

Clause 10 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 16, 2017.

10

Long-Term Care Homes Food Product Procurement Services

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 20, 2017 from the Commissioner of Community and Health Services:

1. Council approve the award of the contract for the Region's long-term care homes food product procurement services program to Sysco Toronto, a Division of Sysco Canada Inc., pursuant to Request for Proposal P-16-95.
2. The Region enter into an agreement with Sysco Toronto, a Division of Sysco Canada Inc. for the long-term care food product procurement services program on the following terms:
 - a. The term of the agreement be for three years, commencing on April 1, 2017 and expiring on March 31, 2020, with an option to renew for two further one-year periods.
 - b. The Region pay Sysco Toronto, a Division of Sysco Canada Inc. for food product procurement services program contract up to a total value of \$3,300,000 for three years excluding applicable taxes.
 - c. The renewal option for two further one-year periods be subject to approved budgets and market variables such as annual Consumer Price Index for Food for the Province of Ontario and fluctuating Canadian to US exchange rates.
3. The Commissioner of Community and Health Services be authorized to execute the agreements and any renewal options, subject to satisfactory performance, on behalf of the Region.

Report dated January 20, 2017 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the award of the contract for the Region's long-term care homes food product procurement services program to Sysco Toronto, a Division of Sysco Canada Inc., pursuant to Request for Proposal P-16-95.
2. The Region enter into an agreement with Sysco Toronto, a Division of Sysco Canada Inc. for the long-term care food product procurement services program on the following terms:
 - (a) The term of the agreement be for three years, commencing on April 1, 2017 and expiring on March 31, 2020, with an option to renew for two further one-year periods.
 - (b) The Region pay Sysco Toronto, a Division of Sysco Canada Inc. for food product procurement services program contract up to a total value of \$3,300,000 for three years excluding applicable taxes.
 - (c) The renewal option for two further one-year periods be subject to approved budgets and market variables such as annual Consumer Price Index for Food for the Province of Ontario and fluctuating Canadian to US exchange rates.
3. The Commissioner of Community and Health Services be authorized to execute the agreements and any renewal options, subject to satisfactory performance, on behalf of the Region.

2. Purpose

This report seeks authorization to award a contract for the provision of food product procurement services for the Region's two long-term care homes. These services include the ordering and procurement of food and a technology-based management program to ensure appropriate dietary services and nutrition support for residents.

Council approval is required in accordance with the Purchasing Bylaw as the contract price for Request for Proposal (RFP) P-16-95 exceeds \$2,000,000.

3. Background and Previous Council Direction

Long-term care homes are required to comply with the *Long-Term Care Homes Act, 2007* and Regulations

Under the *Long-Term Care Homes Act, 2007 (LTCHA)*, York Region Council serves as the Committee of Management for the Region's two long-term care homes and has a legislated responsibility to oversee their operations. One of the Committee of Management responsibilities is to ensure that the homes provide appropriate dietary services and a hydration management program for residents in compliance with the requirements of the *Long-Term Care Homes Act* and its regulations.

The Act also requires that every licensee of a long-term care home is to ensure there is an organized program of nutrition care and dietary services to meet the daily nutrition and hydration needs of residents and that the homes must have at least one registered dietitian to provide clinical and nutrition care and approve menu planning for residents.

Provincial funding provided for raw food is currently \$8.33 per resident/per day

The program must provide a variety of safe food, adequate in quantity and nutrition. The program must include menu planning for a cycle of at least 21 days that provides regular, therapeutic and texture modified diets for residents' meals and snacks. The menu must offer a variety of foods, including fresh seasonal foods, which meet the residents' needs for nutrients, fibre and energy. Residents are offered three meals, two snacks and several beverages throughout the day, with alternative choices of entrees and beverages.

The homes must also meet legislated food production requirements regarding availability of supplies and equipment for safe food production, handling and temperature maintenance.

The provincial funding provided to meet these requirements is currently \$8.33 per resident/per day.

Current five-year food services contract for the Region's two long-term care homes expires on March 31, 2017

On January 26, 2012, Council approved [Long-Term Care Food Procurement Services Contract](#) awarding a contract for food services to Sysco Food Services for an initial term of one year, with four option years at the discretion of the Commissioner, subject to satisfactory performance. The four one-year extensions were exercised and the contract will terminate on March 31, 2017.

The Paramedic and Seniors Services Branch within the Community and Health Services Department issued an RFP, P-11-37, in 2011 for the provision of a food management system to support all dietary services in the two long-term care homes. The system supports included food purchasing, menu management, recipes, inventory control, on-line ordering, food order customization for individual residents (including modified texture and therapeutic alternatives) and nutritional analysis.

Food product procurement services provide a range of pre-determined suitable food products and dietary management solutions

This contract will meet Ministry of Health and Long-Term Care regulations offering a minimum three-week seasonal menu cycle with alternate choices including texture modified and therapeutic alternatives.

This contract will further achieve:

- Cost savings through standardization of food products and bulk buying
- Efficient business processes for ease of order placement, goods receipt and processing of payments
- Efficient account management and ease of administration

The services in the contract include a comprehensive dietary software management package for menu management, production (recipes), resident data and tracking, inventory and costing and emergency menu planning.

Improvements in food quality and production have resulted in a more pleasurable dining experience for residents

The dietary software includes a comprehensive menu system using home-style recipes and nutritional analysis of menu items. This, along with increased education of staff, has resulted in an innovative food program providing the residents of the Region's two long-term care homes a more pleasurable dining experience. Pleasurable dining is a commonly used phrase, introduced about five years ago, in the long-term care sector. It references changes that were made with the implementation of the *Long-Term Care Homes Act* to create more pleasant, person-centred dining experiences, as opposed to an institutional dining environment. Emphasis is placed on providing residents with choice and serving meals in a pleasant, cheerful setting.

4. Analysis and Implications

An RFP was released in September 2016

The Region released an RFP, P-16-95, in August 2016, requesting the submission of proposals from firms qualified and capable of offering food product procurement services to the two long-term care homes - Newmarket Health Centre and Maple Health Centre.

One proponent submitted a proposal that met the RFP requirements

Six companies picked up the RFP package from Supplies and Services however only two submitted a proposal. Sysco Toronto, a Division of Sysco Canada Inc. was the only proponent that met all the requirements.

Staff from the Paramedic and Seniors Services Branch and Supplies and Services Branch evaluated the proposal submitted by Sysco Toronto, a Division of Sysco Canada Inc. On evaluation, the proponent successfully passed the Stage 1 mandatory criteria as set out in the RFP.

The mandatory requirements included:

- Quality food products standards – minimum standards, program information, electronic purchasing and reporting
- Program support – dietary food management software package and environmentally friendly products
- Emergency planning
- Management of damaged/out of date and recalled food products
- Delivery holds and drop delivery
- Equipment and food product return policies and warranties

Sole proponent was evaluated on technical and financial submissions based on the mixture of food products most commonly ordered by the Region

Proponents were required to achieve a minimum technical score of 42 out of 70 points (60 percent) to qualify their financial proposals. Sysco Toronto, a Division of Sysco Canada Inc. received a technical score of 63. Staff participated in a site

visit with the sole proponent to observe the features of the dietary software management program and clarify information in the submission.

The proponent's financial submission was \$1,880,171.79 for three years, based on the "Basket of Goods" price schedule. The "Basket of Goods" represents a partial list of the products most commonly ordered by the Region's two long-term care homes. The final value of the contract for all goods to be ordered over the next three years has an upset value limit of \$3.3 million. This figure is based on past procurement requirements and the current approved budget value.

The eligible bid was considered good value as:

- The bid was prepared and submitted in a competitive environment.
- Sysco Toronto offers a partnership with Complete Purchasing Services, a leading supply chain solution provider that provides best value products and volume rebates.
- Sysco Toronto's pricing is below the budgeted funds in the Long-Term Care Division operating budget.

Successful proponent offers a partnership with a supply chain provider to maximize buying power

Sysco Toronto offers a partnership with Complete Purchasing Services, a leading supply chain solution provider. Complete Purchasing Services provides: on-line ordering capability; inventory management; menu development and program support; best value products; and volume rebates. The menu development feature is particularly beneficial for ensuring that menu-planning meets the residents' varied and complex needs for nutrition, therapy, texture and choice.

Successful proponent offers a dietary management software solution that meets provincial regulations at no additional cost

Sysco Canada Inc. offers a partnership with Sure Quest Systems to provide access to Sure Quest software and Synergy On-Demand Service to Sysco customers. The software package includes: meals and nourishment menu management; meal development/production; nutritional analysis; scalable recipes; and product information to support meal and nourishment menus. Sysco Canada Inc. offers this dietary management software application package at no cost to the Region.

The dietary management software application is a cloud hosted solution and has passed York Region's IT cloud hosted requirements.

Successful proponent's software solution integrates with electronic menu and production display monitors eliminating paper-based workflows

Sysco Canada Inc. dietary management software package has the capability to integrate with MenuStream, that provides electronic menu and production display monitors solution. This unique software system provides food service operations with an ability to move towards a paperless environment. Using tablet/mobile technology, kitchen reports, servery reports, dining room reports and nourishment cart reports are all accessible to staff electronically. These reports are required to be maintained and are annually audited by the Ministry of Health and Long-Term Care as part of the annual compliance inspection. The electronic documents will meet the Ministry's compliance requirements and archiving will meet the Region's official enterprise content management requirements.

The Region's long-term care homes will be implementing the MenuStream electronic solution in the near future.

Successful proponent also provides value added services

Additional services are provided, such as:

- Quarterly Ingenium Newsletter
- Regional Healthcare Food Shows with educational seminars
- Education and Menu Planning days
- Test kitchen and meeting facilities to conduct product testing, presentations and meetings

5. Financial Considerations

The total value of the food procurement services contract for a three-year period, effective April 1, 2017 to March 31, 2020 is \$3,300,000.

The total costs represent the food products that are ordered by the two long-term care homes and the dietary management software application costs. The Region does not guarantee to the vendor that this amount will be spent in the contract years. The prices and fee schedules are fixed for the three-year period. Subsequent overall pricing may not exceed the annual Consumer Price Index for Food for the Province of Ontario and fluctuating Canadian to US exchange rates for each subsequent year.

The cost of this contract will be managed within the approved Paramedic and Seniors Services operating budget.

6. Local Municipal Impact

There are no local municipal impacts associated with this report.

7. Conclusion

It is recommended that the food products procurement services for the Region's two long-term care homes be awarded to Sysco Toronto, a Division of Sysco Canada Inc. for a three-year term with the option to renew for two additional one-year terms. This contract award allows for the ordering and procurement of food as well as a technology-based management programs to ensure adherence to the legislated dietary services for the homes' residents.

For more information on this report, please contact Norm Barrette, Chief and General Manager, Paramedic and Seniors Services Branch at 1-877-464-9675 ext. 74709.

The Senior Management Group has reviewed this report.

January 20, 2017

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Accessible formats or communication supports are available upon request