



Contract Award: Fire Alarm Monitoring Services (VAC 22184)

Item 8B

June 28, 2022

Board of Directors

Report: TCHC:2022-32

To: Board of Directors (the "Board")

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

Date: June 17, 2022

PURPOSE:

The purpose of this report is to seek the Board's approval to award the contract for fire alarm monitoring services based on the outcome of the Request for Proposal ("RFP") 21325.

BIFAC approval is required for the contract award forming this program as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC"), and 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 to a.p.i. Alarm Inc. for \$5,758,661.18 (exclusive of taxes) for Fire Alarm Monitoring Systems and services for a term of 7 years (5 years with the option of two 1-year contract extensions at TCHC's discretion) based on the outcome of the Request for Proposal (RFP) 21325 as follows:

- \$491,021.18 for the one-time installation cost of new equipment;
 - \$3,162,600 (\$632,520 annually) for monitoring for the initial five-year term;
 - up to \$600,000 (\$120,000 annually) for demand repairs for the initial 5-year term;
 - \$1,265,040.00 (\$632,520.00 annually) for monitoring for the two optional 1-year terms at TCHC's discretion;
 - Up to an additional \$240,000 (\$120,000.00 annually) for demand repairs for the two optional 1-year terms at TCHC's discretion;
2. seek the approval of the Procurement Award Committee, Building Investment, Finance and Audit Committee and the Board of Directors to award the work in line with financial spending authorities, as the total value of the contract is beyond the approved spending limit of the Chief Financial Officer; and
 3. authorize the appropriate staff to take the necessary actions to affect the above recommendation.

BIFAC:

This report was approved by the BIFAC on June 17, 2022.

REASONS FOR RECOMMENDATIONS:

Five hundred two buildings across Toronto Community Housing Corporation's ("TCHC") portfolio require fire alarm monitoring, of which 494 buildings require installation of new equipment.

The current contract terms are five years plus two 1-year extensions. It was awarded to a.p.i. Alarm Inc., which started in April 2015. The contract was awarded in the amount of \$3,524,823.00.

Five change orders were approved for an additional \$1,033,015, which equals \$4.4M spent to date.

The overspending can be attributed to:

- Service calls to repair damages due to vandalism;
- Relocation of the fire alarm monitoring equipment and key box equipment due to:

- Building constructions;
- Fire alarm panel upgrades; and
- Frequent vandalism;
- Installation of new phone lines, as per new Underwriters Laboratories of Canada ("ULC") requirements;
- Installation of new equipment at new buildings across the portfolio; and
- Service calls for monitoring equipment not responding or offline.

In August 2014, a public Request for Proposal ("RFP") 111/14 was issued for fire alarm monitoring services at TCHC. Specifically, it required a vendor to deliver the following:

- Replace the existing fire alarm monitoring equipment (e.g. transmitter, modem);
- Replace key box equipment with integrated equipment (e.g. vendor key box); and
- Provide 24/7 monitoring and dispatching in response to fire alarms.

In response to the change in ULC Standard S561¹ impacting new replacement equipment, TCHC must be prepared to find a cost-effective, long-term solution to provide continuous service for this mandated and critical service that affects the safety of residents and staff. The installation cost of changing the existing equipment to a new internet/cellular-digital platform is an upfront cost but will save money in the long-term with maintenance costs. Upgrading the existing equipment will also eliminate the use of Bell phone lines that the current monitoring and transmission equipment rely on, decreasing the cost of service to the overall monitoring system.

Changing to an internet/cellular-digital platform enables TCHC to ensure continued compliance with applicable ULC standards for 15 years plus, where phone line-based infrastructure will have to be upgraded in the next couple of years. If there are repairs to the existing Bell line-based system, it would need to be upgraded to the internet/cellular-digital platform immediately to comply with applicable codes and standards.

¹ A monitoring standard written by the Underwriter's Laboratories of Canada (ULC), an internationally-recognized standards body. This standard is a point of reference in the Fire Code and Building code for any building that is required to have its fire alarm or sprinkler system monitored.

Scope of work will include supplying and installing a NEO monitoring package with TL280 GSM (internet and cellular/digital) platform at 494 sites, and would also include providing monitoring services of building fire safety systems through on-site monitoring equipment and attendance at all service requests to troubleshoot possible issues with communication from the site level to the monitoring station. The project will take approximately six months, new equipment installation will be scheduled based on available equipment.

PROCUREMENT PROCESS

The RFP was issued on December 17, 2021, and was closed on February 8, 2022. Nine (9) companies confirmed intent to bid, and four (4) indicated that they could not bid due to the scope of work. Out of the five (5) companies that showed continued interest, only one (1) submitted a bid package. The successful proponent was determined by the lowest-priced bid submitted by a proponent meeting the mandatory requirements and a minimum score of 70% for the rated criteria.

a.p.i. Alarm Inc. submitted a total price of \$5,758,661.18 for the full seven (7) years. 12% lower than the estimate and was within an acceptable range. TCHC completed a line-by-line review of a.p.i. Alarm Inc., a.p.i Alarm Inc, submitted a bid form to ensure pricing accuracy and confirm if the proponent understands the scope at the confirmation meeting. A follow-up meeting was conducted on March 7, 2022, at which time a.p.i. Alarm Inc. confirmed its pricing and its understanding of the scope of work. TCHC Manager, Fire Life Safety and Emergency Management, has determined that the pricing is reasonable and acceptable for the work.

IMPLICATIONS AND RISKS:

To ensure the delivery of high-quality services and mitigate any risks, staff will continuously and rigorously monitor the vendor's performance during the project. a.p.i. Alarm has received passing evaluation scores with an average of 5/5 for monitoring of Fire Safety Systems for the TCHC portfolio from 2014 to 2022.

A third-party health and safety monitoring agent will also be retained to conduct health and safety site inspections during construction.

The performance will be evaluated per 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 future bidding opportunities.

SIGNATURE:

“Richard Grotsch”

Richard Grotsch
Sr. Director, Business Operations (Acting)

ATTACHMENT:

Confidential Attachment 1: Purchase Order Change Order Summary and RFP Overview

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.

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