

City of Mississauga Corporate Report



<p>Date: June 2, 2021</p> <p>To: Chair and Members of General Committee</p> <p>From: Shawn Slack, MBA, Acting Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: June 23, 2021</p>
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Subject

Procurement Authority to Obtain COVID-19 Related Personal Protective Equipment (PPE) and Disinfecting Supplies for City-Wide Use File: PRC002369, PRC002629, PRC002405

Recommendation

1. That the report dated June 2, 2021, titled "Procurement Authority to Obtain COVID-19 related Personal Protective Equipment (PPE) and Disinfecting Supplies for City-Wide Use File: PRC002369, PRC002629, PRC002405" from the Commissioner of Corporate Services and Chief Financial Officer, be received.
2. That Council approve the procurement authority request for COVID-19 related PPE and disinfecting supplies as detailed in the Corporate Report entitled "Procurement Authority to Obtain COVID-19 related Personal Protective Equipment (PPE) and Disinfecting Supplies for City-Wide Use File: PRC002369, PRC002629, PRC002405" dated June 2, 2021 from the Commissioner of Corporate Services and Chief Financial Officer.
3. That the Purchasing Agent or designate be authorized to increase the contract with Weber Supply Company Inc., CkdPack Packaging Inc. and State Chemical Ltd. as required to maintain supply of COVID-19 related personal protective equipment (PPE) and disinfecting supplies ending December 31, 2022, notwithstanding the requirements of Section 18 "Contract Value Amendments, Extensions or Renewals" of the Purchasing By-law 374-06.
4. That the Purchasing Agent or designate be authorized to execute and/or increase contracts with various other suppliers on a single source basis as required to maintain supply of COVID-19 related personal protective equipment (PPE) and disinfecting supplies for the period, ending December 31, 2022, notwithstanding that each contract may exceed \$100,000 and would normally require Council approval.

Executive Summary

- The COVID-19 pandemic has resulted in global supply chain shortages for personal protective equipment (PPE) and disinfecting supplies.
- A temporary PPE Central Store has been established to stockpile critical items: 3-ply masks, gloves, hand sanitizer, disinfecting wipes and disinfecting spray and other safety supply items as required.
- The City has a contract in place with Weber Supply Company Inc., which was established competitively. The City also has contracts in place with CkdPack Packaging Inc. and State Chemical Ltd that were established on a single source basis. More suppliers may be required on a single source basis to ensure supply; staff need to act promptly to secure supply from any available source.
- This report seeks authority for the Purchasing Agent to increase the Weber Supply Company Inc., CkdPack Packaging Inc. and State Chemical Ltd. contracts as required and to execute and/or increase contracts with various other suppliers on a single source basis to maintain stock of PPE and disinfectant products.
- The request is for a term ending December 31, 2022.

Background

The COVID-19 pandemic has resulted in global supply chain shortages, particularly affecting personal protective equipment (PPE) and disinfecting supplies. It has been difficult for the City to obtain critical PPE and disinfectant products such as: masks, gloves, hand sanitizer, sanitizing wipes and disinfecting spray.

A temporary PPE Central Store (excluding Fire and Transit, who have their own stores facilities) has been established with the aim of maintaining a three-month stockpile of PPE and disinfecting supplies as market availability allows. The estimated cost of a three months' supply is approximately \$108,573. The benefits of the temporary PPE Central Store include:

- Timely access to PPE and disinfectant products during recovery and in the event of delivery delays associated with future waves of COVID-19 infections;
- Anticipated cost savings related to bulk purchasing;
- Ensuring that suppliers and products are screened properly for safety compliance;
- Divisions would not be competing against each other for supplies.

The temporary PPE Central Store is located in the Print/Mail Services area in the Civic Centre and will be closed when high quantities of PPE are no longer required or supply becomes readily available.

Comments

The required PPE and disinfecting supplies, and estimated quantities and prices are shown in Appendix 1 to this report and is based on actual usage.

The City has spent \$578,909 for PPE and disinfecting supplies on an emergency basis in 2020 and YTD 2021 as provided for in the Purchasing By-law. Further increases will be required to maintain the stockpile.

As with all suppliers, Weber Supply Company Inc. is unable to consistently meet demand. CkdPack Packaging Inc. was sourced to supply made in Mississauga face masks and State Chemical Ltd. supplies disinfecting spray. Back-up is required and Materiel Management is continually sourcing other suppliers and products. When appropriate alternate suppliers and products are found, orders must be placed promptly, to secure supply.

Orders have been placed on an emergency basis; however, as the COVID-19 situation continues, a longer-term plan and authority are required. Obtaining the procurement authority that is required under the City's normal approval processes will cause delays. Under the current unique circumstances, staff require the ability to promptly buy PPE and supplies from Weber and alternate suppliers as and when required to ensure continuous supply.

Authority for the Purchasing Agent is requested:

- To increase the contract with Weber Supply Company Inc., CkdPack Packaging Inc. and State Chemical Ltd. as required to maintain supply of COVID-19 related PPE and disinfecting supplies notwithstanding Section 18 of the Purchasing By-law which requires Council approval for contracts exceeding 20% of their original contract value and if increases exceed \$1,000,000.
- To execute and/or increase contracts with various other suppliers on a single source basis as required to maintain supply of COVID-19 related PPE and disinfecting supplies notwithstanding that each contract may exceed \$100,000.

This authority is requested for the period ending on December 31, 2022 to cover current recovery and in preparation for subsequent waves of COVID-19. Should the COVID-19 situation and need for extensive PPE and disinfecting supplies continue, staff will return to Council for authority as required at that time.

Purchasing By-law Authorization

The recommendation in this report is made in accordance with the Purchasing By-law 374-06; Schedule "A" 1 (a) *The Goods and/or Services are only available from one supplier by reason of: (ii) scarcity of supply in the market.*

Financial Impact

The cost to the City is estimated to be approximately \$651,438 for the (18) eighteen-month period intended to be covered by this report. The cost of goods will be charged to departments when the temporary PPE Central Store fulfills orders.

Conclusion

A temporary PPE Central Store has been established to ensure a continuous supply of COVID-19 related PPE and disinfecting supplies during recovery and in preparation for subsequent waves of COVID-19. Due to uncertainty and supply chain instability, staff are requesting authority for the Purchasing Agent to increase the existing contract with Weber Supply Company Inc., CkdPack Packaging Inc. and State Chemical Ltd. to issue and/or increase contracts with alternate suppliers on a single source basis as required to ensure continuous supply and enable staff to secure orders promptly when appropriate supplies and suppliers are located. This request is for the period, ending December 31, 2022. In that time, the cost of contracts for the supply of PPE and disinfectant products is estimated at \$651,438. The recommendation in this report is made in accordance with the Purchasing By-law 374-06, Schedule "A" 1. (a) *The Goods and/or Services are only available from one supplier by reason of: (ii) scarcity of supply in the market.*

Attachments

Appendix 1: Procurement Authority to Obtain COVID-19 related PPE for City-wide Use



Shawn Slack, MBA, Acting Commissioner of Corporate Services and Chief Financial Officer

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