



**Change Order: Three Month Contract Extension from January 01, 2022 to March 31, 2022 for Replacement of PTAC Units in Various Buildings Throughout TCHC's Portfolio (RFP 16177)**

Item 81

November 3, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-115**

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

**From:** Vice President, Facilities Management

**Date:** October 26, 2021

**PURPOSE:**

The purpose of this report is to seek the BIFAC approval for a change order to Gordon R. Williams Corp. (GRW) for up to \$240,000.00 (exclusive of taxes) for a three month extension to the current contract (RFP 16177) for the replacement of PTAC units from January 01, 2022 to March 31, 2022. This change order will extend the current contract to include locations throughout TCHC's portfolio including in Operating Unit X (OUX) which will be transitioning from contract management starting January 18, 2022.

BIFAC approval is required for the recommended change order, as the cumulative amount exceeds the financial approval limit of Toronto Community Housing's ("TCHC's") Procurement Award Committee ("PAC").

**RECOMMENDATIONS:**

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

1. approve a change order to GRW for up to \$240,000.00 (exclusive of taxes) for a three month extension to the current contract (RFP 16177) for the replacement of PTAC units from January 01, 2022 to March 31, 2022 to locations throughout TCHC's portfolio including locations in Operating Unit X (OUX) which will be transitioning from contract management starting January 18, 2022; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

## **BACKGROUND**

Packaged terminal air conditioners (PTAC) units provide heating and cooling in various buildings across the portfolio. The PTAC units are located within tenant units. Due to age and condition, replacement of PTAC units is completed on an as-needed basis. GRW was awarded the contract for work as a result of RFP 16177 with pre-determined unit rates established. This contract covers replacements only, maintenance is performed by another vendor.

In July 2016, a contract was awarded to GRW totaling \$913,250.00 (exclusive of taxes) for replacement of PTAC units for a five-year term of \$182,650.00 annually. The RFP was issued for a term of five years (three years with the possibility of two one-year extensions). TCHC exercised the option to renew the contract for two additional one-year terms. The current contract will expire on December 31, 2021

## **REASONS FOR RECOMMENDATIONS**

The RFP for the next five year period of preventative maintenance and demand repair services was issued on September 21, 2021. The process, from issuance to award, is expected to take approximately six months. As such, the RFP will not close prior to the end of the current contract's date of expiry at the end of December 2021.

The continued delivery of these preventative maintenance program/demand repairs is critical to ensure the ongoing safe operation

and occupancy of our buildings. This work is largely tied to legislative compliance and is vital to the health and safety of our tenants.

### **Expanded Scope of Work**

A change order allowance of up to \$240,000.00 is being requested by FM-Construction and Preservation Plumbing staff for a contract extension for three months, from January 1, 2022 to March 31, 2022. The estimate is based on the existing unit rate which GRW has agreed to maintain during the extension. The scope during those three months will include OUX as those developments transition into direct management. Note that there are no PTAC units in OUY.

The requested amount of \$240,000 is based on historical spends for direct managed communities plus an additional cushion since, although the current condition of the PTACs in OUX are unknown and there are no complete historical maintenance records, it is anticipated that the majority of PTAC units in OUX (30 PTAC units) will require replacement during the winter months based on the assumption that preventative maintenance for the PTACs will have been poor.

**Table 1: Purchase Order and Change Order Summary**

CO No.	VAC #	Approval Date	Description	Reason	Individual CO Amount
1	21118	2021	Year 5 – 2021	To address the variance to date between the approved amount and actual to date	\$1,535,278.65
2		Pending	Year 6 (3 months) – 2022	Extension of RFP contract including addition of OUX	\$240,000
Cumulative approved change orders to date					\$1,535,278.65
Change order as requested in this report					\$240,000
<b>Total Cumulative change orders</b>					<b>\$1,775,278.65</b>
Original contract awarded (VAC 16254)					\$913,250.00
<b>Revised total contract amount</b>					<b>\$2,688,528.65</b>

<b>Cumulative CO % of contract award</b>	194.0%
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**IMPLICATIONS AND RISKS:**

The change order is recommended to ensure continued delivery of preventative maintenance and demand repairs vital to the health and safety of our tenants.

The recommended change order is in accordance with TCHC's current Procurement Policy. The Procurement Award Committee has reviewed and recommends that the change order be approved by BIFAC.

Performance will continue to 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.

Funding for the change order award will be requested within the program budget of the 2022 Operating Budget (SLA.5272).

**SIGNATURE:**

*"Allen Murray"*

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Allen Murray

Vice President, Facilities Management

**STAFF CONTACT:**

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