



COUNCIL REPORT

Report Date: May 27, 2025
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Meeting Date: June 18, 2025
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TO: Standing Committee on City Finance and Services

FROM: General Manager of Arts, Culture and Community Services and
Chief Procurement Officer

SUBJECT: Contract Award for Supply and Delivery of Food and Beverage for Carnegie
Centre and Gathering Place

Recommendations

- A. THAT Council authorize City staff to enter into a contract with each of Sysco Canada Inc, Gordon Food Service Canada Ltd., and Yen Brothers Food Service Ltd., in relation to the Supply and Delivery of Food and Beverage for Carnegie Centre and Gathering Place, for an initial term of three (3) years, with options to extend for two (2) additional one (1) year terms. The estimated total value for all three contracts combined is \$2,880,000 over the initial three (3) year term, and \$4,800,000 for the entire potential five-year term plus applicable taxes, negotiated to the satisfaction of the City's General Manager of Arts, Culture and Community Services (ACCS), City's Director of Legal Services, and the City's Chief Procurement Officer.
- B. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of ACCS 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

Carnegie Centre and Gathering Place offer affordable meals to downtown local residents through their food and beverage operations. The City requires vendors to provide economies of scale and volume benefits to counter inflationary pressures and supply a large array of ingredients for varied menus offered at these community centres to ensure readily access to nutritious, fresh and extremely low-cost food.

For this purpose, the City issued a Request for Proposal (RFP) No. PS20240947-ACCS-RFP on November 4, 2024, for Supply and Delivery of Food and Beverage to Carnegie Centre and Gathering Place. The City advertised the RFP on the City of Vancouver website and BC Bid in accordance with the City's Procurement Policy ADMIN-008. City staff on the RFP evaluation committee and the Bid Committee have considered the responses received and recommended that the City negotiate an agreement with Sysco Canada Inc., Gordon Food Service Canada Ltd., and Yen Brothers Food Service Ltd.

Council Authority/Previous Decisions

The City's Procurement Policy (ADMIN-008) requires Council approve contracts with a total value greater \$3,000,000 following review and recommendations by the City's Bid Committee. The Bid Committee has considered the bids and recommends Sysco Canada Inc., Gordon Food Service Ltd., and Yen Brothers Food Service Ltd. as the successful proponents.

There is no applicable Council Authority or previous decisions relevant to this report.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

ACCS requires supply and delivery of food and beverage to Carnegie Centre and Gathering Place which offer affordable meal services to local clientele and residents through their food and beverage operations.

The purpose of the RFP was to identify suppliers with the capability to meet the City's requirements for food and beverage while offering affordable prices and satisfactory service. Estimated annual total spend for the two centres on food and beverage is approximately \$1.5 million.

This procurement process aims to establish contracts for 80% (\$1.2 million) of the food and beverage supplied to Carnegie Centre and Gathering Place which include higher value, repetitively purchased products while allowing the remaining 20% of the budget available for food and beverage to be allocated for lower valued, smaller purchases to be sourced directly from any other supplier.

Discussion

The RFP was issued in the accordance with City's Procurement Policy ADMIN-008. The City received responses from Sysco Canada Inc., Gordon Food Service Canada Ltd., Yen Brothers Food Service Ltd., Centennial Foodservice, Intercity Packers, Islands West Manufacturers, J&K Poultry, and Meshline Manufacturing. The responses were evaluated, using both quantitative and qualitative factors, by an evaluation team comprised of representatives from ACCS, under the stewardship of Supply Chain Management, to assess each response's overall value.

Given the Centres' budget constraints and high demand for affordable food and beverage services, significant weighting was placed on pricing during proposal evaluation and selection process.

Some of the business criteria considered in the overall evaluation process included:

- Quality of products offered and value-added services (e.g.: delivery, packaging, specials)
- Ability to meet business and operating needs of Centres
- Past performance, reputation, and references were considered in the evaluation process

Based on the proposals submitted by Sysco Canada Inc., Gordon Food Services Canada Ltd, and Yen Brothers Food Service Ltd., staff will follow a monthly pricing update and comparison process to ensure affordable pricing from each contract, and to realize savings for the Centres.

Financial Implications

Finance has reviewed and confirmed that funding is available from the ACCS Operating budget, and as a result of the RFP, the City is able to secure affordable food and beverage pricing for the proposed contract term.

<u>5-Year Estimated Contract Value</u>	
Operating budget	\$4,800,000
Estimated total value of contracts over 5 years	\$4,800,000 plus applicable taxes.
2024 in-scope spend (80% of \$1.5M actual spend)	\$1,200,000
Estimated in-scope spend under new contracts	\$ 960,000
Estimated annual savings, subject to monthly price monitoring and ordering from lowest cost suppliers in comparison to 2024 in-scope spend	\$ 240,000 (20%)

Legal Implications

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts with a total value greater than \$3,000,000 that have been awarded by the Bid Committee and Council.

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