

City of Mississauga Corporate Report



11.6.

Date: July 21, 2020

To: Mayor and Members of Council

From: Gary Kent, CPA, CGA, ICD.D, Commissioner of
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
August 5, 2020

Subject

Procurement Authority for a One-Year Period to Obtain COVID-19 Related Personal Protective Equipment (PPE) and Disinfecting Supplies for City-wide Use

Recommendation

1. That Council approve the procurement authority request for COVID-19 related PPE and disinfecting supplies as detailed in the Corporate Report entitled "Procurement Authority for a One-Year Period to Obtain COVID-19 related Personal Protective Equipment (PPE) and Disinfecting Supplies for City-wide Use" dated July 21, 2020 from the Commissioner of Corporate Services and Chief Financial Officer, File Ref: PRC002369.
2. That the Purchasing Agent or designate be authorized to increase the contract with Weber Supply Company Inc. as required to maintain supply of COVID-19 related personal protective equipment (PPE) and disinfecting supplies for a one year period, ending July 31, 2021, notwithstanding the requirements of Section 18 "Contract Value Amendments, Extensions or Renewals" of the Purchasing By-law 374-06.
3. 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 a one year period, ending July 31, 2021, notwithstanding that each contract may exceed \$100,000 and would normally require Council approval.

Report Highlights

- 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.

- The City has a contract in place with Weber Supply Company Inc. which was established competitively. More suppliers are 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. contract 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 of one year ending July 31, 2021.

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: 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 \$701,700. 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 a second wave of COVID-19 infections;
- Anticipated cost savings related to bulk purchasing;
- Ensuring that suppliers and products are screened properly;
- 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

A needs assessment was completed by Employee Health Services to determine the PPE that would be required based on the number of staff and their mode of operation (office/non-public facing, public facing, field/building based or field/mobile based). The required PPE and disinfecting supplies, and estimated quantities and prices are shown in Appendix 1 to this report.

The City has a contract in place with Weber Supply Company Inc. (Weber) which was established competitively and includes the City's normal requirements for PPE and disinfectant products. The Weber contract has been increased in the amount of \$469,480 for PPE and

disinfecting supplies on an emergency basis as provided for in the Purchasing By-law. Further increases will be required to maintain the stockpile.

Weber, as with all suppliers, is unable to consistently meet demand. 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, often within hours, 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 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 a one-year period ending on July 31, 2021 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 extend beyond one year, 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 \$2,810,000 for the one-year period intended to be covered by this report. The cost of goods will be charged to departments when orders are fulfilled by the temporary PPE Central Store.

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. Quantities of PPE have been estimated by Employee Health Services and a three month stockpile of PPE and disinfecting supplies is recommended. 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. and 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 a one-year period, ending July 31, 2021. In that time, the cost of contracts for the supply of PPE and disinfectant products is estimated at \$2,810,000. 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: Estimated PPE 3 Month Stock Requirements

For 

Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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