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| <b>TO:</b>      | <b>CHAIR AND MEMBERS<br/>COMMUNITY AND PROTECTIVE SERVICES COMMITTEE<br/>MEETING ON JANUARY 21, 2013</b> |
| <b>FROM:</b>    | <b>TIM DOBBIE, CONSULTANT – CITY OF LONDON</b>   |
| <b>SUBJECT:</b> | <b>SINGLE SOURCE FOR THE SUPPLY<br/>OF FOOD PRODUCTS</b>   |

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| <b>RECOMMENDATION</b> |
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That, on the recommendation of the Tim Dobbie, Consultant – City of London the following actions **BE TAKEN** with the respect to the supply and delivery of food products to the City of London:

- (a) That approval hereby **BE GIVEN** to declare Sysco Food Services the single source supplier of food products for the City of London for a one year term in accordance with the “Procurement of Goods and Services Policy” Section 14.4 Single Source, clauses d and e;
- (b) That Civic Administration **BE AUTHORIZED** to enter into negotiations with a supply chain group buying consortium for a group purchasing program on the platform of Sysco Food Services as the supplier of food products;
- (c) That the approval **BE CONDITIONAL** upon the Corporation negotiating satisfactory prices, terms and conditions for food products from Sysco Food Service through the group purchasing program to the satisfaction of the Manager, Purchasing & Supply;
- (d) That Civic Administration **BE AUTHORIZED** to undertake all the necessary administrative acts in connection with this matter; and
- (e) That the approval **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order relating to the subject matter of this approval.

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| <b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b> |
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| <b>BACKGROUND</b> |
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**Purpose:**

To recommend that Sysco Food Services be declared the single source provider of food products for the City of London for the 2013 year.

**Purchasing Process:**

Approval for this selection is requested in accordance with the Procurement of Goods and Services Policy, Section 14.4, clauses (d) and (e).

**Context:**

Various services within the City of London including Dearness Home, City Golf Courses, City Hall Cafeteria, Storybook Gardens and the Seniors Centres order food products from Sysco Food Services through an annual group purchasing membership with Complete Purchasing Services Inc. Complete Purchasing Services is a supply chain group purchasing consortium offering access to prices negotiated directly with the manufacturer of high volume commodities. The City of London’s membership also offers rebates on various volumes of purchases. The City of London purchased approximately \$880,000 with Sysco in 2011 and \$965,000 in 2012 of which approximately 70% is attributable to Dearness Home.



Since 2006 the City of London has utilized Complete Purchasing Services as the group purchasing consortium. This annual membership has been renewed each year up to and including 2012 with similar terms and conditions. In order to ensure best prices for the City of London, we would like to enter into negotiations with suppliers of group purchasing programs who offer Sysco as a food supplier.

Membership fees for Complete Purchasing Services totalled \$3,000, HST extra, in 2012.

**Discussion:**

The City of London entered into a contract with Complete Purchasing Services in 2006. Since that time the City of London has been purchasing the majority of food products from Sysco Food Services. The majority of food purchases are made on behalf of the Dearness Home. The primary driver to remain with Sysco Food Services is to support the needs of the Dearness Home as outlined below.

In January of 2008, the Dearness Home purchased Synergy Max software; a foodservice management system developed by SureQuest Systems and distributed through Sysco Food Services for \$24,374. The purpose of this software was to allow the Dearness Home to transition from a manual, paper based system of creating recipes, menus, order guides and tracking resident nutritional needs to an automated process that fully integrates resident nutritional profiles, menu development, meal production, purchasing, costing and inventory.

There are many benefits attributed to the use of this software including:

- Resident Management – tracks weights, diet types, allergies, preferences and generates reports that assist in managing nutritional risk through weight monitoring and historic profiling;
- Menu and Production Management – produces production sheets for each shift, recipes to scale, therapeutic menus for all diets and textures and forecasts the amount of food to be sent to each resident home area based on resident population and specific diets;
- Purchasing and Costing Management – projects grocery needs based on menus, produces grocery order, provides costing reports and inventory worksheets; and
- Clinical and Dietary Management – provides for nutritional risk assessments and assists the Home to meet its obligations under the *Long Term Care Homes Act, 2007* for the requirement of an “organized program of nutritional care and dietary services”.

The Dearness Home has significant time and resources invested in the implementation of this software. Set up of the system required manual entry of over 1,000 recipes to create 62 weeks of different menus for Long Term Care, the Adult Day Program, the Cafe and special occasions. Information for 243 residents was entered to track nutritional profiles. In addition, considerable resources were incurred to provide training for management, supervisors and front line staff.

The benefits attributable to the use of this software include a 2009 budget reduction in dietary staff of .9 of a full time equivalent. Additionally, the dietician was no longer required to compute detailed nutritional analysis of all recipes allowing her more time to deal with resident nutritional needs assessments.

Going forward, an advantage of the Synergy Max software solution is that it is fully compliant with the Point Click Care nursing software currently in use at the Dearness Home. SureQuest, the developer of Synergy Max is the premier partner with Point Click Care for nutritional software. This partnership provides the avenue for Dearness to continue to move forward in technological advancements through integration of the two systems allowing for electronic posting of the menus on the Point of Care kiosks recently installed throughout the Home and also eliminating redundant data entry by ensuring that changes to resident information is populated in both systems.

**Conclusions:**

Approving Sysco Food Services as a single source vendor will allow food service operations to continue without disruption. The cost benefits associated with operating the software will continue, we will forego any additional costs of switching to another system and will be able to take advantage of the premier partnership between our nutritional and nursing software.

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| <b>FINANCIAL IMPACT</b> |
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The annual cost for food purchases and annual membership fee are included within the various service based budgets.

Through the renegotiation of our group purchasing program we will ensure best prices for food products for the City of London.

| RECOMMENDED BY:                                  | REVIEWED AND CONCURRED BY:                   |
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| <b>TIM DOBBIE<br/>CONSULTANT, CITY OF LONDON</b> | <b>MIKE TURNER<br/>DEPUTY CITY TREASURER</b> |

- cc. **A.L. Barbon, Manager Financial and Business Services**
- B. Coxhead, Managing Director Parks and Recreation**
- J. Freeman, Manager Purchasing and Supply**