

Procurement of Emergency Goods and Services in Response to the COVID-19 Pandemic over \$500,000

Date: April 8, 2022
To: General Government and Licensing Committee
From: Chief Procurement Officer
Wards: All

SUMMARY

The purpose of this report is to advise on the emergency non-competitive procurements of goods and services that are over \$500,000 in value that were processed by the Purchasing and Materials Management Division on behalf of various divisions relating to the City of Toronto's response to the COVID-19 Pandemic Emergency (COVID-19) for the period of October 1, 2021 to January 31, 2022. Section 195-7.4B of Chapter 195, Purchasing, requires that any emergency non-competitive contract over the value of \$500,000 must be reported to Council for information.

This is a follow up report to GL21.26, Procurement of Emergency Goods and Services in Response to the COVID-19 Pandemic which covered emergency procurement from August 1 to December 31, 2020. Between October 1, 2021 and January 31, 2022, the City entered into 4 emergency non-competitive contracts over the value of \$500,000, and amended 1 of the emergency non-competitive contracts. The total value of these emergency non-competitive contracts, including the amendment, is \$44,610,000, net of HST (\$45,395,136 net of HST recoveries). Three of those emergency non-competitive contracts was to respond to the Omicron variant through the purchase of Rapid Antigen Tests. The final emergency non-competitive contract was in response to rapidly changing requirements related to reopening in October, 2021.

There were no emergency non-competitive contracts related to COVID-19 above \$500,000 entered into between January 1, 2021 and September 30, 2021.

RECOMMENDATIONS

The Chief Procurement Officer recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

A total of 4 new non-competitive emergency contracts over \$500,000 were issued between October 1, 2021 and January 31, 2022 for a total value of \$44,610,000, net of HST (\$45,395,136 net of HST recoveries). This includes one of the emergency contracts being amended during this time period. Where applicable in 2021 and 2022, the City has tracked these expenditures as part of the ongoing monitoring of COVID-19 financial implications and sought recovery from other orders of government.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

On April 7, 2021, City Council received the report from the Chief Procurement Officer for information on the Procurement of Emergency Goods and Services in response to the COVID-19 Pandemic. The following is the link to City Council Decision Document: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL21.26>

On September 30, October 1 and 2, 2020, City Council received the report from the Chief Procurement Officer for information on the Procurement of Emergency Goods and Services in response to the COVID-19 Pandemic. The following is the link to City Council Decision Document: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL15.5>

COMMENTS

In response to the COVID-19 emergency, Divisions had to enter into emergency non-competitive contracts in order to be able to respond to COVID-19. This is a follow up report to GL21.26, Procurement of Emergency Goods and Services in Response to the COVID-19 Pandemic which covered emergency procurement from August 1 to December 31, 2020. Section 195-7.4B of Chapter 195, Purchasing, requires that any emergency non-competitive over the value of \$500,000 must be reported to Council for information.

Between October 1, 2021 and January 31, 2022, the City entered into 4 emergency non-competitive contracts over the value of \$500,000, and amended 1 of the emergency non-competitive contracts. The total value of these emergency non-competitive contracts, including the amendment, is \$44,610,000, net of HST (\$45,395,136 net of HST recoveries).

These emergency non-competitive procurements included the hiring of on-site screeners to address reopening in the fall of 2021 and the procurement of rapid antigen

test kits which were needed to support divisions and ensure continuity of essential and critical operations during the Pandemic. Although the pandemic has been with us for two years now, rapid changes in regulations around reopening, changes in regulations around the required health and safety and the Omicron variant resulted in additional emergency procurements. Costs were managed, in the case of on-site screeners through staff negotiating the best rate possible to secure the screeners and, in the case of the rapid antigen test, leveraged contracts negotiated by the Federal Government that was open to the Provinces to leverage.

Table 1 sets out the number of emergency non-competitive procurements over \$500,000 by Division and by the type of product purchased over \$500,000 entered into between October 1, 2021 and January 31, 2022. There were no emergency non-competitive procurements over \$500,000 between January 1, 2021 and September 30, 2021.

Table 1 - Summary of Emergency Non-Competitive Procurements over \$500,000 - October 1, 2021 to January 31, 2022

Division	Description of Purchase	# of Emergency Contracts	Dollar Value Net of HST	Amendment Value Net of HST	Total Dollar Value Net of HST
Parks, Forestry and Recreation	On-site screeners to meet the new provincial regulation for proof of vaccination verification at 22 standalone arena locations	1	850,000	NA	850,000
Purchasing and Materials Management	Rapid Antigen Test Kits	3	28,600,000	15,160,000	43,760,000
Total		4	29,450,000	15,160,000	44,610,000

Where feasible to do so, legal agreements were negotiated for each of the contracts, and the suppliers were required to submit proof of appropriate insurance, a current Workers Compensation Insurance Board (WSIB) Clearance Certificate and a signed Statutory Declaration confirming compliance under the Ontario Occupational Health and Safety Act, where applicable. In addition, where applicable, the City has tracked these

expenditures as part of the ongoing monitoring of COVID-19 financial implications and sought recovery from other orders of government.

The Fair Wage Office approval process was applied to each procurement for the suppliers that were issued purchase orders or blanket contracts with the City.

CONTACT

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SIGNATURE

Mike Pacholok, J.D,
Chief Procurement Officer