



## ADMINISTRATIVE REPORT

Report Date: October 29, 2013  
Contact: Nick Kassam  
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RTS No.: 10306  
VanRIMS No.: 08-2000-20  
Meeting Date: November 20, 2013

TO: Standing Committee on City Finance and Services

FROM: General Manager of Community Services, General Manager Financial Services and Chief Purchasing Official

SUBJECT: Contract Award for the Provision of Food Services for the Evelyne Saller Centre

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate, to the satisfaction of the City's General Manager of Community Services, Director of Legal Services, General Manager of Financial Services Group and Chief Purchasing Official, and enter into, a contract with Aramark Canada Inc. for the provision of food services for the Evelyne Saller Centre, with a term of three years (with the option to extend for two additional one-year periods), with an estimated contract value of \$4,600,000 over the initial three-year term, and with funding to be provided from the revenue generated from the sale of meals and subsidies from the Government of British Columbia (BC Housing), ensuring full recovery of all operating costs associated with the operation of the cafeteria (100% recovery).
- B. THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the Director of Legal Services.

### **REPORT SUMMARY**

The City issued a Request for Proposal (RFP-PS20130055) for the provision of food services for the Evelyne Saller Centre (the "RFP"). City staff on the RFP evaluation committee, and subsequently the Bid Committee, have considered the proposals received and on that basis, recommend that the City negotiate and, if such

negotiations are successful, enter into a contract as described above with Aramark Canada Inc.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

Annual funding has been provided to the City by BC Housing for the Evelyne Saller Centre since 1976. The last approval was on May 1, 2012 (RTS#9590). Council approved, on consent, the continued receipt of annual, on-going funding from BC Housing to provide services operating at the Evelyne Saller Centre and the Gathering Place.

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. The Bid Committee has considered and approved Aramark Canada as the successful proponent.

### ***REPORT***

#### ***Background/Context***

The City currently procures food services for the Evelyne Saller Centre (The Centre) located at 320 Alexander Street. The Centre, which is open 365 days per year, is the largest not for profit provider of food services in the downtown eastside (DTES) and has been serving meals to the community since 1976. The Centre currently serves approximately 280,000 full meals annually. Food services provided at the Evelyne Saller Centre are a critical part of the food security network in the DTES.

The Centre is also a community resource centre that provides a variety of life support services to people with low incomes and special needs. The focus is on supporting the physical, mental and social well-being of people living in the DTES of Vancouver providing services which include the provision of healthy food, health/hygiene services including provision of showers, laundry and delousing; and recreational programming. The Centre is operated by the City under shared provincial and City funding agreements. The cafeteria operation is funded by revenue generated from meals sold and a subsidy from the provincial government ensuring that 100% of the meal services costs are recovered.

The purpose of the RFP was to seek a qualified Proponent with institutional catering experience to provide a selection of nutritious and wholesome food and related products to the clients of the Centre at an acceptable cost per meal, inclusive of food and labour. The meals must meet the nutritional requirements set out in Health Canada's Food Guide. The Proponent must also provide continuous quality improvements to the program, work in harmony with the Centre's management team, work to increase sustainable food content over time and embrace other sustainability initiatives.

The current contract, which has been in place since 2002, was due to expire in 2009 but has been repeatedly extended on a short-term basis since then.

## *Strategic Analysis*

The RFP was issued in accordance with the City's Procurement Policy and it was publicly posted on BC Bid and the City of Vancouver website. The City received proposals from two proponents in response to the RFP. The proposals were evaluated through the work of an evaluation team under the stewardship of Supply Chain Management to ascertain which offered the best overall value to the City. The evaluation team was comprised of representatives from Community Services Sustainability and Supply Chain Management. In determining which proposal offered the best overall value to the City, the evaluation team examined, among other factors:

- Pricing;
- Menu planning and food preparation;
- Operational capacity including meeting staffing requirements, employee management, health and safety training, responsiveness to the client group and adequate crisis management procedures;
- Contract management including adequate start-up and transition considerations, ability to meet budget expectations, ability to meet Invoicing and reporting requirements;
- Demonstrated ability to adhere to the City's values and other requirements, including environmental, sustainability and innovation values/requirements.

Based on the overall evaluation, the team concluded that the proposal submitted by Aramark Canada Inc. met the City's requirements and provided best overall value to the City.

## *Implications/Related Issues/Risk*

### *Financial*

Finance has reviewed the financial information and confirmed that funding is available from the annual operational budget of the Evelyne Saller Centre (funding from the Provincial Government through BC Housing and sale of meals) for the provision of food services. As a result of the RFP process, the City is able to achieve cost certainty during the contract term and achieved a forecasted savings of approximately \$37,000 per year based on our historical spend.

## *CONCLUSION*

In summary, City staff recommend that the City of Vancouver negotiate and enter into a three-year contract at an estimated value of \$4,600,000, with the option to extend for two additional one-year terms, with Aramark Canada Inc. for the provision of food services for the Evelyne Saller Centre. Aramark Canada Inc. offers the best overall value to the City.

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