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**TO:** CITY MANAGER **DATE:** 2020 March 02

**FROM:** DIRECTOR FINANCE **FILE:** 5820-20  
*RFP# 001-01/17*

**SUBJECT: CONTRACT EXTENSION  
SUPPLY AND DELIVERY OF FOOD PRODUCTS – GORDON FOOD  
SERVICES CANADA LTD.**

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

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**RECOMMENDATION:**

1. **THAT** Council approve a one year contract extension to Gordon Food Services Canada Ltd. for a total estimated value of \$525,000.00 for the supply and delivery of food products as outlined in this report. Final payment will be based on actual quantity of products purchased.

**REPORT**

On 2017 March 27, the City awarded a contract to Gordon Food Service Canada Ltd. for a total cost of \$580,000.00. The initial contract was 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 on an “as and when required basis” to the City of Burnaby’s various food services locations.

The City has since renewed two additional years for \$1,108,000.00.

This recommendation is for the third one-year contract extension effective 2020 April 01 to 2021 March 31 for an estimated value of \$525,000.00. The contract extension value includes specific cost containment measures with product lines where significant increases are seen, more specifically in some meat, dairy and cheese product lines. Different brand selections also minimize cost escalations as well as significant decreases to the seafood product line. An estimated price increase of 2.9% based on the year over year Consumer Price Index for Vancouver for all other non-core products is also included. Total estimated contract value will be \$2,213,000.00.

To: City Manager  
 From: Director Finance  
 Re: Contract Extension  
 Supply and Delivery of Food Products – Gordon Food Services Canada Ltd.  
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Contract History	Term	Amount
Original Contract Award	2017 Apr – 2018 Mar	\$580,000.00
First Contract Extension	2018 Apr – 2019 Mar	\$608,000.00
Second Contract Extension	2019 Apr – 2020 Mar	\$500,000.00
Third Contract Extension	2020 Apr – 2021 Mar	\$525,000.00
<b>TOTAL</b>		<b>\$2,213,000.00</b>

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 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 the requirements is provided in various operating accounts within the 2020 – 2024 Provisional Financial Plan.



Noreen Kassam, CPA, CGA  
 DIRECTOR FINANCE

NK:GC:JN / ew:md

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