



## REPORT FOR ACTION

### **Amendments to Various Purchase Orders and Blanket Contracts for Short Term and Emergency Hotel/Motel Accommodations for Shelter Clients**

**Date:** November 20, 2019  
**To:** Economic and Community Development Committee  
**From:** General Manager, Shelter, Support and Housing Administration, and Chief Purchasing Officer  
**Wards:** All

#### **SUMMARY**

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This report is to obtain Economic and Community Development Committee's authority to amend (3) three existing non-competitive purchase orders and/or contract established for emergency services and (3) three existing contracts awarded for a (5) five year term in accordance with Request for Proposal No. 9119-16-7030 for the provision of Short Term Accommodations for shelter clients through the use of hotel/motel services for operated shelters.

Shelter, Support and Housing Administration continues to contract with various hotels to provide shelter to homeless clients. The target values for the contracts and/or purchase orders that were established for these services will be exceeded at some point this year and in early 2020. Given the dollar value, the committee's approval is required to amend these purchasing vehicles.

Economic and Community Development Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Purchasing Officer's authority of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11a.

#### **RECOMMENDATIONS**

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The General Manager, Shelter, Support and Housing Administration and the Chief Purchasing Officer recommend the following:

1. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase and extension of the existing non-competitive purchase order with Comfort Hotel Airport North (Purchase Order 6048213) by \$4,054,019 net of Harmonized Sales Tax until December 31, 2020 for the provision of hotel service, increasing the contract value from \$2,500,000 to \$6,554,019.
2. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase and extension of the existing non-competitive purchase order with Alexandra Hotel (Contract 47022484) by \$500,000 net of Harmonized Sales Tax until December 31, 2020 for the provision of hotel service, increasing the contract value from \$500,000 to \$1,000,000.
3. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase and extension of the existing non-competitive purchase order with Staybridge Suites Toronto Vaughan (Contract 47022485) by \$1,200,000 net of Harmonized Sales Tax until December 30, 2020 for the provision of hotel service, increasing the contract value from \$500,000 to \$1,700,000.
4. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase of the existing blanket contract with New Lido Motel (Contract 47020409) by \$1,500,000 net of Harmonized Sales Tax until December 31, 2020 for the provision of hotel service, increasing the contract value from \$4,040,000.00 to \$5,540,000.
5. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase of the existing blanket contract with Maple Leaf Motel (Contract 47020408) by \$200,000 net of Harmonized Sales Tax until December 31, 2020 for the provision of hotel services, increasing the contract value from \$1,510,000 to \$1,710,000.
6. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to approve an increase of the existing blanket contract with ALS – Alternative Living Solution (Contract 47020406) by \$530,920 net of Harmonized Sales Tax until December 31, 2020 for the provision of hotel services, increasing the contract value from \$3,080,000 to \$3,610,920.

## FINANCIAL IMPACT

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### Non-Competitive Purchase Order/Contract Amendments

Amendments are requested on three (3) existing non-competitive Purchase Order/Contracts. The total amendment amount for the three Purchase Order/Contracts is \$5,754,019 net of all taxes, \$5,855,290 net of HST recoveries. The amendments are needed to maintain continuity of services to cover the costs of lodging for the refugee response and the increase in regular shelter demand until such time as a new Request for Proposal can be issued and awarded.

No further amendments will be processed against these purchase orders.

Funding of \$5.9 million as noted in Table 1 to support these programs is not currently funded in the 2019 Operating Budget and will contribute towards the year-end unfavourable variance for the division. Any approval in principle will also require funding approval through the 2020 budget process for Shelter, Support & Housing Administration to fund these amendments. The following table outlines the financial details of the amendments.

Table 1: Financial Impact Summary of Non-Competitive Amendments for period ending December 31, 2020

Purchase Order/Contract/ Cost Centre	Cost Element General Ledger	Vendor	\$ Amount (Net of all taxes and charges)	\$ Amount (Net of HST Recoveries)
6048213 (Cost Centre F00054)	4840	Comfort Hotel Airport North	\$4,054,019	\$4,125,370
47022484 (Cost Centre F01225)	4840	Alexandra Hotel	\$500,000	\$508,800
47022485 (Cost Centre F01225)	4840	Staybridge Suites Toronto Vaughan	\$1,200,000	\$1,221,120
Grand Total			\$5,754,019	\$5,855,290

### Contract Amendments

Contract amendments are requested on three (3) existing Contracts resulting from the previous RFP # 9119-16-7030. The total amendment amount for the three Contracts is \$2,230,920 net of all taxes, \$2,270,184 net of HST recoveries. The amendments are needed to maintain continuity of services to cover the costs of lodging in the refugee response program and to meet the increase in demand in the regular shelter system until such time as a new Request for Proposal can be issued and awarded. The amendment request for Contract 47020406 is required to bring the contract into good

standing only. This vendor went into receivership and payments continued through the contract to the court appointed receiver.

No further amendments will be processed against these purchase orders.

Funding of \$2.3 million as noted in Table 2 to support these programs is not currently funded in the 2019 Operating Budget and will contribute towards the year-end unfavourable variance for the division (excluding contract 47020406 where the amendment requested is only to bring the contract into good standing and has already been expensed). Any approval in principle will also require funding approval through the 2020 budget process for Shelter, Support & Housing Administration to fund these amendments. The following table outlines the financial details of the amendments.

Table 2: Financial Impact Summary of Competitive Process Amendments for period ending December 31, 2020

Contracts/cost Centre	Cost Element General Ledger	Vendor	\$ Amount (Net of all taxes and charges)	\$ Amount (Net of HST Recoveries)
47020409 (Cost Centre F01424)	4840	New Lido Motel	\$1,500,000	\$1,526,400
47020408 (Cost Centre F01424)	4840	Maple Leaf Motel	\$200,000	\$203,520
47020406 (Cost Centre F01527)	4840	ALS Alternative Living Solutions	\$530,920	\$540,264
Grand Total			\$2,230,920	\$2,270,184

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program.

## **DECISION HISTORY**

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Council first approved the use of non-procurement hotel/motel purchase orders on May 24, 25 and 26, 2017, report CD20.6, "2017 Funding Allocations for Shelter and Related Services." The purchase orders were extended to the end of 2017:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD20.6>

Bid Committee granted authority to award hotel/motel contracts on April 13, 2016, report BD78.4, "Award of Request for Proposal No. 9119-16-7030 to Alternative Living Solutions Inc, 640847 Ontario Ltd. O/A(Roycroft Motel), Maple Leaf Motel and New Lido Inc. for the provision of Hotel/Motel Services for Directly Operated Shelters:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD78.4#>

## COMMENTS

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Shelter, Support & Housing Administration Division (SSHA) operates an emergency shelter system for families and continues to experience a high demand for services that exceeds the regular system capacity. In 2019, the regular shelter system has experienced a 10% increase in demand over 2018. SSHA continues to accommodate a high level of refugee families in need of emergency shelter in Toronto. In response to the additional refugee need, While SSHA has opened up more hotel/motel spaces the demand for emergency shelter continues to increase.

On May 31st, 2019, over 2,000 refugee clients were accommodated in the hotel/motel program. SSHA has always used hotels as a supplement to the base amount of shelter beds available in the system. Hotels/motels are helpful in that they can help provide additional surge capacity when required.

Additional space has been needed to ensure SSHA can maintain its service level commitment to provide emergency shelter to those in need. Our shelter system occupancy continues to operate well above 90%. As per Council directive, the General Manager must respond on an urgent basis whenever occupancy rises above the 90% mark of capacity. The non-procurement purchase orders provided the necessary assistance to ensure continuity of service.

## CONTACT

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## SIGNATURE

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