

Award of Ariba Document Number 3743044527 to Sysco Toronto for Supply and Delivery of Groceries, Frozen Foods, Seafood, Milk & Dairy Products, Meat Products, Oral Nutritional Supplements and Tube-feeding Formulas for the Seniors Services and Long-Term Care, Shelter Support and Housing Administration, and Children's Services Divisions

Date: May 15, 2023

To: General Government Committee

From: General Manager, Seniors Services and Long-Term Care and the Chief Procurement Officer

Wards: ALL

SUMMARY

This purpose of this report is to advise of the results of the Request for Proposal ("RFP") Ariba Document Number 3743044527 for Supply and Delivery of Groceries, Frozen Foods, Seafood, Milk & Dairy Products, Meat and Meat Products, Oral Nutritional Supplements and Tube-feeding Formulas and other related services to various Homes as and when required by the Seniors Services and Long-Term Care Division, Shelter Support and Housing Administration Division, and Children's Services Division. Existing bridging contracts will expire on September 30, 2023 for Seniors Services and Long-Term Care Division and Children's Services Division, and on April 30, 2024 for Shelter Support and Housing Administration Division, and new contracts are necessary to continue the service. The staff are requesting authority to award the contract to Sysco Toronto, a Division of Sysco Canada Inc. in the amount of \$96,351,234 net of all applicable taxes and charges (\$96,489,033 net Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The General Manager, Seniors Services and Long-Term Care and the Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Ariba Document Number 3743044527. This award is for the Supply and Delivery of Groceries, Frozen Foods, Seafood, Milk & Dairy Products, Meat and Meat Products, Oral Nutritional Supplements and Tube-feeding Formulas and other related services. The contract is awarded to Sysco Toronto, a Division of Sysco Canada Inc., the highest scoring Proponent in conformance with the Request for Proposal requirements. The contract amount is \$96,351,234 net of all applicable taxes and charges (\$96,489,033 net Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total potential contract award identified in this report including all option periods is \$96,351,234 net of all applicable taxes and charges (\$96,489,033 net of Harmonized Sales) over the 5 years contract term.

The base funding is available in the 2023 Approved Operation Budget for Seniors Services and Long-Term Care Division (SSLTC), Shelter Support and Housing Administration Division, and Children's Services.

Funding of approximately \$3 million for this contract in SSLTC for 2023 is provided and formally confirmed by the Ministry of Health and Long-Term Care. Should the City exercise the optional periods, additional funding will be requested through their 2024-2028 Operating Budget Submissions.

Table 1: Total Contract Award Summary by Division (net of Harmonized Sales Tax recoveries - \$)

Division/ Cost Element/ Cost Centre	Initial Year		Option Year 1	Option Year 2	Option Year 3	Option Year 4
	October 1, 2023 to December 31, 2023	January 1, 2024 to September 30, 2024	October 1, 2024 to September 30, 2025	October 1, 2025 to September 30, 2026	October 1, 2026 to September 30, 2027	October 1, 2027 to September 30, 2028
SSLTC / D3*032 / C/Es 2741, 2742, 2743, 2745	3,635,962	10,907,887	14,980,165	15,429,570	15,892,457	16,369,231
Shelter Support and Housing Admin./ FO1122, F03222, F03322, F03522 F01222, F01322,	828,572	2,485,715	3,413,715	3,516,126	3,621,610	3,730,258

Division/ Cost Element/ Cost Centre	Initial Year		Option Year 1	Option Year 2	Option Year 3	Option Year 4
	October 1, 2023 to December 31, 2023	January 1, 2024 to September 30, 2024	October 1, 2024 to September 30, 2025	October 1, 2025 to September 30, 2026	October 1, 2026 to September 30, 2027	October 1, 2027 to September 30, 2028
F03072, F01422, F03622, F03822, F03122, F04022 / C/E 2741						
Children Services/ Various/ C/Es 2750 & 2610	79,004	\$237,011	325,495	335,260	345,318	355,677
Total net of HST Recoveries(\$)	4,543,538	13,630,613	18,719,375	19,280,956	19,859,385	20,455,166
Overall Total net of HST Recoveries(\$)	96,489,033					

The above option years reflect a 3% per year increase in the Consumer Price Index (CPI) and 20% Contingent amount applicable to SSLTC, Shelter Support and Housing Administration Division.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information included in the Financial Impact Section.

DECISION HISTORY

1. Bid Award Panel granted authority to award a Blanket Contracts 47020488 and 47020516 on March 8, 2017, Item BA11.1 Award of Request for Quotation 0602-16-0116 for Non-exclusive Supply and Delivery of Groceries, Produce, Frozen Foods, Seafood, Dairy Products, meat, Poultry Products and Produce, For Children Service and Shelter Support and Housing Administration Division with expiry date of March 31, 2022.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA11.1>,

2. Community Development and Recreation Committee (CD25) granted authority to award Blanket Contract 47021306 on January 17, 2018, Item 1.0 Award for Request for Proposal 0602-17-0316 for the provision of 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 with expiry of March 31, 2023.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.CD25.1>

3. Economic and Community Development Committee (EC10) Meeting granted authority to amend Blanket Contract 47021306 on December 4, 2019, to increase the overall target value by \$5,599,273 net of all applicable taxes and charges (\$5,697,820 net Harmonized Sales Tax recoveries) Request for Proposal 0602-17-0316 for the provision of 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 with expiry of March 31, 2023.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.CD25.1>

4. General Government Committee granted authority to award Non-Competitive Blanket Contract 47024899 on March 3, 2023, Item 15 Award for Sourcing Project ID-WS3813976395 For the provision of 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 with expiry of September 30, 2023.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG2.15>

COMMENTS

Ariba Document Number 3743044527 was issued by the Purchasing and Materials Management Division (PMMD) on February 24, 2023, for Supply and Delivery of Groceries, Frozen Foods, Seafood, Milk & Dairy Products, Meat and Meat Products, Oral Nutritional Supplements and Tube-feeding Formulas and other related services. The document was made available on ARIBA. The Request for Proposal included the selection criteria for the evaluation. The solicitation closed on March 27, 2023. Five (5) Addenda were issued.

Three (3) Suppliers submitted a proposal: Gordon Food Services Canada Ltd, Sysco Toronto, a Division of Sysco Canada Inc and HouseCook Inc.

Three (3) proposals advanced to Stage 2. The Request for Proposal evaluation process followed a two-envelope system. Each Supplier was instructed to submit two separate submissions in ARIBA. Submission one (1) included the technical proposal submission while submission two (2) included the cost of services. The cost of services information was only opened for the Suppliers who successfully passed the Mandatory Compliance Review stage and achieved a threshold score of the of 52.50 out of the 75 in the technical submission points. As disclosed in Part 1, Section 1 of the RFP, the City's intention was to enter into an agreement with one (1) legal entity.

Evaluation of the Proposal Submissions

A formal Selection Committee was comprised of three (3) staff members, with one representative from each participating division. Purchasing and Materials Management Division (PMMD) provided ongoing support throughout the process. All staff involved in the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement to PMMD prior to the proposals being received. The

Selection Committee evaluated the proposals in accordance with the criteria set out in the Request for Proposal. The stages of the evaluation are identified below:

Stage 1: Evaluation of Mandatory Requirements

Proposals were reviewed by PMMD to assess compliance with the mandatory requirements. All three (3) proposal met the mandatory requirements.

Stage 2A: Evaluation of Technical Proposal

The Selection Committee evaluated all three (3) Technical Proposals. Each Technical Proposal required a minimum score of 70 % (52.50 out of 75) for a Supplier to move to Stage 3 - Cost of Services evaluation.

At the end of the technical evaluation for Stage 2, the Selection Committee determined that two (2) proposals met the minimum technical score of 70 % (52.50 out of 75) and advanced to the Cost of Service evaluation.

The overall technical scores for the two (2) qualifying Suppliers ranged from 65.63-66.34.

Stage 2B: Interviews, Site Visits, and Demonstrations

The Selection Committee determined that Stage 2B was not required.

Stage 3 – Cost of Service Evaluation

The Selection Committee completed the Cost of Service evaluation for the two (2) Suppliers that met the minimum technical threshold. The cost submissions were thoroughly reviewed, and calculations of the total annual costs were validated by PMMD. The technical scores and the Cost of Service scores were then added together with the total representing the final score for each Supplier. Following an analysis of the two (2) Proposals, the committee members determined the final scores and determined that Sysco Toronto, a Division of Sysco Canada Inc was the highest scoring Proponent

Staff are seeking authority to enter into one (1) contract, in accordance with the terms set out in the Request of Proposal and on terms and conditions deemed satisfactory by the General Manager, Seniors Services and Long-Term Care and in a form satisfactory to the City Solicitor.

CONTACT

Jennifer Dockery
General Manager
Seniors Services and Long Term Care
Phone: 416-392-8896
Email: jennifer.dockery@toronto.ca

Daniela Sabatini
Director, Management Services
Seniors Services and Long Term Care
Phone: 416-392-9061
Email: daniela.sabatini@toronto.ca

Kelly McGarry
Manager, Purchasing Client Services
Purchasing and Materials Management
Phone: 416-338-557
Email: Kelly.McGarry@toronto.ca

SIGNATURE

Jennifer Dockery
General Manager

Geneviève Sharkey
Chief Procurement Officer