



## Vendor Award: Demand Maintenance Services for Duct and Vent Cleaning (VAC 22404/RFP 22024)

Item 7B

September 29, 2022

Board of Directors

**Report:** TCHC:2022-58

**To:** Board of Directors (the “Board”)

**From:** Building Investment, Finance and Audit Committee (“BIFAC”)

**Date:** September 8, 2022

### PURPOSE:

The purpose of this report is to seek the Board’s approval to award work totaling up to \$7,986,375.00 (exclusive of taxes) to multiple vendors for demand maintenance and key holder services for duct and vent cleaning based on the outcome of Request for Proposal (“RFP”) 22024. The contract is for a five (5) year term at various locations throughout the TCHC portfolio.

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

### RECOMMENDATIONS:

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

1. approve the award of work up to \$7,986,375.00 (exclusive of taxes) for demand maintenance and key holder services for duct and vent cleaning at the rates established based on the outcome of Request for Proposal (RFP 22024) for a term of five (5) years as follows:

- a. up to \$4,650,000.00 (exclusive of taxes) for the initial contract of three (3) years; and
  - b. up to an additional \$3,336,375.00 for two (2) additional one-year terms at TCHC management's discretion; and
2. approve the award of work to the following vendors:
    - Climate Works (1799541 Ontario Inc.)
    - Ontario Duct Cleaning (2004666 Ontario Ltd.); and
  3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**BIFAC:**

This report was approved by the BIFAC on September 8, 2022.

**PROJECT BACKGROUND:**

In October 2019, BIFAC approved an award to Ontario Duct Cleaning and Climate Works of up to \$5,000,000.00 (exclusive of taxes) for demand services for duct and vent cleaning under RFP 18388 in response to a growing number of demand service calls. The original program was for a term of five (5) years commencing January 1, 2020. The term of the contract was for three (3) years, with the possibility of two (2) additional one (1) year extensions at TCHC management's discretion.

The demand maintenance program was implemented portfolio wide to ensure that on demand work requests, when required, are completed quickly and consistently to minimize disruption to tenants. This proactive approach is to improve air circulation inside tenant units and to have building make-up air units and exhaust fans operating at optimal performance.

In September of 2020 buildings from OUW were added to the scope of work via change order for \$100,000.00. Another change order was issued in March of 2022 in the amount of \$363,225.64 when OUX and OUY were added to the current program. Due to the addition of the buildings, it was decided the program should be retendered.

**REASONS FOR RECOMMENDATIONS:**

RFP 22024 for demand maintenance services for duct and vent cleaning was issued in order to keep the make-up air units and exhaust fans operating at optimal performance, improve air circulation and discharge tempered air through the buildings as well as controlling the dust particles in the townhouses and in-suite units. All work is assigned based on the annual budget where work is assigned to specific buildings. On demand requests received from the Operations staff are also included.

This program is to commence on January 7, 2023.

**PROCUREMENT PROCESS:**

An RFP was issued on April 8, 2022 and closed on May 17, 2022. A courtesy email notification of this opportunity was sent to all potential proponents who have either worked with TCHC or have shown interest to work with TCHC. Two submissions were received with both vendors successfully meeting the requirements of the RFP. The submissions were evaluated through a three stage process to determine qualified vendors based on rated criteria and pricing.

The highest ranked proponent was offered their choice as primary vendor for one group of buildings and as back-up vendor for the remaining group. The next highest ranked proponent was then offered the remaining group as primary and back up vendor for the other group. Both proponents have confirmed their choice of groups, understanding of the scope of work, and understand that services will be delivered at the price list from the RFP documents.

Work will not commence until this award has been approved and a contract has been executed. The recommendation is to award the work to the above proponents as per their qualified submissions.

Group	Operating Units	Primary Vendor	Back-up Vendor
1	OUC, D, E, F, J, K, M and O	Climate Works	Ontario Duct Cleaning
2	OUG, H, I, L, N, P, and Q	Ontario Duct Cleaning	Climate Works

See **Confidential Attachment 1: VAC 22404/RFP 22024 Summary of Submissions** for details on pricing and rated criteria.

**IMPLICATIONS AND RISKS:**

A public RFP was issued and the recommendation 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.

Entry into tenant units is required. Timely and appropriate notification will be provided to tenants to notify them of planned disruptions and restrictions.

FM Construction and Preservation and Operations staff will continuously and rigorously monitor the performance of the recommended proponents during the course of the program. 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.

FM Construction and Preservation and Operations staff shall be responsible for monitoring the allowance expenditure on a quarterly basis to ensure the program is within the approved authority to spend.

Funding for this award will be requested in the 2023 Operating Program Budget. Funding for future years will be requested in each consecutive year of the term from the Operating Program Budget.

**SIGNATURE:**

*"Allen Murray"*

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Allen Murray  
Vice President, Facilities Management

**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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