



REPORT FOR ACTION

Amendments to Various Contracts for Short-Term Hotel/Motel Accommodations for Use as Temporary Municipal Shelter

Date: October 28, 2020
To: Economic and Community Development Committee
From: General Manager, Shelter, Support and Housing Administration and
Chief Procurement Officer, Purchasing and Materials Management Division
Wards: All

SUMMARY

This report is to seek authority from the Economic and Community Development Committee to amend three (3) existing non-competitive contracts established for emergency services for the provision of short-term rental accommodations for shelter clients through the use of hotel/motel services for operated shelters.

Shelter, Support and Housing Administration (SSHA) continues to contract with various hotels and motels to provide shelter to homeless clients. The increase in contract values for the Blanket Contracts and Purchase Orders that were established for these services will be exceeded at some point this year and in late 2021.

SSHA is working with the Purchasing and Materials Management Division (PMMD) with the intent to issue a new Request for Proposals (RFP) for these services in 2020 but due to the COVID-19 pandemic, the competitive call process will likely not be completed during this calendar year and, as such, the existing contracts will need to be amended to ensure the continuity of these emergency essential services until the new RFP is awarded.

The Economic and Community Development Committee's 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 71-11.1.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration and the Chief Procurement Officer recommend that:

1. The Economic and Community Development Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71, Financial Control, grant authority to:

a. Approve an increase in contract value and date extension of the existing non-competitive purchase order with 2445212 ONTARIO INC operating as Comfort Hotel Airport North (Purchase Order 6048213) in the amount of \$6,100,000 net of Harmonized Sales Tax (\$6,207,360 net of Harmonized Sales Tax Recoveries) and extend the validity date to December 31, 2021 for the provision of hotel service, increasing the contract value from \$6,554,019 to \$12,654,019, net of Harmonized Sales Tax;

b. Approve an increase in contract value and date extension of the existing non-competitive blanket contract with GARDENA INVESTMENTS LIMITED operating as Alexandra Hotel (Blanket Contract 47022484) in the amount of \$3,300,000 net of Harmonized Sales Tax (\$3,358,080 net of Harmonized Sales Tax Recoveries) and extend the validity date to December 31, 2021 for the provision of hotel service, increasing the contract value from \$1,000,000 to \$4,300,000, net of Harmonized Sales Tax; and

c. Approve an increase in contract value and date extension of the existing non-competitive blanket contract with 2554046 ONTARIO INC operating as Staybridge Suites Toronto Vaughan South (Contract 47022485) in the amount of \$2,100,000 net of Harmonized Sales Tax (\$2,136,960 net of Harmonized Sales Tax Recoveries) and extend the validity date to December 31, 2021 for the provision of hotel service, increasing the contract value from \$1,700,000 to \$3,800,000, net of Harmonized Sales Tax.

2. The Economic and Community Development Committee authorize the General Manager, Shelter, Support and Housing Administration, to enter into new or amend existing agreements, as required, to implement the authority granted in Recommendation 1 above.

FINANCIAL IMPACT

Non-Competitive Purchase Order/Blanket Contract Amendments

Amendments are requested on three (3) existing non-competitive Purchase Order/Blanket Contracts. The total amendment amount for the three Purchase Order/Blanket Contracts is \$11,500,000 net of Harmonized Sales Tax, \$11,702,400 net of Harmonized Sales Tax Recoveries. The amendments are needed to maintain continuity of services to cover the costs of lodging for the homelessness community that

supports the increase in regular shelter demand during the pandemic and until such time as a new Request for Proposal can be issued and awarded. SSHA has been working with PMMD with the intent to issue a new RFP in 2020 but due to the COVID-19 pandemic, it will likely not be completed during this calendar year. The increase in contract value will allow the City to spend but it will be non-committed until expensed.

Pre-COVID-19 pandemic

To address the growing need for family and refugee shelter spaces in the City of Toronto, SSHA completed a non-competitive Purchase Order/Blanket Contract for three (3) hotel sites (as listed in Table 1).

Post-COVID-19 pandemic

During the COVID-19 Pandemic, SSHA continued to use these three (3) hotel sites to meet the need for additional family and refugee shelter spaces. In addition, these three (3) hotel sites were used as COVID-19 isolation and physical distancing sites. These financial impacts are captured in all 2020/2021 budget projections.

Funding of \$11.7 million as noted in Table 1 to support these programs is not currently included in the 2020 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 2021 budget process for Shelter, Support and 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, 2020/21

Purchase Order/Contract /Cost Centre	Vendor	Term Extended to Dec 31, 2021 (Y/N)	Cost Element General Ledger	\$ Amount (Net of all taxes and charges)	\$ Amount (Net of HST Recoveries)
6048213 (Cost Centre F00054)	Comfort Hotel Airport North	Y	4840	\$6,100,000	\$6,207,360
47022484 (Cost Centre F01225)	Alexandra Hotel	Y	4840	\$3,300,000	\$3,358,080
47022485 (Cost Centre F01225)	Staybridge Suites Toronto Vaughan South	Y	4840	\$2,100,000	\$2,136,960
Grand Total				\$11,500,000	\$11,702,400

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with amendments to the aforementioned contracts for short-term and emergency hotel / motel accommodations for Shelter Clients to be considered along with other priorities during the 2021 Budget Process.

DECISION HISTORY

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

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

The Economic and Community Development Committee granted authority to amend Various Purchase Orders and Blanket Contracts on December 4, 2019, report EC10.10, "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.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC10.10>

COMMENTS

Shelter, Support and Housing Administration Division (SSHA) operates an emergency shelter system for people facing homelessness and continues to experience a high demand for services that exceed the regular system capacity. On March 23, 2020, the Mayor declared a state of emergency for the City of Toronto due to the COVID-19 pandemic.

The provision of Shelter services is deemed an essential service and continues to be available for people facing homelessness. To meet the Medical Officer of Health's order to physically distance and self-isolate if experiencing symptoms of COVID-19, SSHA was directed to secure additional shelter options for homeless clients including temporary and permanent housing. Since the beginning of the pandemic, SSHA has opened 30+ additional facilities to meet the directive of the MOH.

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. SSHA has also worked closely with Toronto Public Health to provide guidance, training, tools and resources to all homeless service providers on Infection Prevention and Control measures required to protect staff and clients. We are following all provincial public health recommendations and have provided homeless service providers with a number of resources including a TPH COVID-19 fact sheet.

Additional space has been needed to ensure SSHA can maintain its service level while allowing for required physical distancing. Our shelter system occupancy continues to operate at or near capacity. The non-competitive purchase orders provided the necessary assistance to ensure continuity of service.

SSHA is working with PMMD with the intent to issue a new Request for Proposals (RFP) for these services in 2020 but due to the COVID-19 pandemic, the competitive call process will likely not be completed during this calendar year and, as such, the existing contracts will need to be amended to ensure the continuity of these emergency essential services until the new RFP is awarded.

The Fair Wage Office has reported that the recommended firms have indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

CONTACT

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SIGNATURE

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