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**REPORT TITLE:**      **Critical Contract Increase and Extension for Food Distribution and Menu Management Services in Long Term Care**

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

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## **RECOMMENDATION**

- 1. That the Contract (Document 2015-399P) awarded to Sysco Serca Food Services of Ontario Inc. and MealSuite Inc. for food distribution and menu management services for the Region of Peel’s five long-term care homes, be renewed for an additional 18 months to January 13, 2024 at a cost of \$5.2 million (excluding applicable taxes) in accordance with Procurement By-law 30-2018, as amended; and**
- 2. That the Commissioner of Health Services be authorized to execute this contract extension, on commercial terms acceptable to the Commissioner of Health Services and on legal terms acceptable 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 food distribution and menu management services with the Sysco Serca Food Services of Ontario Inc. and MealSuite Inc. contract will be expiring on July 14, 2022 and requires an extension to allow sufficient time for evaluation and selection of future vendors.
- Request for Proposal (Document 2015-399P) was issued as a competitive bid for food distribution and menu management services for the Region of Peel’s Long-Term Care homes.
- The Ministry of Long-Term Care announced a 15 per cent funding increase for nutritional supports which came into effect on April 11, 2022.
- Authorities to increase contracts have been exhausted and additional increases and extensions now require Council approval.
- There are sufficient funds within the approved 2022 budget to manage the extensions.

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## **DISCUSSION**

### **1. Background**

In 2016, a contract was awarded to Sysco Serca Food Services of Ontario Inc. and MealSuite Inc. for the supply and delivery of food and menu management services for the Region of Peel's five long term care homes. In 2021, the contract was extended for a 12-month term due to the ongoing pandemic response requirement. The contract is set to expire in July 2022. The COVID-19 response has continued to divert attention with

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emergence of variants of concern, 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 Serca Food Services of Ontario Inc. and MealSuite Inc. contract, valued at approximately \$3 million annually, is expiring July 14, 2022. A 15 per cent funding increase for nutritional supports came into effect on April 11, 2022.

In the upcoming RFP process, Long Term Care intends to take a different approach by separating the food supply and delivery from the menu management components of the contract to be able to manage each contract separately. Long-Term Care will conduct an environmental scan through a Request for Information (RFI) process to help develop the scope of the dietary software solutions prior to going forward with a combined or separate RFP. Long Term Care is seeking an 18-month extension to complete these procurement processes. This will ensure that the full support of the required stakeholders and divisions is acquired to conduct a thorough and competitive process.

### **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 of Ontario Inc. and MealSuite Inc. provide good value to the Region of Peel.

### **RISK CONSIDERATIONS**

Without the requested contract extension, staff will be unable to provide the meals required to meet the nutritional needs of the residents living in our Long-Term Care homes and clients of our Adult Day Services program.

### **FINANCIAL IMPLICATIONS**

The value of the current contract is \$3 million annually. With an 18-month extension and the 15 per cent funding increase, the expected value of the contract extension will be approximately \$5.2 million.

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

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Nancy Polsinelli, Commissioner of Health Services