

## **Non-Competitive Contract with Canadian Red Cross for Emergency Social Services**

**Date:** June 13, 2024

**To:** General Government Committee

**From:** Executive Director, Toronto Emergency Management and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request City Council authority to enter into a non-competitive agreement with Canadian Red Cross for the provision of Emergency Social Services. The non-competitive contract will commence January 1, 2025, to December 31, 2029, for an initial two (2) year term, with an option to renew for one additional two (2) year period and one (1) additional one (1) year period, totaling five (5) years. This non-competitive contract will ensure there is a local and scalable agency to meet the immediate, short-term needs of Toronto residents affected by an emergency.

As part of the environmental scan of Emergency Social Services providers, it has been noted that Canadian Red Cross offers a wide array of services and possesses capacity, especially in addressing rapid-response situations of varying scales. Considering the breadth of services and capabilities offered by Canadian Red Cross, establishing a non-competitive contract agreement is deemed essential to guarantee efficient and reliable access to these resources.

While a non-competitive service agreement is being sought by Toronto Emergency Management for Emergency Social Services, Toronto Emergency Management will be exploring procurement options with additional suppliers that can complement Canadian Red Cross' capabilities. Over the next five years, Toronto Emergency Management will actively identify and collaborate with secondary suppliers to build the sector's capacity, paving the way for a competitive procurement process in the future.

City Council authority 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 for each supplier, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11A.

## RECOMMENDATIONS

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The Executive Director, Toronto Emergency Management and the Chief Procurement Officer recommend that:

1. City Council grant authority to the Executive Director, Toronto Emergency Management to negotiate a service agreement with Canadian Red Cross for the provision of Emergency Social Services on the following terms:
  - a. the City pays Canadian Red Cross a mutually agreed upon annual contribution to build and maintain the organization's capacity to deliver Emergency Social Services;
  - b. the service agreement be for a two (2) year term, with an option to renew for one (1) additional two (2) year period and one (1) additional one (1) year period, totaling five (5) years, at the discretion of the Executive Director, Toronto Emergency Management'
  - c. the total value of the agreement annually is \$3,000,000, including all applicable taxes and charges; and
  - d. on such other terms and conditions satisfactory to the Executive Director, Toronto Emergency Management and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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Toronto Emergency Management's current service agreement with Canadian Red Cross to deliver Emergency Social Services was from January 1, 2020, to December 31, 2024. From January 1, 2020, to April 30, 2024, Toronto Emergency Management has paid Canadian Red Cross \$2,750,870 to deliver Emergency Social Services which supported 1,216 residents over 179 emergency incidents. Table 1 provides a breakdown of Canadian Red Cross's costs charged to the City since 2020.

Table 1. Emergency Social Services Historical Costs Paid to Canadian Red Cross from January 1, 2020 to April 30, 2024

Year	Costs paid from the Emergency Human Services Expense Account (\$)
2020	564,797
2021	820,119
2022	360,852
2023	847,442
2024	157,660
Total	2,750,870

Toronto Emergency Management manages the expenses associated with the delivery of Emergency Social Services for minor incidents through the Emergency Human Services Expense Account. In instances where the Expense Account is in deficit, funds

are drawn from the Emergency Human Services Reserve. For larger and more complex emergencies, the City establishes a non-program account to track and cover all Emergency Social Services costs. The City has not had to respond to an emergency of a magnitude requiring it to establish a non-program account for Emergency Social Services since 2020 (i.e., over the period of its current service agreement with Canadian Red Cross).

Since 2020, the annual budget allocated to the Emergency Human Services Expense Account is \$600,000 (previously \$500,000). As of September 30, 2023, the current balance of the Emergency Human Services Reserve is \$2,252,428.

Toronto Emergency Management is seeking approval from City Council to spend up to \$3,000,000 per year to pay Canadian Red Cross for the delivery of Emergency Social Services. This is an increase from the previously approved \$1,500,000 for the period spanning from 2020 to 2024. This adjustment is based on an assessment of rising supplier costs, increased length of Emergency Social Services required, and a risk factor of large-scale, complex major incidents.

The non-competitive contract between Toronto Emergency Management and Canadian Red Cross will delineate the roles, responsibilities, terms, and conditions governing the provision of Emergency Social Services. Reimbursable costs covered by the City will encompass direct aid, operational expenses (such as personnel, responder travel, and shelter operation costs), and an administrative fee equivalent to 12 percent of the total expenses to account for Canadian Red Cross's overhead.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact section.

## **DECISION HISTORY**

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At its meeting on January 29, 2020, City Council adopted without amendment EX12.9 "Authority to Enter into a Service Agreement with the Canadian Red Cross for Emergency Social Services" granting authority to negotiate and enter a service agreement with the Canadian Red Cross for an annual total value of \$1,500,000 over five years.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.EX12.9>

At its meeting on October 8-11, 2013, City Council adopted without amendment EX34.19 "Operating Variance Report for the Six Month Period Ended June 30, 2023" authorizing the transfer of staff and funding for salaries, benefits and administrative costs from Toronto Shelter and Support Services to Toronto Emergency Management to consolidate emergency management.

<https://secure.toronto.ca/council/agenda-item.do?item=2013.EX34.19>

At its meeting on May 11-12, 2010, City Council adopted item EX43.3, "Caring for Toronto Residents Displaced as a Result of Neighbourhood Emergencies: Review of Recent Events and Proposed Strategies" that proposed policies and financial strategies

to guide the services provided to residents displaced as a result of emergencies. This authorized the Deputy City Manager and Chief Financial Officer to:

- a. establish a non-program account (the Emergency Human Services Expense Account) with annual funding of \$500,000 to be used for expenditures incurred for the provision of emergency human services;
- b. establish an Emergency Human Services Reserve to receive annual surpluses from the Emergency Human Services Expense Account and to supplement funding in the Emergency Human Services Expense Account in years in which it has a deficit;
- c. authorizing the General Manager, Toronto Shelter and Support Services, in consultation with the Director, Toronto Emergency Management, to negotiate, finalize and enter into service agreements or MOU's as appropriate with community and private sector partners including the Canadian Red Cross, Salvation Army, St John Ambulance, the Greater Toronto Hotel Association and the Greater Toronto Apartment Association, detailing service agreements and/or the terms and conditions under which the city would request their assistance in providing emergency human services.

<https://secure.toronto.ca/council/agenda-item.do?item=2010.EX43.3>

## **COMMENTS**

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### **Market Research**

Following extensive market research involving 27 emergency response agencies and outreach to municipalities across Ontario and Canada, it has been determined that the breadth of services of Canadian Red Cross surpasses that of other local service providers. Notably, all twelve consulted Ontario Public Service ministries, regions, and municipalities have either secured Canadian Red Cross services through a non-competitive procurement or intend to secure Canadian Red Cross through a just-in-time service procurement at the time of an emergency.

While committed to enhancing sector resilience through collaboration with secondary suppliers, the unique standing of Canadian Red Cross warrants a non-competitive service agreement to ensure prompt and reliable service. As the emergency management field evolves, Toronto Emergency Management anticipates an increase in the capacity of service providers and opportunities for development. Over the next five years, Toronto Emergency Management will actively engage in expanding its supplier roster, laying the groundwork for competitive procurement in the future.

### **Emergency Social Services**

Emergency Social Services are temporary services provided to individuals and families affected by emergencies, aiming to preserve their physical and emotional well-being and assist them in planning their next steps.

Toronto Emergency Management collaborates with internal and external parties to deliver Emergency Social Services, offering essential services such as lodging, food, clothing, transportation, and personal services such as hygiene items. While these services are available to all residents, the City prioritizes coordination efforts for individuals and households lacking sufficient personal resources to sustain themselves post-evacuation.

Depending on the situation, assistance may vary from facilitating contact with insurance companies or loved ones to providing Emergency Social Services for up to 14 days. In certain cases, Toronto Emergency Management may extend services beyond this period due to insufficiencies in the housing system.

### **Scale of Emergency Social Services**

As per Ontario's [Emergency Management and Civil Protection Act](#), an emergency is defined as "a situation or impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise". From the perspective of Emergency Social Services, the City aligns with Canadian Red Cross's definitions of minor and major incidents.

In a minor incident, involving 25 or fewer affected persons or damage to 10 or fewer dwelling units, Canadian Red Cross currently covers costs for up to 72 hours through its national [Personal Disaster Assistance](#) program. If further assistance is required beyond this period, individuals in Toronto transition to the City's Emergency Social Services program.

Conversely, in major incidents affecting more individuals or dwelling units, the City assumes financial responsibility from day one. Major incidents may necessitate the City to provide Emergency Social Services at emergency reception centers, which may be established at community recreation centers based on event scale.

From January 1, 2020, to April 30, 2024, Toronto Emergency Management has assisted 754 individuals in 176 minor incidents and 462 individuals in 3 major incidents for a grand total of 1,216 individuals across 179 incidents as noted in Financial Impacts.

### **Canadian Red Cross**

Canadian Red Cross is the largest non-profit humanitarian organization in Canada and plays a critical role in providing Emergency Social Services to individuals and communities affected by emergencies and disasters across the country. They offer a 24-hours a day, 7-days a week, on-call team encompassing a roster of response volunteers, and a provincial duty officer and duty manager for response escalations. Additionally, included in the current service agreement is a dedicated response time of 4-hours for minor incidents and 6-hours for major incidents.

Emergency Social Services encompasses a range of support services designed to address the immediate needs of those impacted by crises including:

1. Reception and Information
2. Family and Friends Reunification
3. Lodging
4. Food
5. Clothing
6. Transportation
7. Personal Services
8. Relief Support and Direct Financial Assistance
9. Safety and Wellbeing
10. Support to Re-Enter Homes

In conclusion, City Council's consideration of Toronto Emergency Management's request for a non-competitive contract with Canadian Red Cross is seen as crucial for maintaining the provision of Emergency Social Services to Toronto residents. Engaging in a service agreement with Canadian Red Cross offers potential benefits in terms of leveraging their expertise, resources, and established network to respond effectively to emergencies of different sizes and complexities. This agreement offers legal assurance for a commitment to Emergency Social Services response from an agency that is widely utilized across many geographies. Approving this request will enable Toronto Emergency Management in sustaining a resilient and dependable emergency response system for both minor and major incidents.

## **CONTACT**

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Michael Grife, Director, Toronto Emergency Management  
Telephone: 416-392-7128, Email: [Michael.Grife@toronto.ca](mailto:Michael.Grife@toronto.ca)

Marie Reid, Manager, Infrastructure and Development Services, Purchasing Client Services, Purchasing and Materials Management Division  
Telephone: 416-397-5187, Email: [Marie.Reid@toronto.ca](mailto:Marie.Reid@toronto.ca)

## **SIGNATURE**

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Joanna Beavan-Desjardins  
Executive Director, Toronto Emergency Management

Sabrina Dipietro for,  
Geneviève Sharkey  
Chief Procurement Officer