

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2018 May 01
FROM: DIRECTOR FINANCE **FILE:** 5820-20
RFP 001-01/17
**SUBJECT: CONTRACT EXTENSION
SUPPLY AND DELIVERY OF FOOD PRODUCTS – GORDON FOOD
SERVICE CANADA LTD.**

PURPOSE: To obtain Council approval for a one year contract extension for the supply and delivery of food products.

RECOMMENDATION:

1. **THAT** Council approve a one year contract extension to Gordon Food Service Canada Ltd. for a total estimated value of \$608,000 (GST and PST exempt). Final payment will be based on actual quantity of goods delivered and services provided.

REPORT

On 2017 March 27, the City awarded a contract to Gordon Food Service Canada Ltd. for \$546,215 (GST and PST exempt) for the period 2017 April 01 to 2018 March 31, with options of up to four individual one year extensions at the discretion of the City. The work of this contract includes the supply and delivery of food products to the City of Burnaby's various food service locations.

This recommendation is for a one year contract extension period from 2018 April 01 to 2019 March 31 for an estimated value of \$608,000 (GST and PST exempt). The contract extension value includes specific cost containment measures with product lines where significant increases are seen, more specifically in some meat products and processed potato product lines. Changes in some brand selections and the consolidation of some core product lines also minimize cost escalations. An estimated price increase of 3.3% based on the year over year Consumer Price Index for Vancouver for all other non-core products is also included. The total estimated contract value will be \$1,154,215 (GST and PST exempt).

Gordon Food Service Canada Ltd. has a proven track record for the supply and delivery of food products to the City, and their prices are competitive and reflective of current market conditions.

The Director of Parks, Recreation and Cultural Services concurs with this recommendation.

It is anticipated that revenues from the food operations will fully recover the costs. Funding for these expenditures is provided under the 2018 – 2022 Provisional Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

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Copied to: Director Parks, Recreation, and Cultural Services
Manager Food Services