

Award of Request for Proposal Document Number 3002340572 to Multiple Suppliers for the Provision of Short-Term Accommodations for Shelter Clients Through the Use of Hotel, Motel, and/or Approved Equivalent Operators

Date: January 7, 2022

To: Economic and Community Development Committee

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

Wards: All

SUMMARY

The purpose of this report is to advise of the results of Request for Proposal (RFP) Document Number 3002340572 for the provision of short-term accommodations for shelter clients through the use of hotel, motel and/or approved equivalent operator services for operating shelters and to request authority for the General Manager of Shelter, Support and Housing Administration to enter into and execute separate contracts with New Lido Inc. and Silver Hotel Management Inc. for a period of one (1) year from the date of award with the option to renew contracts for four (4) separate additional one (1) year periods. Should the option(s) be exercised, then the General Manager of Shelter, Support and Housing Administration will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

The total potential contract award, including all option years, is up to \$60,000,000 excluding all taxes and \$67,800,000 including all applicable taxes. The total potential cost to the City is \$61,056,000 net of HST recoveries.

RECOMMENDATIONS

The Acting 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 195-8.4A(4) of City of Toronto Municipal Code Chapter 195, Purchasing, authorize the General Manager, Shelter, Support and Housing Administration to enter into and execute separate agreements with each successful proponent who has satisfied all requirements set out in Request for Proposal Document Number 3002340572 for the provision of short-term accommodations for shelter clients through the use of hotel/ motel services for operated shelters, on terms and conditions set out in the Request for Proposal and satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form satisfactory to the City Solicitor, as follows:

a. New Lido Inc. for an initial term of one year from the date of award in the amount of \$1,000,000 excluding all taxes (\$1,017,600 net of Harmonized Sales Tax recoveries), with the option to renew for four separate additional one-year periods in the amount of \$1,000,000 each excluding all taxes (\$1,017,600 net of Harmonized Sales Tax recoveries), for a total potential contract value of \$5,000,000 excluding all taxes (\$5,088,000 net of Harmonized Sales Tax recoveries); and

b. Silver Hotel Management Inc. for an initial term of one year from the date of award in the amount of \$11,000,000 excluding all taxes (\$11,193,600 net of Harmonized Sales Tax recoveries), with the option to renew for four separate additional one-year periods in the amount of \$11,000,000 each excluding all taxes (\$11,193,600 net of Harmonized Sales Tax recoveries), for a total potential contract value of \$55,000,000 excluding all taxes (\$55,968,000 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total potential contract award identified in this report including option years is up to \$60,000,000 excluding all taxes, \$67,800,000 including all applicable taxes and charges. The total potential cost to the City including option years is up to \$61,056,000 net of HST recoveries.

The New Lido Inc. program is funded through the Shelter, Support and Housing Administration annual base budget for the directly operated emergency shelters. Funding for this contract is included in Shelter, Support and Housing Administration's 2022 Staff Recommended Operating Budget for consideration through the Budget process.

The Silver Hotel Management Inc. is currently funded through one-time federal and provincial COVID-19 relief funding. The 2021 costs of these contracts are funded through federal and provincial COVID-19 relief funding carried forward to Quarter 1 of 2022 available in SSHA's Approved Operating Budget.

Funding for 2022 costs is included in Shelter, Support and Housing Administration's 2022 Staff Recommended Operating Budget for consideration through the 2022 Budget process and therefore subject to funding availability and approval.

Should the City choose to exercise its options to renew for the four (4) additional separate one (1) year periods, additional funds will be included in the 2023 to 2026 Shelter, Support and Housing Administration Division's Operating Budget Submissions.

Additional details follow in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

Cost Element: 2855 Cost Centre: Various F01132, F03324, F01324, F03072, FH5521, F01224 F01132, F03324, HS100X	New Lido Inc.	Silver Hotel Management Inc.	Total Value
Date of Award to December 31, 2022	\$1,017,600	\$11,193,600	\$12,211,200
January 1, 2023 to December 31, 2023	\$1,017,600	\$11,193,600	\$12,211,200
January 1, 2024 to December 31, 2024	\$1,017,600	\$11,193,600	\$12,211,200
January 1, 2025 to December 31, 2025	\$1,017,600	\$11,193,600	\$12,211,200
January 1, 2026 to December 31, 2026	\$1,017,600	\$11,193,600	\$12,211,200
Total Value (Net of HST Recoveries)	\$5,088,000	\$55,968,000	\$61,056,000

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

DECISION HISTORY

City Council first approved the use of non-procurement hotel/motel purchase orders on May 24, 25 and 26, 2017 when it considered Item 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>

As the number of new refugee arrivals seeking shelter continued and increased, City Council approved extensions and increases to the hotel/motel purchase orders on November 7, 8 and 9, 2017 in Item CD23.12, "Managing Refugee Flows." The purchase orders were once again extended, this time until the end of December 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD23.12>

On July 16, 17 and 18, 2019, City Council adopted amendments to Purchase Orders 6048571, 6045120, 6045121, and 6048213 for Emergency Hotel/Motel Accommodation and Recommendation to Award Request for Proposal No. 6815-18-7217 Short Term Hotel/Motel Accommodations for Shelter Clients.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC6.11>

COMMENTS

Shelter, Support and Housing Administration Division (SSHA) homelessness services operates at or near capacity to accommodate the high level of need for people experiencing homelessness. Since the beginning of the pandemic SSHA has opened 48 additional shelters across the City with 27 still operating. Like most other COVID-19 pandemic responses across the City, SSHA's response has continued longer than anticipated, impacting operations at temporary sites and the extended operations at additional temporary sites. These hotel/motel contracts supported SSHA needs despite COVID-19 significantly affecting the service and program delivery. These contracts were also used to provide regular shelter operations, and additional winter response plan spaces where required.

SSHA has always used hotel and motel spaces to supplement 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.

Prior to the COVID-19 pandemic, 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 near capacity. City Council has directed staff to add shelter spaces as required on an urgent basis to meet demand for emergency shelter. Working with motel/hotel providers is necessary to assist with the ongoing COVID-19 response as well as increased demand for homelessness services.

The Request for Proposal creates open blanket contracts that allow SSHA to call upon the Suppliers to provide hotel/motel services for emergency shelter services when required. The roster of hotels and/or motels is established through the evaluation of proposals and by the geographic locations of the facilities and amenities that meet operational needs and will support SSHA with its transition to leave some of the COVID-19 temporary hotel shelter locations. Hotel/motel availability is dependent upon vacancy.

Request for Proposal Document Number 3002340572 - Procurement Process

Request for Proposal (RFP) Document 3002340572 was prepared by SSHA in conjunction with the Purchasing and Materials Management Division (PMMD) for the provision of short-term accommodations for shelter clients through the use of hotel, motel and/or approved equivalent Operators. The RFP was made available to the public for response on June 7, 2021 and closed August 23, 2021. As a result, four (4) submissions were received.

The RFP process was conducted as a two-envelope system whereby the Suppliers were required to submit two separate documents, one in response to the requirements of the technical proposal, the other in response to the price detail form. The price detail form envelope was only opened for those Suppliers who met the 70 percent threshold or scored at least 52.5 points on the technical submission.

Request for Proposal Document Number 3002340572 – Evaluation Process

A formal selection committee was comprised of three staff members; two (2) from the Homelessness Initiatives and Prevention Services, and one (1) from Program Support. Shelter, Support and Housing Administration evaluated two (2) proposals with ongoing support from PMMD. All staff involved in the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, under the supervision of PMMD, and evaluated the technical proposals in compliance with the criteria set out in the RFP as follows:

Stage 1 – Mandatory Submission Requirements

Stage 2 – Mandatory Technical Requirements and Rated Criteria (Technical Proposal)

Stage 3 – Pricing and Ranking

Stage 1: Mandatory Submission Requirements

Proposals were evaluated for submission of mandatory requirements. Four (4) submissions were received, two (2) of which were declared non-compliant.

Stage 2: Mandatory Technical Requirements and Rated Evaluations

Stage 2A: Mandatory Technical Submission Requirements

In compliance with the RFP, a list of mandatory technical requirements had to be met in order to advance to Stage 2B: Rated Criteria. The remaining two (2) Suppliers, having passed Stage 1: Mandatory Submission Requirements, satisfied Stage 2A: Mandatory Technical Submission Requirements and advanced to Stage 2B of the evaluation process.

Stage 2B: Rated Criteria

In Stage 2B Suppliers were evaluated on their technical proposal content and a

minimum threshold score of 70 percent (or 52.5 points) had to be met in order to advance to Stage 3 – Pricing and Ranking (for review of Supplier response to the Price Form). Both Suppliers that were evaluated met the minimum threshold and advanced to Stage 3 of the evaluation process.

Stage 3 – Pricing and Ranking

In Stage 3, the Price submissions were reviewed, the calculation of total scores, and the Supplier rankings were validated by PMMD.

Suppliers scores and staff analysis of the evaluation results can be provided to the Economic and Community Development Committee in an in-camera presentation, if required.

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

Gordon Tanner, General Manager (Acting)
Shelter, Support and Housing Administration

Michael Pacholok
Chief Procurement Officer