
REPORT TITLE: Contract Extensions for Adult and Youth Shelters

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That contract 2013-200P awarded to The Governing Council of the Salvation Army for the operation of Cawthra Road Shelter, Peel Family Shelter, Wilkinson Shelter, be extended for an additional nine months commencing October 1, 2020 and ending June 30, 2021;

And further, that the contract be increased in the amount of \$5,863,228, exclusive of applicable taxes in accordance with Procurement By-Law 30-2018;

And further, that contract 2020-420N for the Extension of the Operating Contract for the Brampton Youth Shelter be awarded to the Governing Council of the Salvation Army for a six month period commencing January 1, 2021 and ending June 30, 2021 at an estimated cost of \$938,961 exclusive of applicable taxes, in accordance with Procurement By-Law 30-2018;

And further, that staff be authorized to increase the subject contracts in accordance with the terms of the contract to cover additional costs associated with the operation of the shelters to the limit of the Street/Emergency Shelter Supports approved budget.

REPORT HIGHLIGHTS

- The Region of Peel owns four emergency shelters that serve adults, families and youth.
- The Governing Council of the Salvation Army is under contract with the Region of Peel to manage and operate all four shelters.
- Through the strategies of the Peel Housing and Homelessness Plan, shelter operations are being re-designed to adapt to the growing pressures of the shelter system.
- These fundamental changes are reflected in a new Request for Proposal (RFP) for the adult and youth shelters that were planned for release in April and June 2020, respectively.
- The RFP processes have been put on hold, as many agencies interested in responding are either operating at reduced capacity or are focused on their COVID-19 response.
- Due to this delay, staff is seeking Council approval to extend the adult and youth shelter contracts to up to June 30, 2021.
- An extension up to June 30, 2021 allows for the proper transition between providers, if required.
- Pending Council approval of the contract extension, staff will issue the RFPs for both adult shelters and the youth shelters as soon the pandemic subsidies and the capacity to meaningfully engage in the procurement process returns to the non-profit sector in Peel.

Contract Extensions for Adult and Youth Shelters

DISCUSSION

1. Background

The Region of Peel owns four emergency shelters that serve adults, families and youth. Currently, the Governing Council of the Salvation Army is under contract with the Region of Peel to manage and operate all four shelters. Two contracts are in place; one for the adult shelter system (Cawthra, Wilkinson and Peel Family Shelters) valued at \$7,817,867 which expires on September 30, 2020 and one for the Youth Shelter in Brampton for \$938,961, which expires on December 31, 2020.

Staff planned to issue a Request for Proposal (RFP) for the adult shelters in March 2020 and the youth shelter in early summer 2020. As a result of the COVID-19 pandemic, the adult shelter RFP was not issued and work to finalize the youth RFP was delayed. Staff is therefore seeking Council approval to extend the current contracts with the Salvation Army for both the youth shelter and adult shelters until June 30, 2021.

2. Discussion

New contracts for shelter operations are vital to successfully implementing the Service Transformation strategy within the Peel Housing and Homelessness Plan. Therefore, issuing Requests for Proposals and effectively managing new contracts for both the adult shelters (Cawthra, Peel Family Shelter and Wilkinson shelters) and the Brampton Youth Shelters are priorities for Housing Services in 2020.

As a result of the COVID-19 pandemic and its impact on the non-profit sector, issuing a Request for Proposal at this time could weaken the competitiveness of the procurement process. Agencies that would typically respond to an RFP may choose not to, as most agencies are either operating at reduced capacity or are focused on their COVID-19 response. In order to ensure the RFPs result in awarding the best value contracts to the most qualified provider(s), staff recommends issuing both RFPs by early fall, when the non-profit sector has the capacity to meaningfully engage in the procurement process.

As a result of this delay, staff is seeking Council approval to extend the current contracts for both the adult shelters and the youth shelter up to June 30, 2021. An extension up to June 30, 2021 allows for the proper transition period between providers, if required.

RISK CONSIDERATIONS

Staff recognizes that the timing of this extension is not ideal due to the need to respond to the growing pressures facing the shelter system. New contracts and improved contract management practices are required to ensure shelter operations achieve desired outcomes.

However, moving forward with a Request for Proposal during the pandemic risks the competitiveness and therefore the value of the procurement process. Agencies who would typically respond to the RFP may choose not to due to the impact COVID-19 is having on their operations. It is important that the procurement process results in the awarding of new contracts to highly qualified organizations that have the capacity to operate effectively within an increasingly constrained and complex shelter system.

Contract Extensions for Adult and Youth Shelters

The Requests for Proposals for both the adult and youth shelters will be issued as soon as the pandemic subsidies and some capacity returns to the non-profit sector in Peel.

An audit of adult shelter contract management practices undertaken in May of 2019 highlighted a lack of effective management controls in place. Immediate changes to the shelter contract management practices were enacted to advance informal oversight of the contract into formal management practices, and to address the risks identified. The lessons learned through the audit of the adult shelters are currently being applied to all homelessness contracts with third-party providers. These improved practices provide the necessary documentation required to assure Council, clients and the community that current services are being delivered as per the terms and conditions of the contract.

FINANCIAL IMPLICATIONS

There are enough funds in the current 2020 and proposed 2021 Housing Support Budgets to fund these contract extensions.

CONCLUSION

As a result of the pandemic, staff is seeking Council approval to extend the existing adult shelter and youth shelter contracts up to June 30, 2021. An extension up to June 30, 2021 allows for the proper transition period between providers, if required.

Pending Regional Council approval, requests for proposals (RFP) for both the youth shelter and the adult shelter systems will be issued when agencies are no longer operating at reduced capacity or focused on the impact or recovery from COVID-19 and are therefore more likely to respond.

For further information regarding this report, please contact Aileen Baird, Director, Housing Services, Ext. 1898, aileen.baird@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer