



## COUNCIL REPORT

Report Date: February 15, 2024  
Contact: Alexander Ralph  
Contact No.: 604-829-2092  
RTS No.: 16152  
VanRIMS No.: 08-2000-20  
Meeting Date: February 28, 2024  
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Vancouver Board of Parks and Recreation (VBPR) and Chief Procurement Officer

SUBJECT: Contract Award for a Food and Beverage Broadline Distributor for the Vancouver Board of Parks and Recreation

### Recommendations

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Vancouver Board of Parks and Recreation, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Sysco Canada Inc., for the supply and distribution of food and beverage products, for a term of five (5) years, with the option to extend the term for two (2) additional periods of one (1) year each, with an estimated contract value of six million dollars (\$6,000,000) plus applicable taxes over the seven-year term, to be funded through the operating budget.
- B. FURTHER THAT the Director of Legal Services, Chief Procurement Officer and General Manager of Vancouver Board of Parks and Recreation 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 authorized signatories of the City as set out in these Recommendations.

### Purpose and Executive Summary

The City issued its Request for Proposals (RFP) PS20230559 on September 28, 2023 for the supply of food and beverages to the Vancouver Board of Parks and Recreation. The RFP was advertised on the City of Vancouver's public website, all in accordance with the requirements of the City's Procurement Policy ADMIN-008.

City staff on the RFP evaluation committee reviewed and considered the proposals received in response to the RFP and on that basis submitted a report to the Bid Committee recommending

that it approve Sysco Canada Inc.'s proposal, subject to Council approval and final contract negotiations.

### **Council Authority/Previous Decisions**

The City's Procurement Policy ADMIN-008 requires that contracts with values over \$3 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered and recommended acceptance of Sysco Canada Inc.'s proposal, subject to final contract negotiations satisfactory to the General Manager of Vancouver Board of Parks and Recreation and the City's Director of Legal Services, and the Chief Procurement Officer.

### **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

### **Context and Background**

The Vancouver Board of Parks and Recreation requires a food and beverage broadline distributor to fulfill 80% of its food and non-alcoholic beverage requirements. For the other 20% of specialty items, VBPR will be able to negotiate lower or fixed price contracts with wholesalers on high volume items, lowering cost and minimizing price uncertainties. This arrangement would also enable VBPR to take advantage of delivery services from the broadline distributor and/or leverage on value-added services from other suppliers, including marketing or promotional offers, rebates, supplies, or equipment loans (e.g., fridges, umbrellas, etc.) offered by specialty vendors.

VBPR is looking for a vendor that is committed to maintaining the proposed mark-up percentages throughout the contract. The contract will operate on a monthly pricing structure, comprising the landed cost plus the specified mark-up percentages. Weekly, the vendor will conduct reviews for potential price adjustments and notify VBPR about any upcoming changes that could impact pricing by month's end. Prices for locked-in items will be adjusted, either increasing or decreasing, in the subsequent month. Updated pricing details will be provided on the last day of each month, to take effect on the first day of the following month.

This contract will be accessible for use by any other business units within the City, however, other business units are not obligated to make purchases through this specific contract.

Sysco Canada Inc. is the current incumbent vendor.

### **Discussion**

This Request for Proposal was publicly posted on the City's Supplier Portal for more than 4 weeks and was viewed by 16 potential proponents. The City received responses from Sysco Canada Inc., Gordon Food Service Canada Ltd., and Centennial Foodservice. The responses were evaluated, using both quantitative and qualitative factors, through the work of an evaluation team comprised of representatives from the Vancouver Board of Parks and Recreation under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City.

Responses were evaluated against technical, sustainability and financial criteria, including assessment of the proponent's:

- capabilities;
- areas of expertise;
- years of experience;
- delivery services offered;
- quality assurance methods and practices;
- customer service and technical support;
- diversity and equity;
- indigenous participation; and,
- environmental operations.

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

### **Financial Implications**

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or services. The estimated annual cost of the contract is \$857,000 and confirmed that funding is available within the annual budget allocated to food and beverage purchases for park concession and golf course clubhouse operations. As food purchase is for resale and driven by demand, any budget over expenditure on food should be covered by food-related revenues provided sufficient margins and price adjustments are maintained.

### **Legal Implications**

The City's Procurement Policy requires that all contracts authorized by Bid Committee and Council are to be approved as to form and content and co-signed by the Director of Legal Services.

\* \* \* \* \*