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**REPORT TITLE: Critical Contract Increases/Extensions at Long Term Care**

**FROM: Nancy Polsinelli, Commissioner of Health Services**

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## **RECOMMENDATION**

**That the Contract (Document 2015-399P) awarded to Sysco Serca Food Services (Sysco Toronto) & MealSuite Solutions Inc. for food distribution and menu management for the five long-term care homes, be renewed for an additional year to June 1, 2022 for a cost of \$3.0 million (excluding applicable taxes) in accordance with Procurement By-law 30-2018, as amended;**

**And further, that the Contract (Document 2016-346T) awarded to Cardinal Health for incontinence products for the five long-term care homes, be increased by \$96,000 (excluding applicable taxes) in accordance with Procurement By-law 30-2018, as amended;**

**And further, that the Contract (Document 2015-028T) awarded to Focus Protective Services (2368241 Ontario) for night security services for Tall Pines and Malton Village Long-Term Care Centres, be renewed for up to an additional year at a cost of \$150,000 per year (excluding applicable taxes) in accordance with Procurement By-law 30-2018, as amended;**

**And further, that the Commissioner of Health Services be authorized to execute these contract extensions, on commercial terms satisfactory to the Commissioner of Health Services and on legal terms satisfactory to the Regional Solicitor.**

## **REPORT HIGHLIGHTS**

- The Covid-19 response has redirected many resources that manage contracts and associated services, impacting our ability to meet Request for Proposal (RFP) timelines.
- The current Sysco Toronto & MealSuite Solutions Inc. contract will be out of funds by June 2021 and requires an extension to allow sufficient time for evaluation and selection of future vendors.
- The current Cardinal Health contract will be out of funds by May 2021 and an increase is required to meet resident needs and prevent the exhaustion of funds.
- The current Focus Protective Services Contract requires an extension to sustain the current service until a Region-wide contract is in place, expected in November 2021.
- Authorities to increase contracts have been exhausted and additional increases and extensions now require Council approval.
- There are sufficient funds within the approved 2021 Budget to manage the extensions.

## **Critical Contract Increases/Extensions at Long Term Care**

### **DISCUSSION**

#### **1. Background**

The COVID-19 response has diverted attention, delaying procurement processes for contract extensions, increases and new tenders. Both long-term care and procurement have continued to prioritize responsibilities and efforts to unanticipated work related to the pandemic which has unfortunately led to the delay of routine work such as RFPs.

The current Sysco Toronto & MealSuite Solutions Inc. contract, valued at approximately \$3.0 million annually, is expiring July 14. Current monthly spending is \$287,000 and the existing purchase order (PO) will be out of funds by June 20, prior to contract expiry. The term of the existing contract is 5 years, reflecting the Region of Peel's exercising of the option to renew for four additional 1-year terms, beyond the initial one-year term, and is for a total value of \$15.0 million. For the next procurement approach, the services under the contract will be split into two distinct RFPs, whereby the procurement for menu management will be initiated only once the contract for food distribution has been awarded. Council's requested yearlong extension to the existing contract and funds to close out the remaining month in the current term will allow sufficient time for these two procurements.

The Cardinal Health contract for incontinence products, valued at \$475,000 annually, is expiring August 31. Current monthly spending is \$56,000 and the existing PO will be out of funds by May 2021, prior to contract expiry. The term of the existing contract is 5 years, reflecting the Region's exercising of the option to renew for four additional 1-year terms, beyond the initial one-year term. An RFP to procure services is forecast to be issued July 1 with the forecast award of a new contract prior to September 1. A \$100,000 increase was approved previously (April 26, 2021) to prevent the exhaustion of funds but was not sufficient to cover all costs until the end of the current term. The request to Council for an additional \$96,000 appropriation for the existing PO will be sufficient until a new contract is awarded.

Lastly, the Focus Protective Services contract for security guard services, valued at \$144,000 annually, is expiring July 14. The term of the existing contract is 6 1/2 years, reflecting the Region's exercising of the option to renew for four additional 1-year terms, beyond the initial one-year term. The contract was subsequently extended for an additional 18 months through an increase of \$250,000 through procurement authority, while Long Term Care awaited the procurement of Region-wide security guard services; that procurement has been delayed since the fall of 2019. An increase of \$150,000 per year is required to extend the contract for up to a year, while continuing to await the award for the still promised Region-wide contract, expected this November.

### **PROCUREMENT PROCESS**

In accordance with Procurement By-law 30-2018, extensions to the contract requires Regional Council approval. The process to award the Contract is in compliance with the By-law.

Support from the Vendors has been acceptable, and the services provided by Sysco (Serca) Food Services Ontario Inc., Cardinal Health and Focus Protective Services, provide good value to the Region of Peel.

## **Critical Contract Increases/Extensions at Long Term Care**

### **RISK CONSIDERATIONS**

Without the requested contract extensions, staff will be unable to provide the meals and incontinence products required to meet the nutritional and care needs of the residents living in our Long Term Care homes. Additionally, the safety and security of residents, employees and visitors at Tall Pines and Malton Village may not be maintained without the service of night security guards.

### **FINANCIAL IMPLICATIONS**

There are sufficient funds available in the approved operating budget to carry out the contract extensions.

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*For further information regarding this report, please contact Ann-Marie Case-Volkert, Interim Director of Long-Term Care, Ext. 2407, [ann-marie.case-volkert@peelregion.ca](mailto:ann-marie.case-volkert@peelregion.ca)*

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#### ***Reviewed and/or approved in workflow by:***

Department Commissioner, Division Director, Financial Support Unit, Legal Services and Procurement.