



Vendor Award: Demand General Repairs Program

Item 9A

July 17, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-76

To: Building Investment, Finance and Audit Committee (“BIFAC”)
 From: Chief Operating Officer (Acting)
 Date: July 10, 2023

PURPOSE:

The purpose of this report is to seek BIFAC’s and the Board of Directors’ (the “Board”) approval of up to for \$200,561,829.00 (exclusive of taxes) for the establishment of a roster of prequalified vendors for the Demand General Repair Program for a term of up to five years.

BIFAC approval is required for this contract award as it exceeds the \$2.5M financial approval limit of TCHC’s Procurement Award Committee (“PAC”), and Board of Directors (the “Board”) approval is required as it exceeds the \$5M financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the BIFAC approve and recommend that the Board:

- 1) Approve the award of work up to \$200,561,829.00 (exclusive of taxes) for demand general repairs at the rates established based on the outcome of Request for Proposal (“RFP”) 23013 for a term of up to five (5) as follows:
 - i. up to \$29,900,000.00 for the first year of initial contract; and
 - ii. up to \$170,661,829.00 for four (4) additional one-year terms at TCHC management’s discretion;

2) Approve the award of the work to the following fifteen (15) vendors based on the outcome of Request for Proposal (RFP) 23013 as follows:

- i. Bestway Renovations Inc.;
- ii. Bi-Views Building Service Ltd.;
- iii. C2C Construction Ltd.;
- iv. CCA Contracting Inc.;
- v. Finecraft Group Inc.;
- vi. G&G Contracting (1762550 Ont. Inc.);
- vii. GH Renovations Inc.;
- viii. Greenline Renovations Plus Ltd.;
- ix. Joe Pace & Sons Contracting Inc.;
- x. LYR Inc.;
- xi. Malomar Construction & Renovation Inc.;
- xii. Abdul Wahed Syed carrying on business as New Daz Construction;
- xiii. Richview Renovations & Restorations Ltd.;
- xiv. SNL Techlink (2450419 Ontario Inc.);
- xv. Universal Cleaning & Painting Ltd.; and

3) Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

PROJECT BACKGROUND:

Demand general repair (“DGR”) work is defined as unplanned work. It is work that is required on an as-needed basis, often involving small volume repairs in one or more residential units or in a common area.

REASONS FOR RECOMMENDATIONS:

DGR work represents a high volume of the jobs assigned to vendors annually. In 2019 and 2020, 19,500 and 15,500 DGR work orders were processed, respectively, with an average cost of \$1,400. From 2021 to 2022 there were 33,336 DGR work orders completed, and from 2022 to 2023 there have been 29,592 DGR work orders completed to date.

TCHC has seen an increase in DGR work orders due to the lifting of COVID restrictions and subsequently having more access to units. In addition, TCHC has re-absorbed previously contract managed buildings and a majority of the buildings are in need of repairs.

General repairs, in common areas and in-suite, consist of:

- Bathroom and kitchen renovation work (including carpentry, minor electrical and minor plumbing);
- Flooring;
- Painting;
- Plastering; and
- Other repair work as deemed necessary.

Generally, these types of repairs are outside of the typical building staff's skill level and responsibilities.

The existing contract for the Demand General Repairs Program (RFP 21032) was approved by the Board of Directors at its July 22, 2021 meeting in the amount of \$170,600,00.00 (exclusive of taxes), and started on September 6, 2021, with a three year term and the possibility of two additional one-year extensions at TCHC management's discretion and an original termination date of September 5, 2024 ([Report TCHC:2021-45](#)). The current contract will be terminated on August 31, 2023 to align the pricing to current market rates after they had increased due to COVID related impacts. The total spend to date for the existing contract is \$75,520,000.

Table 1 provides the breakdown of the annual and total spend throughout the course of the existing contract.

Table 1: Current Contract Amount Awarded (Annual and Total Breakdown)

| Year of Contract | Approved Spend | # of Work Orders |
|-------------------------|-----------------------|----------------------------|
| 1 | Up to \$25.3M | 33,336 |
| 2 | Up to \$29.1M | 29,592 (as of end of June) |
| 3 | Up to \$33.5M | - |
| 4 (optional) | Up to \$38.5M | - |
| 5 (optional) | Up to \$44.2M | - |

Two change orders were approved by the Board of Directors for additional funding for the current contract for the DGR Program, which totaled \$21.04M, resulting from inflationary impacts caused by the COVID pandemic. The approved change order details are as follows:

1. [Report TCHC:2022-31](#) – on June 28, 2022, the Board of Directors approved a change order in the amount of \$11.74M in additional funding for the DGR Program from July 1, 2022 to December 31, 2022; and
2. [Report TCHC:2022-85](#) – on December 8, 2022, the Board of Directors approved a change order in the amount of \$9.30M in additional funding for the DGR Program from January 1, 2023 to August 31, 2023.

As per Section 12 of the agreement for the existing contract, there is no contract penalty for early termination. TCHC provided notice to vendors in January, 2023 and will exercise its termination rights to end the agreement effective August 31, 2023.

Table 2: September 2021 – August 2023 Contract Amount

| | Amount | Balance |
|--|----------|---------|
| Allocated budget – Original Award: | \$25.30M | |
| Amount of change order (VAC #22306) | \$11.74M | |
| Balance from Original Award + Change Order | | \$1.59M |
| Allocated budget | \$29.1M | |
| Amount of change order (VAC #22565) | \$9.30M | |
| Total available funds | \$76.8M | |
| Actual spend and projected spend until August 31, 2023 | \$75.52M | \$1.28M |

The budget allocated for the first year was \$37.04M, with an actual spend of \$35.45M, resulting in a surplus of \$1.59M.

Applying the change orders approved by the Board of Directors to the DGR Program results in the program being forecast as underspent by \$1.28M based on the first two years of the program. The change orders that were approved in 2022 were based on estimated amounts due to inflationary increases and the rise in unit rates due to COVID. This program is demand work and work volumes are unpredictable.

PROCUREMENT PROCESS:

RFP 23012 was issued on February 9, 2023 and closed on May 9, 2023. Thirty-one (31) submissions were received. The submissions were evaluated through a three-stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing. Sixteen (16) proponents met the requirements of the first two stages. Ranking was based on the total score from the Rated Criteria score (out of 60 points) and pricing score (out

of 40 points). Confidential Attachment 1 provides the summary of submissions.

The overall ranking of the top fifteen (15) proponents was used for the purpose of determining the order in which proponents will be offered and awarded project agreements.

The top fifteen (15) proponents have confirmed their ranking of the groups and understanding that the scope of work and services will be delivered based on the final price list, which resulted from the RFP evaluations.

The program will be in effect for one year (with four additional optional one-year terms), with a start date of September 1, 2023. TCHC has incorporated a 12% price increase to account for supply chain issues, inflation, and labour cost/shortages. Work will not commence until this award has been approved, a contract has been executed and the purchase order issued. Any significant delays in issuing the purchase order will impact the schedule.

IMPLICATIONS AND RISKS:

A public RFP was issued and the recommendation in this report is based on awarding the contract as per the RFP requirements, thus the risk of a proponent challenging the awarding of the contract is minimized.

A Performance Bond as well as Labour and Material Bond in the amount of \$50,000.00 each is required for this award. Proponents can also submit an alternate form of security such as an irrevocable letter of credit, a bank draft, or a certified cheque in the amount of \$25,000.00.

At TCHC's sole and absolute discretion, the unit rate price list for the four option years may be adjusted by TCHC on an annualized basis to reflect inflation based on the change (increase or decrease) in the Consumer Price Index, provided that in no event shall any such price adjustment exceed five (5) percent. Unit rate adjustments would continue to be managed within the limits of the expenditure limit approved by the Board. Should that not prove possible, authority to increase that limit would be required.

The Business Operations program manager in consultation with other regional and Toronto Seniors Housing Corporation ("TSHC") staff have determined that the recommended proponents have the capability and capacity to deliver the work within the timeline. Twelve (12) of the recommended proponents are on the current demand general repairs

program roster. Bestway Renovations Inc. and CCA Contracting Inc. have performed similar work for TCHC with satisfactory results. Abdul Wahad Syed carrying on business as New Daz Construction is a new vendor to TCHC and staff have checked their references.

Performance will be evaluated in accordance with TCHC's Vendor Compliance Evaluation System. Results gathered through project reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

There is no anticipated disruption to tenants. Entry into tenant units is required with a twenty-four (24) hour notice issued. Timely and appropriate notification will be provided to site staff to notify tenants of any planned disruptions and restrictions.

Funding for this award is supported by the 2023 Capital Budget and the 2023-2027 Operating program budget for SLA.5281 and Component Capital CO09. 2024-2027 sources of funds will be planned through the annual budgeting cycle submission to the City. Budget allocations, sufficient to support the Program, exist within those Budget envelopes. Funding will be tracked through Regional and Facilities Management spends; Regional budgets will manage repairs costing up to \$1,500, while Facilities Management's budget will manage repairs costing more than \$1,500.

SIGNATURE:

"Nadia Gouveia"

Nadia Gouveia
Chief Operating Officer (Acting)

ATTACHMENT:

Confidential Summary of Submissions

Attachment 1:

Reason for Confidential Attachment: Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

STAFF CONTACT:

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