
TO: CITY MANAGER **DATE:** 2019 March 20

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 \$500,000 (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.

On 2018 May 7, the City awarded the first option year contract extension to Gordon Food Services Canada Ltd. for \$608,000 (GST and PST exempt) for the period from 2018 April 01 to 2019 March 31.

This recommendation is for the second one year contract extension period from 2019 April 01 to 2020 March 31 for an estimated value of \$500,000 (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, seafood, dairy and cheese product lines. Changes to the core products selection list, including different brand selections also minimize cost escalations as well as significant decreases to the processed chicken products, meat patties, bread products and potato products line. An estimated price increase of 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 \$1,654,215. (GST and PST exempt).

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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 2019 – 2023 Provisional Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:JN /ml

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