




**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**Hamilton Paramedic Service**

<b>TO:</b>	Chair and Members Emergency and Community Services Committee
<b>COMMITTEE DATE:</b>	June 20, 2024
<b>SUBJECT/REPORT NO:</b>	Non-Competitive Procurement of Linen Supply for Hamilton Paramedic Service (HSC24014) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Cliff Eggleton (905) 546-2424 Ext. 7743
<b>SUBMITTED BY:</b>	Michael Sanderson Chief, Hamilton Paramedic Service Healthy and Safe Communities Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Council approve the single source procurement, pursuant to City Procurement By-law No. 20-205, as amended, Procurement Policy Section 4.11 Policy #11 – Non-competitive Procurements, with Ecotex Healthcare Linen Service LP (Ecotex), or for any successor company following transfer of ownership or sale of Ecotex Healthcare Linen Service LP, for the supply, delivery, cleaning, and replacement of linen including sheets, towels, pillowcases, and blankets for the Hamilton Paramedic Service for a period not extending beyond December 31, 2029; and
- (b) That the Chief, Hamilton Paramedic Service, or designate, be authorized, and directed to enter into and sign, on behalf of the City of Hamilton, any negotiated agreement along with any ancillary documents required to give effect thereto with Ecotex Healthcare Linen Service LP, in a form satisfactory the City Solicitor; and
- (c) That the Chief, Hamilton Paramedic Service, or designate, be authorized to amend any agreements along with and any ancillary documents identified in (a) through (b) above as required if a supplier(s) identified in Report HSC24014 undergoes a name change.

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## **EXECUTIVE SUMMARY**

The City of Hamilton currently has an authorization for a single-source procurement of linen supplies from Mohawk Medbuy Corporation (MMC) until December 31, 2026. This authorization was granted by Council through the approval of Report HSC 21029 on September 15th, 2021, in accordance with Procurement Policy #11 – Non-competitive Procurements.

A change in ownership has occurred. Ecotex assumed ownership and operations of the MMC Hamilton facility as of February 29, 2024. Ecotex has continued to deliver high-quality linen services to all current MMC clients, including the City of Hamilton.

The initial report, HSC 21029, did not anticipate the sale of Mohawk Medbuy Corporation to another entity or the potential impact on purchasing authority resulting from such a sale or company name change. As a result, there is currently no procurement instrument in place that allows the City to maintain the required supply of linen from the new owner, Ecotex.

Furthermore, Ecotex is requesting a new 5-year contract term as part of the negotiations for the continued supply of linen services to the Hamilton Paramedic Service.

## **Alternatives for Consideration – See Page 5**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Paramedic Service estimates \$180,000.00 to \$200,000.00 to be spent each year with annual increases being the greater of annual CPI increase or 2% annually, using historical numbers. These costs are already incorporated in our Council approved 2024 operating budget.

Staffing: N/A

Legal: N/A

## **HISTORICAL BACKGROUND**

Council approved at meeting 21-016 (September 15th, 2021) Emergency and Community Services Committee Report 21-009 including the recommendations outlined in Report HSC21029 (Single-Source Paramedic Service Linen Supply). The included recommendations are summarized below:

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- Approve Single-Source Procurement  
Council approved a single-source procurement, as per Procurement Policy #11 – Non-competitive Procurements, with Mohawk Medbuy Corporation. This procurement was for the supply, cleaning, and replacement of linen and blankets for the Hamilton Paramedic Service for a five-year period ending on December 31, 2026.
- Authorize Contract Negotiation and Execution  
The Chief of the Hamilton Paramedic Service, Healthy and Safe Communities Department, or their designate was authorized to negotiate, enter into, and execute a contract and any ancillary documents required to give effect to the agreement with Mohawk Medbuy Corporation. The contract and documents were to be in a form satisfactory to the City Solicitor.

Emergency and Community Services Committee Report 21-016 did not include authority to negotiate current contracts or agreements in case of a change of business name or change of ownership of the identified business (Mohawk Medbuy Corporation).

This current report is required to provide Hamilton Paramedic Service with delegated authority to continue with a similar linen supply arrangement with a new service provider, as Mohawk Medbuy Corporation (MMC) has sold its Hospital Linen division to Ecotex Healthcare Linen Service LP as of February 29, 2024.

The delegated authority will allow Hamilton Paramedic Service to maintain the existing linen supply arrangement approved in the previous report (HSC21029), ensuring uninterrupted service essential for their operations.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

- Provincial Ambulance Equipment Standards detail the specific quantities and types of linen to be carried on board ambulances.
- Public Health Ontario's Best Practices for Environmental Cleaning for Prevention and Control of Infections details the procedures to be observed in the handling and cleaning of linen used in health care, including that used by Paramedic Services.
- Depending on the nature of contamination, transportation of contaminated linen may be subject to the provisions of the Transportation of Dangerous Goods Regulations
- Procurement Policy for the City of Hamilton, Policy #11 – Non-competitive procurements
- Procurement Policy for the City of Hamilton, Policy #2 – Approval Authority

## **RELEVANT CONSULTATION**

All recommendations from each of the following City of Hamilton Divisions have been incorporated in this report:

- Corporate Services, Financial Services Taxation and Corporate Controller, Procurement – Consultation with Procurement staff regarding the interpretation and application of the Procurement Policy.
- Corporate Services, Financial Planning Administration and Policy – Consultation with Finance to verify financial information.
- Corporate Services, Legal and Risk Management Services – Consultation with Legal Services.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The recommendation to enter a new contract with Ecotex Healthcare Linen Service LP for ambulance linen services is based on the following operational efficiencies and benefits:

1. **Reliable Linen Supply:** As Ecotex now serves all Hamilton hospitals and most facilities in the Greater Toronto Hamilton Area (GTHA) and Niagara regions, paramedics can restock clean linen immediately at hospitals. This eliminates the need to return to stations, allowing crews to be readily available for reassignment after patient offload.
2. **Streamlined Patient Transfer:** Paramedics can leave linen with the patient on transfer to the hospital bed, without waiting to recover it. The linen is processed through the same system used by the hospital, with costs attributed based on unique markings.
3. **Reduced Risk Exposure:** Used and contaminated linen is left in designated containers at the hospital. Paramedic Service staff are not required to transport potentially hazardous contaminated materials.
4. **Infection Control:** Ecotex handles and processes linen in accordance with Public Health Ontario's Best Practices for Environmental Cleaning, ensuring no cross-contamination.
5. **Avoiding Operational Disruption:** It is operationally essential for the pick-up of clean and drop-off of used linen to occur at hospitals. Selecting a vendor other than Ecotex would necessitate the installation of duplicate clean linen carts and used linen bins at each hospital location. Given the limited space available, it is unlikely that hospitals would support this duplication and participate with a separate linen system for paramedics.

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6. **Maintaining Efficiency:** If multiple suppliers were involved in linen supply, additional time, staff, training, and financial resources would be required to sort mixed dirty linen by supplier and return it to the appropriate supplier for processing, reducing overall efficiency.
7. **Streamlined Quality Control and Cost Monitoring:** By continuing with Ecotex, significant staff effort required to monitor stocking, ensure quality control, and verify cost attribution with an alternative vendor can be avoided. Additional staff and vehicle resources would not be needed to monitor stocks and collect, sort, and deliver linen.
8. **Cost Competitiveness:** Ecotex has a substantial established customer base in the health-care sector and has demonstrated operational efficiency and economies of scale. It is unlikely that another commercial vendor would be able to offer a competitive price, given that new stock would have to be acquired, an equivalent level of service provided, and profit generated.
9. **Avoiding Implementation Effort:** This would require consent of hospitals to use their facilities for placement of laundry bins and to allow for pickups and drop offs by an alternate vendor.

By entering an agreement with Ecotex Healthcare Linen Service LP, Hamilton Paramedic Service can maintain operational efficiencies, leverage Ecotex's established infrastructure and service record, and avoid potential disruptions.

**ALTERNATIVES FOR CONSIDERATION**

The alternative to the recommended approach would be to conduct a competitive procurement process for the Supply, Cleaning, and Replacement of Paramedic Service Linen. However, if another vendor was awarded this contract, we would not achieve the synergies or operational effectiveness by having a different vendor than the hospitals are currently employing.

**APPENDICES AND SCHEDULES ATTACHED**

None