



Contractor Award: Fire Alarm Upgrades at 200 Wellesley Street East (VAC22057/RFP 21298 - PP)

Item 4C

March 8, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-34

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Vice President, Facilities Management

Date: February 23, 2022

PURPOSE:

The purpose of this report is to seek the BIFAC's approval to award the work to Zerem Electrical Services Ltd. ("Zerem") for \$4,418,000.00 (exclusive of taxes) for fire alarm upgrades at 200 Wellesley Street East (Dev. 74) based on the outcome of Request for Quotations (RFP) 21298.

BIFAC approval is required for this contractor award as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC").

RECOMMENDATIONS:

It is recommended that the BIFAC approve the following recommendations to:

- (a) approve the award of work to Zerem for \$4,418,000.00 (exclusive of taxes) based on the outcome of Request for Proposal (RFP) 21298-PP; and
- (b) authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

PROJECT BACKGROUND:

200 Wellesley Street East consists of one 29-storey apartment building totaling 719 units and was built in 1970.

The existing fire alarm system is beyond its expected end of life and is in need of a system-wide replacement.

This project involves an extensive upgrade of the existing fire alarm system including installation of new fire alarm devices, inside both common areas and tenant units, and the associated wiring/conduit throughout the entire building. The existing mechanical equipment will also be tied into this fire alarm system.

The project is expected to take approximately 24 months assuming no delays due to COVID-19.

REASONS FOR RECOMMENDATIONS:

The recommendation is to award the work to Zerem as the lowest priced qualified submission. The recommended proponent has performed similar work for TCHC with satisfactory results and provided the lowest bid price of qualified bid submissions through a competitive bid process.

PROCUREMENT PROCESS:

RFP 21298 was issued on November 2, 2021 and closed on December 22, 2021. Seven submissions were received. The submissions were evaluated through a three stage process to determine qualified vendors based on rated criteria and pricing.

- **Stage 1** – Mandatory requirements: Strategic Procurement staff reviewed the submissions for mandatory requirements. 4 proponents met the mandatory requirements.
- **Stage 2** – Rated Criteria: On November 30, 2021, an evaluation team (Facilities Management) evaluated submissions based on the Rated Criteria in the RFP documents. Only those proponents who received a minimum score of 70 points were considered for further evaluation. Two proponents received the minimum score.

- **Stage 3 – Pricing:** Submitted pricing was evaluated to determine the lowest price.

See **Confidential Attachment 1: VAC 22057/RFP 21298 Summary of Submissions**

Zerem was one of two qualified bidders and submitted the lowest priced bid.

A vendor confirmation meeting was held on January 31, 2022 between Strategic Procurement, Facilities Management staff and Zerem to confirm the submitted pricing, capacity, timeline and understanding of scope of work. The Design Program Manager – Electrical, in consultation with other Facilities Management staff has determined that the recommended proponent has the capability and capacity to deliver the work within the timeline. Zerem confirmed their understanding of scope of work, ability to complete the deliverables, capacity, timelines and pricing.

IMPLICATIONS AND RISKS:

A public RFP was issued and the recommendation is based on awarding the work as per the RFP requirements. Thus, the risk of a proponent challenging the awarding of the contract is minimized. The recommended proponent has performed similar work for TCHC with satisfactory results.

Mat 4Site Engineers Ltd. will provide contract administrative services to ensure the work is delivered in accordance with the design and specifications, on budget and on time. A third party health and safety monitoring agent will also be retained to conduct health and safety site inspections during construction.

To mitigate risk staff will continuously and rigorously monitor the performance of the recommended proponent during the course of the project. Performance will be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through program reviews will be used to support decisions to remove underperforming vendors from TCHC's programs and/or future bidding opportunities.

Funding for this award is within the program budget of the 2022 Capital Budget. Funding for future years budgets will be requested within the 2023 and 2024 Capital Budgets.

See **Confidential Attachment 2: VAC 22057/RFP 21298 Source and Use of Funds.**

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

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ATTACHMENTS:

Confidential Attachment 1: Summary of Submissions

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.

Confidential Attachment 2: Source and Use of Funds

Reason for Confidential Attachment: Information related to the security of the property of TCHC and commercial and financial information of TCHC that has monetary value or potential monetary value.