

Amendment to Non-Competitive Contract Number 47023371 with 2790584 Ontario Inc for Catering for Multiple Toronto Shelter and Support Services locations

Date: November 24, 2025

To: General Government Committee

From: From: General Manager, Toronto Shelter and Support Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority from City Council to extend the term of Non-Competitive Contract Number 47023371 with 2790584 Ontario Inc for ongoing catering services at two temporary shelter hotel sites and ad hoc catering services at winter respite sites from December 31, 2025 until August 31, 2026, exceeding the cumulative five (5) year threshold.

A competitive procurement process is underway to identify a catering provider for these locations beyond the end of this contract. This extension is required because of the additional time needed to implement a new, cost-saving approach to catering procurement for the division and its Purchase of Service shelter operators.

Toronto Shelter and Support Services has been exploring options to extend the pricing arrangements in competitively sourced blanket contracts to Purchase of Service shelter operators. Legal Services and the Purchasing and Materials Management division agree that Chapter 195-6.5 of the Toronto Municipal Code provides the necessary legal basis for this change, but additional time is required to incorporate new language into the solicitation and contract documents. By including provisions that allow Purchase of Service shelter operators to piggyback on competitively sourced blanket catering contracts, the City aims to achieve cost savings for Purchase of Service shelter operators through economies of scale, access to larger catering providers, and the ability to leverage the City's negotiating power. Since Purchase of Service shelter operations are funded through the City's Operating Budget, this initiative would result in cost savings for the City.

Services in temporary shelter sites located in hotels can be terminated at no cost to the City if that site closes before the end of the contract.

Non-competitive procurements may be undertaken where both the proposed procurement and supplier can be justified in good faith based on an exception set out in Toronto Municipal Code Chapter 195, Procurement. This procurement was issued under the exception related to emergency where 2790584 Ontario Inc, and the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1E).

City Council 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(A).

RECOMMENDATIONS

The General Manager, Toronto Shelter and Support Services and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Toronto Shelter and Support Services to enter into the necessary amending agreement on terms and conditions satisfactory to the Chief Procurement Officer and in a form satisfactory to the City Solicitor to extend the term of non-Competitive Blanket Contract Number 47023371 with 2790584 Ontario Inc for Catering at various Toronto Shelter and Support Services locations to August 31, 2026.

FINANCIAL IMPACT

Non-competitive blanket contract number 47023371 with 2790584 Ontario Inc is set to expire on December 31, 2025. 2790584 Ontario Inc has sufficient target value (\$13,250,000 net of Harmonized Sales Tax, \$13,483,200 net of Harmonized Sales Tax recoveries) but an extension to August 31, 2026 is requested.

To date, \$1,852,276 net of Harmonized Sales Tax (\$1,884,876 net of Harmonized Sales Tax recoveries) has been spent and \$8,489,310 net of Harmonized Sales Tax (\$8,638,722 net of Harmonized Sales Tax recoveries) is committed in Contract Release Orders. The remaining unused contract value is \$11,397,824 net of Harmonized Sales Tax (\$11,598,426 net of Harmonized Sales Tax recoveries), and the remaining non-committed value is \$4,760,690 net of Harmonized Sales Tax (\$4,844,478 net of Harmonized Sales Tax recoveries).

It is expected that \$300,000 net of Harmonized Sales Tax (\$305,280 net of Harmonized Sales Tax recoveries) will be spent during the remainder of 2025, and \$1,600,000 net of Harmonized Sales Tax (\$1,628,160 net of Harmonized Sales Tax recoveries) will be spent from January 1 to August 31, 2026. These funds will come from Cost Centres F01722 (Alexandra Hotel) and F01723 (Scarborough Women's Shelter – Travelodge) and Cost Element 5055 (Food Allowances) for 2025 and 4116 (Catering Services) for 2026.

The target value of all blanket contracts is non-committed and will be expensed at time of commitment to allow the City to continue to pay the vendor. The actual spending against these contracts will be limited to the Approved TSSS Operating Budget.

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

DECISION HISTORY

At its meeting on May 22, 2024, City Council adopted GG12.14 "New Non-Competitive Contracts and Amendments to Various Competitive and Non-Competitive Blanket Contracts to Maintain Shelter Services", granting authority to amend various contracts for ongoing operational services required to maintain the shelter system.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.GG12.14>

At its meeting on February 6, 2024, City Council adopted EC9.4 "Homelessness Services Capital Infrastructure Strategy: Real Estate Strategy and Lease Extensions", granting authority to enter into lease contracts for temporary shelter sites and to amend contracts for related services. <https://secure.toronto.ca/council/agenda-item.do?item=2024.EC9.4>

At its meeting on February 7, 2023, City Council adopted EC1.5 "COVID-19 Shelter Transition and Relocation Plan Update 2023," granting authority to amend various existing non-competitive blanket contracts/purchase orders established to support the COVID-19 response. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EC1.5>

At its meeting on April 6, 2022, City Council adopted EC28.9 "COVID-19 Shelter Transition and Relocation Plan Update", granting authority to amend various existing non-competitive blanket contracts/purchase orders established to support the COVID-19 response. <https://secure.toronto.ca/council/agenda-item.do?item=2022.EC28.9>

On January 1, 2021, Purchasing and Materials Management issued Non-Competitive Contract 47023371 to 2790584 Ontario Inc for catering services in the amount of \$250,000, net of all applicable taxes and charges (\$254,400 net of Harmonized Sales Tax recoveries), with a contract end date of December 31, 2021. The contract was established in the context of the COVID-19 pandemic to provide catering services at temporary shelters located in hotels.

COMMENTS

Catering services at the Alexandra Hotel (serving 68 people) and Scarborough Women's Shelter (serving 106 people) have been provided by 2790584 Ontario Inc since 2021, and ad hoc winter respite sites were added in 2024. The current contract expiry date is December 31, 2025.

A competitive procurement process is underway to identify a catering provider for these locations when the current non-competitive contract expires. Request for Proposal Doc5441324222 is expected to be out to the market in December 2025. The launch of this Request for Proposal has been delayed because an opportunity to implement a novel, cost saving approach to catering procurement for Purchase of Service (POS) shelter operators requires additional time to implement. Attempts to participate in corporate calls for catering services were unsuccessful because of Toronto Shelter and Support Services' unique catering requirements.

Toronto Shelter and Support Services has been exploring options to extend the pricing arrangements in competitively sourced blanket contracts to Purchase of Service (POS) shelter operators. Legal Services and the Purchasing and Materials Management division agree that Chapter 195-6.5 of the Toronto Municipal Code provides the necessary legal basis for this process, but additional time is required to incorporate new language into the solicitation and contract documents. By including provisions that allow Purchase of Service shelter operators to piggyback on competitively sourced blanket catering contracts, the City aims to achieve cost savings for Purchase of Service shelter operators through economies of scale, access to larger catering providers, and the ability to leverage the City's negotiating power. Since Purchase of Service shelter operations are funded through the City's Operating Budget, this initiative would result in cost savings for the City.

In addition to cost savings, allowing POS shelter operators to piggyback on competitively sourced blanket catering contracts will support greater alignment and standardization of the catering services provided by POS shelter operators and directly operated shelters; simplified procurement for POS shelter operators; and access to a wider range of catering providers through an expanded scope of work.

These opportunities also support Toronto Shelter and Support Services' response to the Auditor General's March 2025 report, *Audit of Toronto Shelter and Support Services - Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further*. The report includes 15 recommendations to help Toronto Shelter and Support Services improve the efficiency, effectiveness, and economy of Winter Respite Sites and Warming Centres.

There are no alternative catering options for these locations until a new competitive contract is awarded.

CONTACT

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SIGNATURE

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Geneviève Sharkey
Chief Procurement Officer