long-Term Care and Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of the report is to request authority to amend Contract No. 47021306 issued to GFS - Gordon Food Services Canada Ltd. The contract is based on the provincial funding per diem which is 100% provincial and zero net to the City. The provincial funding per diem for long-term care home residents has increased by 14.53% from \$8.33 to \$9.54. The contract is set up as an initial two years (April 1, 2018 to March 31, 2020), with three (3) one year options. The total potential contract value for all five years stands at \$38,547,063.13 net of all taxes. This report requests an amendment to increase the contract value by \$5,599,273.28 spread out across the initial term and the option years. The total potential value of the contract would increase from \$38,547,063.13 to \$44,146,336.40.

RECOMMENDATIONS

The General Manager (I), Seniors Services and Long-Term Care and the Chief of Purchasing Officer recommends that:

1. In accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law) Economic and Community Development Committee grant authority to amend Contract No. 47021306 issued to GFS - Gordon Food Services Canada Ltd. for the provision of groceries to long-term care homes, by an additional amount of \$5,599,273.28 net of all taxes (\$5,602,743.69 net of HST recoveries) revising the overall contract value from \$38,547,063.13 to \$44,146,336.40 net of all taxes (\$44,173,698.15 net of HST recoveries) based on the following:
 - Increasing the initial term of the contract (April 1, 2018 to March 31, 2020) by \$2,161,707.89 net of HST recoveries from \$14,881,840.25 (net of HST recoveries) to \$17,043,548.14 (net of HST recoveries);

- Increasing the first option year (April 1, 2020 to March 31, 2021) from \$7,664,147.73 (net of HST recoveries) to \$8,777,427.29;
- Increasing the second option year (April 1, 2021 to March 31, 2022) from \$7,894,072.16 (net of HST recoveries) to \$9,040,750.11;
- Increasing the third option year (April 1, 2022 to March 31, 2023) from \$8,130,894.33 (net of HST recoveries) to \$9,311,972.61;

FINANCIAL IMPACT

The requested amendment increases the overall contract (47021306) by \$5,602,743.69 (including the 3 option periods) to \$44,173,698.15 (net of HST recoveries), as summarized below. The increase is 100% provincially funded and has \$0 net impact to the City.

Net of HST recoveries	April 1, 2018 to March 31, 2020	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	Total
Operating: D3*031 D3*032 2741, 2742, 2743, 2745, 2746	2,161,707.89	1,113,279.56	1,146,677.95	1,181,078.28	5,602,743.69

Funding is available in the 2019 Approved Operating Budget for the current portion of the amendment, with funding for 2020 included in the 2020 Operating Budget Submission for Seniors Services and Long-Term Care. Should the City chose to exercise the option periods, funding will be included in the future-year Operating Submissions for consideration as part of the annual budget process.

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

DECISION HISTORY

On November 17, 2018, Community Development and Recreation Committee adopted, Award of Request for Proposal No. 0602-17-0316 for the Non-exclusive Supply and Delivery of Groceries, Frozen Foods, Seafood, Meat and Meat Products, Nutrition Supplements and Tube Feeding Formulas at Various City of Toronto's Long-Term Care Homes and Services Locations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CD25.1>

COMMENTS

On October 6, 2017, the City issued RFP 0602-17-0316 and as a result awarded Contract No. 47021306 to GFS - Gordon Food Service Canada Ltd. for the non-exclusive supply and delivery of groceries, frozen foods, seafood, meat and meat

products, nutrition supplements and tube feeding formulas at various City of Toronto's long-term care home locations, being the highest scoring proponent.

The provincial funding per diem for long-term care residents has increased by 14.53% from \$8.33 to \$9.54 effective July 1, 2018. SSLTC is requesting to increase the contract value by the same percentage, to address this change in per diem. The per diem is 100% provincially funded and has no net impact to the City.

The current contract value stands at \$14,881,840.25 net of HST recoveries. SSLTC is requesting a contract Amendment to increase the contract value by \$2,161,707.89 net of HST recoveries to \$17,043,548.14 net of HST recoveries (\$17,032,991.15 net of all taxes), which is 100% provincially funded and zero net to the City). SSLTC is also requesting the total potential value of the current contract and 3 option years be increased by \$5,602,743.69 net of HST recoveries (\$5,599,273.28 net of all taxes). This will bring the total potential value of the contract over five years to \$44,173,698.15 net of HST recoveries.

CONTACT

Dana Tulk
Director, Management Services,
Seniors Services and Long-Term Care
Telephone 416-392-9061
Email: Dana.Tulk@toronto.ca

Elena Caruso
Manager, Goods and Services
Purchasing and Materials Management
Telephone 416-392-9061
Email: Elena.Caruso@toronto.ca

SIGNATURE

Paul Raftis
General Manager (I), Seniors Services and Long-Term Care

Michael Pacholok
Chief Purchasing Officer, Purchasing and Materials Management Division