



ONTARIO COUNCIL OF HOSPITAL UNIONS

January 18, 2011

Honorable Deborah Matthews
Minister of Health & Long-Term Care
80 Grosvenor
Hepburn Block, 10th Floor
Toronto, ON M7A 2C4

**Re: Provincial policy on procurement and outsourcing and the foodservice contract
between Kingston General Hospital and Compass**

Dear Honorable Minister:

Late in November 2010, the Ontario Council of Hospital Unions (OCHU/CUPE) made a deputation before the Standing Committee on Social Policy hearings on Bill 122 – *The Broader Public Sector Accountability Act*. At the time, we lauded important aspects of the legislation, including the provincial campaign through the Ministry of Agriculture and Food, promoting buying locally-grown food.

But we also pointed to significant concerns with the existing public sector procurement policies that discourage service and product procurement locally, and our fear that those be incorporated into regulations and policies under Bill 122. As well, we raised concerns with the lack of transparency for hospital contracts with private providers.

We note with interest that in your deputation before the same Standing Committee on Bill 122, you stated the following:

“This proposed legislation would, if passed, raise the bar even further and bring a higher level of accountability and transparency to broader public sector organizations. This action is intended to restore integrity in the use of public funds and to elevate the importance of value for money.

...The proposed legislation would strengthen procurement rules and increase accountability and transparency in Ontario’s broader public sector. That would go a long way toward protecting the integrity of public services in Ontario. Ontarians deserve nothing less.”

Minister Matthews, the hospital workers OCHU represents couldn’t agree with you more about the importance of accountability when it comes to public funds and public services. This is why we are bringing to your attention the following issues regarding the procurement of foodservice by the Kingston General Hospital (KGH) and the potential failure to follow the province’s procurement criteria in several areas.

The terms and conditions of the KGH foodservice contract have not been made public. Regrettably, this is the norm with the majority of hospital outsourcing contracts – a practice that will not change under Bill 122 because of significant limitations on disclosure for contracts between hospital and private, largely for-profit, companies. This is of deep concern on several fronts.

Based on the limited information on the 10-year foodservice contract made public by KGH, Compass will be producing factory-made patient meals from a facility in Mississauga and trucking microwaveable patient meals to the hospital site in Kingston. The adverse environmental impacts of transporting factory food under the scheme are tremendous. And the local economy will be further disadvantaged as local food producers and distributors are excluded.

We are bringing two specific areas of concern to your attention and are calling on you to suspend the newly-inked KGH foodservice contract with Compass while your office/ministry investigates the following:

1. Whether the province's procurement protocols were adhered to because, as we understand it, during the RFP process, Compass, the eventual successful bidder, was provided a copy of an earlier KGH internal bid in potential breach of the requirements of non-discrimination contained in the guidelines, as well as the legal duties on an issuer of any tendering process.
2. Whether the Compass/KGH contract failed to incorporate the green procurement considerations under the public sector procurement guidelines.

We also want to highlight that, despite nearly 10,000 Kingston residents opposing the outsourcing of food service to Compass, the KGH Board of Governors rubber-stamped the deal.

We would be pleased to meet with you to brief you on:

1. The limitations with procurement disclosure by hospitals,
2. The problems with the existing procurement policies for hospitals that should not be replicated under Bill 122, and
3. Our concerns regarding procurement at KGH.

Yours truly,



Michael Hurley, President
Ontario Council of Hospital Unions/CUPE

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cc: James McCarter, Ontario Auditor General
Hon. John Wilkinson, Ontario Minister of the Environment
Hon. John Gerretsen, Ontario Minister of Consumer Services