
Subject: Group Purchasing Services for Homelessness Services

Report To: Public Health and Social Services Committee

Report date: Tuesday, June 11, 2024

Recommendations

1. That Homelessness Services, direct operations, **BE APPROVED** to have sites added to the Complete Purchasing Services Inc. (CPSI) agreement previously approved for the Region's Long Term Care (LTC) homes as the provider and purchasing agent for group purchasing services for food and supplies.

Key Facts

- Niagara Region's LTC homes have a long-standing practice of using CPSI, a group purchasing service, to procure food, meal service related supplies and environmental services supplies.
- CPSI has a Canada wide buying power of \$850 million dollars which enables the homes to obtain competitive pricing such that meals and snacks can be provided within the available funding level.
- Niagara Region's Procurement Policy By-Law, Section 18 – Single Source Purchases, provides for the recommendation of a single source vendor for the supply of a particular Good and / or Service when it is more cost effective or beneficial for the Region. Regional Council approved this provider for Long Term Care in February of 2023 as per COM 2-2023.

Financial Considerations

The Group Purchasing Agreement provides Niagara Region Homelessness Services with preferred pricing for certain suppliers; however, it does not restrict the direct operations from procuring food and food-related supplies from other vendors if lower prices are available.

Under the ongoing agreement with Complete Purchasing, Niagara Region does not pay an agreement fee. As such the homelessness direct operations can access the benefit of volume-based pricing and sector specific value added services at no cost.

Food and related supplies are purchased within the allocated operating budget at each facility.

Along with the competitive pricing received from CPSI, Homelessness Services receives a volume incentive rebate on all purchases from vendors under CPSI.

Analysis

Complete Purchasing Services Inc. is a group purchasing service in the not-for-profit and municipal long-term care sector and has been the endorsed purchasing group of AdvantAge Ontario¹ for over 30 years. Municipal members of AdvantAge Ontario who use CPSI include Peel, York, and Waterloo Regions; the cities of Ottawa, London, and Hamilton; and the County of Simcoe. CPSI leverages their considerable market presence and negotiates with a range of suppliers, both manufacturers and distributors, to obtain best pricing and value. The company tenders with 400 manufacturers through over 75 distributors to establish national and regional contracts.

Niagara Region Homelessness Services would not have the same purchasing power if it negotiated alone, due to volumes purchased. Using the CPSI negotiated pricing, Homelessness Services, direct operations, purchase food and meal service related supplies through fourteen major distributors including:

- Sysco Southwestern Ontario
- Gordon Food Service (GFS) Ontario
- Agropur Cooperative (Division Natrel)
- Canada Bread Company Ltd.
- Flanagan Food Service
- HD Supply Canada Inc.
- Hubert Distributing Company Inc.
- MIP Inc.
- PPG Architectural Coating
- Partstown
- Thermopatch (Canada) Inc.
- Acklands Grainger Inc.
- Bunzl Cleaning and Hygiene
- George Courey Inc.

¹ AdvantAge is an association for not-for-profit long-term care homes and services for seniors in Ontario of which Niagara Region Seniors Services is a member.

The purchasing arrangement allows Niagara Region's directly operated shelters to control costs while maintaining the quality of resident meals.

In addition to leveraging buying power, CPSI also provides a number of value-added services:

Risk Management

- All approved food vendors are Hazard Analysis and Critical Control Point (HACCP) or International Organization for Standardization (ISO) certified.
- Only federally inspected meat suppliers are used.
- There is a stringent recall system.
- There is a system of distribution inspections and audits.

Support Tools Available:

- A menu management and production program that allows customization of menus to meet resident preferences.
- An ordering and inventory management system.
- Educational resources.

Access to Local Products

- CPSI offers a variety of products that have been locally sourced. Local is defined as per the Foodland Ontario Guidelines (i.e. products must be 100% born, raised, grown, slaughtered, processed and packaged in Ontario). As an example, Seniors Services purchases many food products through Gordon Food Services (GFS) who supports over 80 growers and producers in Ontario.

Alternatives Reviewed

Homelessness Services could issue an RFP for these services, however the shelters are relatively small in comparison to the volumes associated with Long Term Care and the Complete Purchasing arrangement. As a result the recommendation is to leverage the existing contract to benefit from the buying power available under the Long Term Care contract.

Relationship to Council Strategic Priorities

Council Strategic Priority: Effective Region

Objective 1.3 – Deliver fiscally-responsible and sustainable core services

Other Pertinent Reports

COM 3-2023 Group Purchasing Services for Long-Term Care Home Food and Related Supplies

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