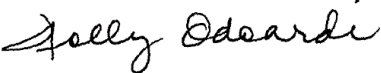




CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Long-Term Care

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	June 15, 2023
SUBJECT/REPORT NO:	Group Purchasing Services for Food and Related Supplies (HSC18026(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brian Bettencourt (905) 546-2424 Ext. 1906 Anne Kayler (905) 546-2424 Ext. 1921
SUBMITTED BY:	Holly Odoardi Senior Administrator, Long-Term Care Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

Pursuant to Policy #11 - Non-competitive Procurements that Council approve Complete Purchasing Services Inc. and their vendors as the single source for food and related supplies, for Macassa and Wentworth Lodges, Recreation Division, and Red Hill Family Centers and for cleaning and related supplies for Macassa and Wentworth Lodges for up to two years until May 30, 2025.

EXECUTIVE SUMMARY

Macassa and Wentworth Lodges have been satisfactorily using Complete Purchasing Services Inc., a group purchasing service, to procure food and supplies for their food services departments over the past 20 years. In addition to food and related services for the long-term care homes, more recently, the long-term care home's Housekeeping and Laundry Section, Recreation's Food Services unit as well as Red Hill Family Centre's meal program and the kitchen at Sackville Seniors Centre have also procured products through Complete Purchasing Services Inc. This has been a cost effective and efficient arrangement for the City of Hamilton for many years. Complete Purchasing Services Inc. has a Canada-wide purchasing power of over \$2 B which benefits the City of Hamilton in obtaining competitive pricing. Using the Complete Purchasing Services Inc. negotiated pricing, the approximate cost of food and supplies purchased through these

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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distributors over the past year was \$2,001,000 dollars (Macassa Lodge - \$1,269,000 and Wentworth Lodge - \$732,000). The approximate cost of cleaning and related supplies purchased at the Lodges over the past year was \$105,000 dollars (Macassa Lodge - \$69,000 and Wentworth Lodge - \$36,000).

Red Hill spent approximately \$88,000 annually on food and beverages over the past year.

The Recreation Division operates 14 arena concessions and a full-service kitchen at Sackville Seniors Centre and anticipate spending approximately \$117,000 annually on food and beverage products for 2023. Last year they spent approximately \$50,000 on food and beverage products, however 2022 was not a typical operating year as only three sites ran.

Value-added services that are provided at no cost include a risk management program, menu and meal production management resources specific to long-term care, electronic ordering and inventory systems, and a variety of educational resources for staff training.

The current agreement with Complete Purchasing Services Inc. is set to expire June 25, 2023. Since March 2020 the focus has continued to be on managing the COVID-19 Pandemic. With that, staff have not had the opportunity to fully review the alternate purchasing group options available to the City of Hamilton. We would require up to two years to properly complete a new report with our recommendations. Through a recent market scan, staff working at both Lodges have identified that Complete Purchasing Services Inc. may not provide the most value for the City ongoing. Staff require additional time to complete a comprehensive review of the services offered by Complete Purchasing Services and those offered by other vendors with similar business models. Following a complete market review and in advance of the expiration of the approval requested through this report, an updated report with recommendation will be brought to Council seeking approval for future direction.

Alternative for Consideration – See page 4.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Food and related supplies, cleaning and related supplies, are purchased within the allocated operating budgets at each Lodge. Complete Purchasing Inc. has waived the membership fees for the City of Hamilton. Both Recreation and the Red Hill Family Centre would benefit from reduced product costs.

Staffing: There are no staffing implications associated with the recommendations of Report HSC18026(a).

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Legal: There are no legal implications associated with the recommendations of Report HSC18026(a).

HISTORICAL BACKGROUND

The current Council approval for Group Purchasing Services for Food and Related Supplies (HSC18026) (City Wide) which recommends Complete Purchasing Services Inc. as the single source purchasing agent, is due to expire on June 25, 2023. In February of this year, the Director of Food Services obtained a Policy 11 to support a market scan, to contact other purchasing groups and to identify other products offered on the market. In this brief time, we have identified that Complete Purchasing Services Inc. may not be able to provide the best overall value compared to the alternate options. Considering this, the suggestion was to submit a report to council requesting approval for Complete Purchasing Services Inc. and their vendors as a single source for up to two years, bringing us to May 2025. This timeframe would allow staff to complete a further scan and explore offerings from vendors that would better support our future purchases, processes and needs throughout the City.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

City of Hamilton's Procurement Policy By-law, Section 4.11 – Policy for Negotiations (Single source) Policy 11 provides for the recommending of a single source vendor for the supply of a particular Goods and/or Service because it is more cost effective or beneficial for the City.

RELEVANT CONSULTATION

The Directors of Food Services and Supervisors of Housekeeping and Laundry for both Lodges were consulted regarding the report content related to the food product sourcing market, services required, cost and operational issues. The Recreation division, Red Hill Family Centre, and Children's and Community Services division were consulted and support the recommendations in this report.

Procurement was consulted and supports the recommendations in this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

It has been the staff's intention to have completed an in-depth review of the group purchasing program before the expiry date. However, the Global COVID-19 Pandemic along with other industry competing factors has simply affected our ability to complete a comprehensive review. We now require up to two years to allow staff to maintain purchasing from the current vendor and to benefit from the savings provided to date by Complete Purchasing Services Inc. This will allow staff to work on completing the

comprehensive review required to present to council with a new report and recommendations which may include changing to a new vendor.

ALTERNATIVES FOR CONSIDERATION

Request for Proposal

There is concern that alternate purchasing groups might not submit for a Request for Proposal resulting in a loss of competitive pricing and ability to receive spending rebates.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community
Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

APPENDICES AND SCHEDULES ATTACHED

None