

## **Amendments to Various Non-Competitive Blanket Contracts for the Ongoing Management of Emergency City Services at Temporary Municipal Shelters during the COVID-19 Pandemic**

Date: April 20, 2021

To: Economic and Community Development Committee

From: General Manager, Shelter, Support and Housing Administration and the Chief Procurement Officer

Wards: All

### **SUMMARY**

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This report is to request authority from the Economic and Community Development Committee to amend seven (7) existing non-competitive blanket contracts established for emergency services for the ongoing shelter operations in response to the COVID-19 pandemic for the homeless residents of Toronto as outlined in the recommendations below.

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 near exceed the regular system capacity.

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 open additional shelter facilities. SSHA continues to meet the needs of homeless clients and, since the beginning of the pandemic, has opened 40 plus additional shelters across the City. The division's COVID-19 pandemic response has continued longer than anticipated, impacting operations at temporary sites and the opening of additional new sites. As such, the target values for various non-competitive blanket contracts established for these various services has been or are near being exceeded at some point this year and into late 2021. These contracts also support regular shelter programs, Out of the Cold Warming Centres and Winter Respite Bedded Programs where required.

COVID-19 has affected the delivery of services and programs where SSHA has had to continuously readjust program delivery to support the wellbeing of the homeless population and the surrounding communities.

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 Procurement 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**

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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 City of Toronto Municipal Code Chapter 71, Financial Control, authorize amendments to:

- a. Non-Competitive Blanket Contract Number 47022896 with LMO Inc. operating as Croatia Café in the amount of \$1,100,000 net of Harmonized Sales Tax (\$1,119,360 net of Harmonized Sales Tax recoveries) for the provision of catering services, increasing the contract value from \$1,061,947 to \$2,161,947, net of Harmonized Sales Tax (\$2,199,997 net of Harmonized Sales Tax recoveries);
- b. Non-Competitive Blanket Contract Number 47023371 with 2790584 Ontario Inc. in the amount of \$1,000,000 net of Harmonized Sales Tax (\$1,017,600 net of Harmonized Sales Tax recoveries) for the provision of catering services, increasing the contract value from \$250,000 to \$1,250,000, net of Harmonized Sales Tax (\$1,272,000 net of Harmonized Sales Tax recoveries);
- c. Non-Competitive Blanket Contract Number 47023535 with Alpine Building Maintenance Inc. in the amount of \$1,500,000 net of Harmonized Sales Tax (\$1,526,400 net of Harmonized Sales Tax recoveries) for the provision of custodial services, increasing the contract value from \$500,000 to \$2,000,000, net of Harmonized Sales Tax (\$2,035,200 net of Harmonized Sales Tax recoveries);
- d. Non-Competitive Blanket Contract Number 47023521 with Integrated Contracting Solutions Inc. (ICS) in the amount of \$1,500,000 net of Harmonized Sales Tax (\$1,526,400 net of Harmonized Sales Tax recoveries) for the provision of custodial services, increasing the contract value from \$500,000 to \$2,000,000, net of Harmonized Sales Tax (\$2,035,200 net of Harmonized Sales Tax recoveries);
- e. Non-Competitive Blanket Contract Number 47023534 with Kleenway Building Maintenance Inc. in the amount of \$10,000,000 net of Harmonized Sales Tax (\$10,176,000 net of Harmonized Sales Tax recoveries) for the provision of custodial services, increasing the contract value from \$500,000 to \$10,500,000, net of Harmonized Sales Tax (\$10,684,800 net of Harmonized Sales Tax recoveries);

f. Non-Competitive Blanket Contract Number 47022956 with HVAC Rentals Ontario Inc. in the amount of \$600,000 net of Harmonized Sales Tax (\$610,560 net of Harmonized Sales Tax recoveries) for the provision of HVAC equipment rental, increasing the contract value from \$1,000,000 to \$1,600,000, net of Harmonized Sales Tax (\$1,628,160 net of Harmonized Sales Tax recoveries); and

g. Non-Competitive Blanket Contract Number 47023138 with One Community in the amount of \$8,000,000 net of Harmonized Sales Tax (\$8,140,800 net of Harmonized Sales Tax recoveries) and extend the validity date to December 31, 2021 for the provision of Enhanced Community Safety Teams, increasing the contract value from \$1,000,000 to \$9,000,000, net of Harmonized Sales Tax (\$9,158,400 net of Harmonized Sales Tax recoveries).

2. The Economic and Community Development Committee authorize the General Manager, Shelter, Support and Housing Administration to negotiate and sign on behalf of the City new non-competitive agreements, or amend existing agreements as required, to implement the authority granted in Recommendation 1 on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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### **Non-Competitive Purchase Order/Blanket Contract Amendments**

Amendments are requested on seven (7) existing emergency non-competitive blanket contracts. The total amendment amount for the seven contracts is \$23,700,000 net of Harmonized Sales Tax, \$24,117,120 net of Harmonized Sales Tax recoveries. The amendments are needed to cover the costs and maintain continuity of various critical services needed for the homelessness community and the ongoing shelter operations at multiple temporary shelter locations during the pandemic. SSHA will work with PMMD with the intent to issue complete solicitations where feasible and where services are required beyond December 31, 2021. The increase in contract values will allow the City to spend but it will be non-committed until expensed.

### **Post-COVID-19 Pandemic**

During the COVID-19 pandemic, SSHA continued to use these seven (7) blanket contracts issued to the vendors listed in Financial Impact Tables 1, 2, 3 and 4 to meet the operational requirements at the various temporary shelter locations that support the physical distancing of our homeless clientele.

Total funding of \$23,700,000 net of Harmonized Sales Tax, \$24,117,120 net of Harmonized Sales Tax recoveries, as noted in Tables 1, 2, 3 and 4 support the program funding being requested and are included in the 2021 Approved Operating Budget. Additional funding will also be included in the 2022 Operating Budget Submission for SSHA. The following tables outline the financial details of the amendments. These financial impacts are captured in all 2021 budget projections.

**Table 1: Catering Services Financial Impact Summary of Non-Competitive Amendments for Period Ending December 31, 2021**

| Blanket Contract Number | Cost Centre | Vendor                             | Cost Element General Ledger | Current Value (Net of Harmonized Sales Tax) | Amended Value Required (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax Recoveries) |
|-------------------------|-------------|------------------------------------|-----------------------------|---------------------------------------------|------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| 47022896                | HS100X      | LMO Inc. operating as Croatia Café | 4116                        | \$1,061,947                                 | \$1,100,000                                          | \$2,161,947                               | \$2,199,997                                          |
| 47023371                | HS100X      | 2790584 Ontario Inc.               | 5055                        | \$250,000                                   | \$1,000,000                                          | \$1,250,000                               | \$1,272,000                                          |
| Grand Totals            |             |                                    |                             |                                             | \$2,100,000                                          | \$3,411,947                               | \$3,471,997                                          |

**Table 2: Custodial Services Financial Impact Summary of Non-Competitive Amendments for Period Ending February 28, 2022**

| Blanket Contract Number | Cost Centre | Vendor                                      | Cost Element General Ledger | Current Value (Net of Harmonized Sales Tax) | Amended Value Required (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax Recoveries) |
|-------------------------|-------------|---------------------------------------------|-----------------------------|---------------------------------------------|------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| 47023535                | HS100X      | Alpine Building Maintenance Inc.            | 4115                        | \$500,000                                   | \$1,500,000                                          | \$2,000,000                               | \$2,035,200                                          |
| 47023371                | HS100X      | Integrated Contracting Solutions Inc. (ICS) | 4415                        | \$500,000                                   | \$1,500,000                                          | \$2,000,000                               | \$2,035,200                                          |
| 47023534                | HS100X      | Kleenway Building Maintenance Inc.          | 4415                        | \$500,000                                   | \$10,000,000                                         | \$10,500,000                              | \$10,684,800                                         |
| Grand Totals            |             |                                             |                             |                                             | \$13,000,000                                         | \$14,500,000                              | \$14,755,400                                         |

**Table 3: HVAC Equipment Rental Financial Impact Summary of Non-Competitive Amendments for Period Ending April 30, 2021**

| Blanket Contract Number | Cost Centre | Vendor                   | Cost Element General Ledger | Current Value (Net of Harmonized Sales Tax) | Amended Value Required (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax Recoveries) |
|-------------------------|-------------|--------------------------|-----------------------------|---------------------------------------------|------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| 47022956                | HS100X      | HVAC Rental Ontario Inc. | 4411                        | \$1,000,000                                 | \$600,000                                            | \$1,600,000                               | \$1,628,160                                          |
| Grand Totals            |             |                          |                             |                                             | \$600,000                                            | \$1,600,000                               | \$1,628,160                                          |

**Table 4: Enhanced Community Safety Teams Financial Impact Summary of Non-Competitive Amendments for Period Ending December 31, 2021**

| Blanket Contract Number | Cost Centre | Vendor        | Cost Element General Ledger | Current Value (Net of Harmonized Sales Tax) | Amended Value Required (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax) | Total Value (Net of Harmonized Sales Tax Recoveries) |
|-------------------------|-------------|---------------|-----------------------------|---------------------------------------------|------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| 47023138                | HS100X      | One Community | 2999                        | \$1,000,000                                 | \$8,000,000                                          | \$9,000,000                               | \$9,158,400                                          |
| Grand Totals            |             |               |                             |                                             | \$8,000,000                                          | \$9,000,000                               | \$9,158,400                                          |

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

## **DECISION HISTORY**

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Emergency Non-Competitive Blanket Contract 47022896 (NCPR #10666) was issued on April 20, 2020 to LMO Inc. o/a Croatia Café in the amount of \$1,061,947 net of Harmonized Sales Tax for the supply and delivery of catering services as and when required for various temporary Municipal Shelters for the period ending December 31, 2020.

Emergency Non-Competitive Blanket Contract 47023371 (NCPR #11343) was issued on December 31, 2020 to 2790584 Ontario Inc. in the amount of \$250,000 net of Harmonized Sales Tax for the supply and delivery of catering services as and when required for various temporary Municipal Shelters for the period ending December 31,

2021.

Emergency Non-Competitive Blanket Contract 47023535 (NCPR #11484) was issued on March 22, 2021 to Alpine Building Maintenance Inc. in the amount of \$500,000 net of Harmonized Sales Tax for the provision of custodial services and recurring touchpoint disinfection services at various temporary Municipal Shelters to support COVID-19 Emergency Pandemic response for the period ending February 28, 2022.

Emergency Non-Competitive Blanket Contract 47023521 (NCPR #11483) was issued on March 18, 2021 to Integrated Contracting Solutions Inc. (ICS) in the amount of \$500,000 net of Harmonized Sales Tax for the provision of custodial services and recurring touchpoint disinfection services at various temporary Municipal Shelters to support COVID-19 Emergency Pandemic response for the period ending February 28, 2022.

Emergency Non-Competitive Blanket Contract 47023534 (NCPR #11482) was issued on March 22, 2021 to Kleenway Building Maintenance Inc. in the amount of \$500,000 net of Harmonized Sales Tax for the provision of custodial services and recurring touchpoint disinfection services at various temporary Municipal Shelters to support COVID-19 Emergency Pandemic response for the period ending February 28, 2022.

Emergency Non-Competitive Blanket Contract 47022956 (NCPR #10711) was issued on May 27, 2020 to with HVAC Rentals Ontario Inc. in the amount of \$1,000,000 net of Harmonized Sales Tax for the rental of the Air Conditioning Units for SSHA including the monthly rental, supply, delivery, installation and removal of all equipment for the period ending April 30, 2021.

Emergency Non-Competitive Blanket Contract 47023138 (NCPR #10777) was issued on December 10, 2020 to One Community in the amount of \$1,000,000 net of Harmonized Sales Tax for the provision of services of a community safety team at temporary Municipal Shelters to support the health and safety of staff and homeless clients for the period ending April 30, 2021.

## COMMENTS

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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 over 40 additional facilities to meet the directive of the Medical Officer of Health (MOH).

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. The division is following all provincial public health recommendations and have adjusted the services at all temporary shelter sites accordingly.

Additional space has been needed to ensure SSHA can maintain its service level while allowing for required physical distancing. The shelter system occupancy continues to operate at or near capacity. Non-competitive procurements (the 7 blanket contracts noted within) provided the necessary assistance to ensure continuity of service at existing and new locations.

SSHA will continue to work with the Purchasing & Materials Management Division (PMMD) with the intent to issue competitive processes where feasible and where services are required beyond December 31, 2021. Due to the uncertainties of the COVID-19 pandemic, competitive solicitations will likely not be completed during this calendar year and, as such, the existing contracts need to be amended to ensure the continuity of these emergency essential services

**Catering Services as listed in Table 1**, were initiated as part of the COVID-19 pandemic response to support homeless clients when non-essential services and City facilities had been closed to reduce the spread of COVID-19. Catering Services continue to provide meals to homeless residents as required at various temporary location but will require additional funds to continue emergency essential services.

**Custodial Services as listed in Table 2**, were supported by CREM in the initial phases of the COVID-19 response however as the pandemic continues the management of these services has now been shifted to SSHA. Emergency contracts were initiated for the continuity of services but will require additional funds to be able to continue emergency essential services until February 28, 2022.

**HVAC equipment as listed in Table 3**, was deemed essential to activating the Better Living Centre as part of SSHA's response to self-isolate and physically distance homeless clients during the pandemic as directed by the MOH. The installation and rental of HVAC units is necessary to provide heat and air conditioning as required. Rental of this equipment will continue until additional funds are required to be able to continue emergency essential services until April 30, 2021.

**Enhanced Community Safety Teams as listed in Table 4**, are crucial to make safe programs around temporary sites. They provide support 24/7 patrols for immediate community public spaces, identified hotspots in both communities and neighboring communities as necessary. This program began in May 2020 at Broadway Apartments and has since grown and is being used at 9 + locations. Additional funds are required to be able to continue emergency essential services until December 31, 2021.

The Fair Wage Office has reported that all suppliers engaged for these services 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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