

Amendment to Contract #47022988 Issued to Ecotex Healthcare Linen Services LLP for the provision of laundry services to Toronto Paramedic Services

Date: May 12, 2022

To: Economic and Community Development Committee

From: Chief Toronto Paramedic Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request approval to amend the existing contract #47022988, issued to Ecotex Healthcare Linen Services LLP ("Ecotex") as a result of the City-wide Request for Proposal (RFP) #0105-19-0127 Doc2101183619, for the provision of linen laundering services by a total amount of \$726,251 (excluding all taxes and charges) or \$739,033 (net of HST recoveries) for the period up to and including the separate, optional one-year renewals, to the expiry date ending February 28, 2025. This City-wide call was awarded as separate contracts to Senior Services and Long-Term Care, Children's Services and Toronto Paramedic Services.

Currently, most linen used by Paramedics in the course of patient care is deposited at hospitals for pick-up and laundering by the various hospitals' contracted vendors. In many cases, the hospital vendor is Ecotex. Coincidentally, the remaining used linen (from Paramedic stations) is also laundered by Ecotex, but directly under the above-mentioned contract that was independently awarded by the City in February 2020 following a competitive bid process.

Prior to the City contract award, Toronto Paramedic Services used the authority under Schedule A of the City's Financial Control Bylaw, Chapter 71 ("Emergency Hospital Linen Services"), to pay for all City-wide linen laundry services, including stations and hospital sites. Following the City award to Ecotex in February 2020, Toronto Paramedic Services was invoiced at the lower rate for both hospital and station-based laundry services.

An amendment to City contract #47022988 with Ecotex is requested to increase the contract capacity to account for hospital laundry volumes for Toronto Paramedic Services linen. Given the reduced pricing already being provided by Ecotex, the requested amendment would result in a cost avoidance of \$100,980 annually. The requested additional capacity will be in accordance with the same, relevant terms and conditions of the original Request for Proposal #0105-19-0127 Doc2101183619.

RECOMMENDATIONS

The Chief Toronto Paramedic Services and Chief Procurement Officer recommend that:

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 Bylaw), grant authority to the Chief Procurement Officer to amend Toronto Paramedic Services' contract for the provision of linen laundering services, by an additional amount of \$726,251 excluding all taxes and charges (\$739,033 net of HST recoveries), increasing the current City-wide value from \$9,246,668 to \$9,972,920 excluding all taxes and charges (\$9,409,410 to \$10,148,443 net of HST recoveries).

FINANCIAL IMPACT

The amendment to Toronto Paramedic Services contract #47022988 for an additional funding of \$726,251 excluding all taxes and charges (\$739,033 net of HST recoveries) increases the current contract value from \$667,062 excluding all taxes and charges (\$678,803 net of all HST Recoveries) to \$1,406,095 excluding all taxes and charges (\$1,430,843 net of all HST Recoveries). The additional requested amount covers up to and including the annual optional, separate one-year renewals, to the expiry date period to February 28, 2025.

Funding is available in the approved 2022 Operating Budget for Toronto Paramedic Services. Funding will also be requested in the program's future 2023 to 2025 Operating Budget Submissions for Council consideration. .

Funding details are provided in the Table 1 below:

Table 1 (Net of HST Recovery)

Division	Cost Centres	Cost Element	2022	2023	2024	2025	Total
Toronto Paramedic Services	B46700	4419	\$195,379	\$228,469	\$244,216	\$70,969	\$739,033

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

DECISION HISTORY

At its meeting of February 26, 2020, Bid Award Panel awarded City-wide call RFP #0105-19-0127, Doc2101183619 to Ecotex Healthcare Linen Services LP. As a result, on June 15, 2020, PMMD issued three (3) blanket contracts with an original target value of \$9,246,669 excluding all taxes and charges, \$9,409,410 (Net of HST Recoveries), for the provision of non-exclusive linen laundry services, for a three (3) year period with two (2) option years to renew the contract.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.BA69.1>

COMMENTS

Currently, most linen used by Paramedics in the course of patient care is deposited at hospitals for pick-up and laundering by the various hospitals' contracted vendors. In most cases, the hospital vendor is Ecotex.

Coincidentally, the remaining used linen (from Paramedic stations) is also laundered by Ecotex, but directly under the a contract that was independently awarded by the City in February 2020 following a competitive bid process for Senior Services and Long-Term Care, Children's Services and Toronto Paramedic Services. A separate laundry vendor is not used by Toronto Paramedic Services to pick up used linen from hospitals as this would be more costly and less efficient than using the hospitals' own vendors.

Prior to the City contract, Toronto Paramedic Services used the authority under Schedule A of the City's Financial Control Bylaw, Chapter 71 ("Emergency Hospital Linen Services"), to pay for all City-wide linen laundry services, including stations and hospital sites. Following the City award to Ecotex in February 2020, Toronto Paramedic Services was invoiced at the lower rate for both hospital and station-based laundry services.

Toronto Paramedic Services used the lower-priced City contract for both hospital and station linen, and this resulted in reduced capacity of the City's Ecotex contract which only covers station-based laundry services. In 2020, Toronto Paramedic Services had estimated its contract capacity for the City contract based solely on the station volumes.

On January 27, 2022, PMMD increased the 2022 target value of Toronto Paramedic Services' portion of the City contract by \$180,000, from \$487,062 to \$667,062 (excluding taxes) to avoid overspending.

Therefore, this report seeks an amendment to existing contract #47022988 with Ecotex to increase the contract capacity to account for hospital laundry volumes for Toronto Paramedic Services linen. Given the reduced pricing already being provided by Ecotex, the requested amendment would result in a cost avoidance of \$100,980 annually.

The requested additional capacity will be in accordance with the same terms and conditions of the original Request for Proposal #0105-19-0127 Doc2101183619.

Upon expiration of the current City contract with Ecotex, Toronto Paramedic Services will participate in the next City-wide competitive procurement process for linen laundry services to cover paramedic station volumes.

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SIGNATURE

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