



REPORT FOR ACTION

Amendment to Non-Competitive Contract Number 47015908 with the YMCA of Greater Toronto for exclusive catering services at Metro Hall

Date: June 5, 2019

To: General Government and Licensing Committee

From: Acting Director, Real Estate Services; Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: Ward 10 - Spadina-Fort York

SUMMARY

The purpose of this report is to seek authority to amend Non-Competitive Contract Number 47015908 issued to YMCA of Greater Toronto for exclusive catering services at Metro Hall (55 John Street) by an additional amount of \$50,000 net of all applicable taxes and charges (\$50,880 net of Harmonized Sales Tax recoveries), revising the current contract value from \$500,000 to \$550,000 net of all applicable taxes and charges (\$559,680 net of Harmonized Sales Tax recoveries)

In 2009, the City of Toronto executed a lease agreement with the YMCA of Greater Toronto ("YMCA") for portions of the basement, ground, and third floors of Metro Hall (55 John Street). The lease agreement contained a provision that designated YMCA as the exclusive provider of catering services within Metro Hall, subject to a few exceptions. The original lease agreement expired in 2014 but was subsequently renewed for an additional five year term; accordingly, the current lease agreement expires on December 31, 2019 with no option to renew.

To fulfil the terms of the lease, the City entered into a non-competitive contract for \$500,000 with the YMCA for exclusive catering services within Metro Hall. City divisions have used this contract to obtain catering services for events held within Metro Hall. Attachment 1 provides a breakdown of divisional spending against this contract by thirty-one (31) divisions since it was established in May 2011. As of May 22, 2019 total spending against the contract totalled \$470,009, with annual spending averaging approximately \$60,000.

To ensure that the City can continue to meet its contractual obligations with respect to the YMCA's exclusive catering rights, a contract amendment is required to ensure sufficient contract authority remains available for the duration of the current lease

agreement. A new contract for catering services will be obtained (if required) pending the execution of a new lease agreement.

RECOMMENDATIONS

The Acting Director, Real Estate Services and the Chief Purchasing Officer, Purchasing and Materials Management Division recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to amend Contract 47015908 issued to YMCA of Greater Toronto for exclusive catering services at Metro Hall (55 John Street) by an additional amount of \$50,000 net of all applicable taxes and charges (\$50,880 net of Harmonized Sales Tax recoveries), revising the current contract value from \$500,000 to \$550,000 net of all applicable taxes and charges (\$559,680 net of Harmonized Sales Tax recoveries) under the same terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

Funding for the requested contract amendment amount of \$50,880, net of Harmonized Sales Tax recoveries, is available within the 2019 Council Approved Operating Budget for Facilities, Real Estate and Environment and Energy under Cost Centre FA100-30, Cost Element GL 4424 and other divisional operating budgets.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on August 5, 2009, City Council adopted CC38.10 "Metro Hall Café and Catering - YMCA Lease" and authorized the City to enter into a lease agreement with the YMCA of Greater Toronto. In adopting this item, City Council further authorized the Chief Corporate Officer to administer and manage the lease agreement and, in keeping with the implementation of the Local Food Procurement Policy, encouraged the YMCA of Greater Toronto to extend its local food procurement program to its proposed operations at the Metro Cafe and endeavour to utilize Ontario grown, produced and processed food where feasible and practical. City Council's decision can be accessed online at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.CC38.10>

COMMENTS

At its meeting held on August 5 and 6, 2009, Council granted authority to enter into a lease between the City, as Landlord and the YMCA of Greater Toronto ("YMCA"), as Tenant, for approximately 6,551 square feet of space on the ground and third floors, and on the P1 level of Metro Hall for the purpose of operating a Hospitality Training program, as well as to provide a café for Metro Hall occupants and catering services, as needed in Metro Hall.

Pursuant to the Lease, the Tenant has the exclusive right through the original term of the lease (from January 1, 2010 to December 31, 2014) and the renewal period (from January 1, 2015 to December 31, 2019) to provide all office catering services within Metro Hall, excluding office coffee services or other similar services. As per the lease, the City reserves the right to permit staff and certain organizations to provide its own food and beverage services or to use outside caterers from time to time for events where the following applies: (1) the event has its primary purpose the preparation and consumption of food and beverages; (2) the event is of a charitable, ethnic, cultural or religious nature; or (3) where food and beverages product samples are distributed at no charge by a manufacturer, distributor, agent or similar organization.

In order to fulfill the requirements of the lease agreement with regards YMCA's exclusive catering rights, the \$500,000 blanket contract between the City and the YMCA was set up via a non-competitive process. Since Council's direction and the lease agreement did not specify a specific dollar amount allowable for meeting the catering needs at Metro Hall, staff entered into a contract for up to \$500,000 worth of catering services, the maximum amount allowable under the City Manager's delegated authority at the time.

YMCA catering services have been used by 31 City divisions since the contract was established in 2011. As of May 22, 2019, a total of \$470,009 has been spent against this contract and limited contract value remains. Attachment 1 outlines divisional spending against the contract from the date the contract was established (May 1, 2011).

In order to ensure continuity of this exclusive catering service until the end of the term of the lease agreement (December 31, 2019), the contract value needs to be increased by an additional amount of \$50,000 net of all applicable taxes and charges (\$50,880 net of Harmonized Sales Tax recoveries) until the end of the term of the lease agreement, which is December 31, 2019. Real Estate Services' staff consider this arrangement reasonable, until the new lease terms, subject to Council approval, are in place. The City will initiate the procurement of a new catering services contract, if required, pending the execution of the new lease agreement.

The Fair Wage Office has confirmed that YMCA of Greater Toronto has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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SIGNATURE

Nick Simos
Acting Director, Real Estate Services

Michael Pacholok
Chief Purchasing Officer, Purchasing and Materials Management Division

ATTACHMENTS

Attachment 1: Value of Contract Release Orders Issued Against Contract # 47015908 from May 1, 2011 to May 22, 2019, by Division

Attachment 1: Value of Contract Release Orders Issued Against Contract Number 47015908 from May 1, 2011 to May 22, 2019, by Division

Division	Value (\$)
Employment & Social Services	112,016
Legal Services	74,506
Economic Development and Culture	53,325
Environment & Energy	36,198
Shelter, Support & Housing Administration	28,573
Social Development, Finance & Administration	22,336
Facilities Management	19,568
Toronto Public Health	16,810
Policy, Planning, Finance & Administration	16,537
City Manager's Office	16,219
Long-Term Care Homes & Services	12,352
City Planning	11,689
Children's Services	10,269
Information & Technology	5,658
Parks, Forestry & Recreation	5,315
Solid Waste Management Services	5,011
Toronto Water	5,010
Engineering & Construction Services	3,043
Transportation Services	3,017
Real Estate Services	2,431
City Clerk's Office	2,041
311 Toronto	1,743
Court Services	1,309

Division	Value (\$)
Other Expenditures	1,198
Office of the Controller	1,053
Municipal Licensing & Standards	1,031
Six divisions (under \$1,000 each)	1,850