

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MONDAY, MAY 25, 2020
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	PROCUREMENT IN EMERGENCIES – COVID-19

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, as per section 14.2 of the Procurement of Goods and Services Policy, a report of Emergency non-competitive individual purchases which exceed \$50,000 (pre-taxes), that the City has made up to the date of May 5, 2020 due to COVID-19, **BE RECEIVED** for information, attached as Appendix "A";

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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COVID-19 Financial Impacts and Additional Measures for Community Relief, Strategic Priorities and Policy Committee, April 28, 2020, Consent Item # 2.1

Homeless Prevention COVID-19 Response and Funding Overview, Community and Protective Services Committee, April 28, 2020, Consent Item # 2.3

BACKGROUND

The Procurement of Goods and Services Policy (the Policy) outlines the processes Civic Administration is to follow in order to obtain the best value when purchasing goods or contracting services for the Corporation of the City of London. In the event of an "Emergency", section 14.2 Procurement in Emergencies indicates that Civic Administration is permitted to purchase goods/services under "Emergency" conditions in a non-competitive manner. In this section, "Emergency" means:

"an event or occurrence that the City Manager or Managing Director deems an immediate threat to:

- *Public Health;*
- *The maintenance of essential City services; or*
- *The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the emergency and time does not permit for a competitive procurement process."*

However, when section 14.2 is used, Civic Administration is required to follow defined protocols and then submit an informational report to Council. This protocol from the Policy is outlined below for reference.

"Where the procurement cost to mitigate the Emergency is anticipated to exceed \$50,000, there must be a notification sent (e-mail contact is acceptable) to the Manager of Purchasing and Supply (or delegate). The steps taken to mitigate the Emergency must always be clearly documented regardless of amount and where

the aggregate costs for a single supplier are in excess of \$50,000, the emergency procurement shall be reported by the responsible Managing Director to Committee and City Council (including the source of financing) at the next scheduled meeting following the event. The Managing Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Manager of Purchasing and Supply within five (5) business days after the mitigation activities associated with the emergency event have been terminated.”

The current Pandemic for COVID-19 poses a unique state that continues for an unknown period of time. Although not required by the policy, in order to be fully transparent as the emergency continues, Civic Administration will bring forward regular reports of emergency procurements rather than wait till the end of the event.

Civic Administration has combined a list of the non-competitive purchases greater than \$50,000 (pre-taxes) made across Service Areas as a result of this pandemic. Appendix “A” provides list of procurements made under section 14.2 of the Policy to be received for informational purposes. The procurements made under section 14.2 have been consolidated into one report rather than bringing to Committee and Council multiple reports by Service Area. Procurements initiated by the City Manager’s Office were done corporately noting that goods or services procured would be used and allocated to multiple services areas, i.e. laptops.

Source of Financing

As outlined in the report to the Strategic Priorities and Policy Committee “COVID-19 Financial Impacts and Additional Measures for Community Relief” on April 28, 2020, Civic Administration will look to address the unanticipated financial impacts on the City’s 2020 budget through spending restraint, allocation of the 2019 budget surplus to the Operating Budget Contingency Reserve to mitigate COVID-19 costs, limiting assessment growth allocations to only urgent needs, reviewing capital projects and tax supported reserve fund contributions, along with leveraging other funding programs, where available (e.g. Reaching Home Program, Social Services Relief Fund, etc.).

Scope of Responsibility

This review is limited to the City of London only and does not include London Health Sciences Centre, Agencies, Boards and Commissions procurements.

Acknowledgements

This report was prepared with the assistance of Geoff Smith and Todd Turner.

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Attachments:

Appendix “A” – List of Emergency Non-Competitive Purchases > \$50K as of May 5, 2020 as a Result of COVID-19 as per Section 14.2 of the Procurement of Goods and

Services Policy

Appendix “A”

List of Emergency Non-Competitive Purchases Greater than \$50,000 as of May 5, 2020 as a Result of COVID-19 as per Section 14.2 of the Procurement of Goods and Services Policy

Service Area	Supplier	Total Cost	Description
City Manager's	CDW	\$113,515	Additional costs (i.e. laptop acquisition) to support remote work to ensure the continuation of essential services.
City Manager's	Direct Dial	\$117,404	Additional costs (i.e. laptop acquisition) to support remote work to ensure the continuation of essential services.
Housing, Social Services & Dearness Home	Econo Lodge	\$242,252	Provision of temporary housing arrangements for vulnerable individuals including isolation spaces, self-monitoring spaces, etc.
Housing, Social Services & Dearness Home	Quality Inn Suites	\$187,515	Provision of temporary housing arrangements for vulnerable individuals including isolation spaces, self-monitoring spaces, etc.
City Manager's	Canadian Red Cross Society	\$63,600	Provision of resources (cots) to be used in response to COVID-19.
Neighbourhood, Children, and Fire Services	M & L Supply	\$64,431	Additional medical and other supplies such as personal protective equipment for Fire Services SC805622 01 Twin Quarter Turn Adapter Assembly, SC7422-FE4 Enclosure Cover and Retainer, SC7422-FN5 N-95 Filter Element.
Neighbourhood, Children, and Fire Services	Impact London	\$93,866	Additional costs to support temporary housing arrangements including 24/7 staffing.
City Manager's	Dental Brands	\$160,000	Acquisitions of personal protective equipment masks for use at Dearness Home, Fire Services, and By-Law Enforcement.
TOTAL		\$1,042,583	Non-Competitive Purchases Greater than \$50,000 as per section 14.2.