



Building Investment, Finance and Audit Committee

931 Yonge Street,
Toronto, M4W 2H2

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The Building Investment, Finance and Audit Committee (“BIFAC”) of the Toronto Community Housing Corporation (“TCHC”) held a virtual Public meeting on May 18, 2021, via WebEx, commencing at 10:33 a.m.

BIFAC Directors Present: Adele Imrie, Chair
Nick Macrae
Brian Smith

BIFAC Directors Absent: Deputy Mayor Ana Bailão
Naram Mansour

Management Present: Sheila Penny, Acting Chief Executive Officer (“CEO”)
John Angkaw, Acting Chief Operating Officer (“COO”)
Darragh Meagher, General Counsel & Corporate Secretary
Rose-Ann Lee, Chief Financial Officer & Treasurer
Vincent Tong, Chief Development Officer
Luisa Andrews, Vice President, Information Technology Services
Allen Murray, Vice President, Facilities Management
Paula Knight, Vice President, Strategic Planning & Communications
Barbara Shulman, Interim Vice President, Human Resources
Karim Jessani, Manager, Internal Audit
Jill Bada, General Manager, Seniors Housing Unit
Ceilidh Wilson, Assistant Corporate Secretary

A quorum being present, Ms. Imrie, serving as Chair, called the meeting to order, and Ms. Wilson served as recording secretary.

ITEM 1 CHAIR'S REMARKS

The Chair welcomed everyone to the BIFAC meeting, noted the Acknowledgement of the Land and notified everyone that due to the need for social distancing to limit the spread of COVID-19, TCHC is holding this BIFAC meeting virtually.

ITEM 2A APPROVAL OF PUBLIC MEETING AGENDA

At the Chair's request, the BIFAC approved re-ordering its Agenda to deal with Item 8D – Appliance Program: Audit Recommendation Action Plan, immediately after Item 8A – Change Order: Commercial Laundry (Sparkle Solutions Corporation).

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC approved the Public meeting agenda as amended for the BIFAC's May 18, 2021 meeting.

ITEM 2B CHAIR'S POLL RE: CONFLICT OF INTEREST

The Chair requested members of the BIFAC to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. **No conflicts were declared.**

ITEM 2C CONFIRMATION OF MINUTES OF THE PUBLIC BIFAC MEETING OF APRIL 27, 2021

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC confirmed the above-captioned minutes without amendments.

ITEM 2D INTERNAL AUDIT UPDATE: Q1 2021 BIFAC:2021-39

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the Internal Audit Update: Q1 2021 report as outlined in Report BIFAC:2021-39 for its information.

ITEM 2E Q1 2021 – INFORMATION TECHNOLOGY SERVICES DIVISIONAL UPDATE BIFAC:2021-40

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the Q1 2021 Information Technology Services Divisional Update report as outlined in Report BIFAC:2021-40 for its information.

ITEM 2F Q1 2021 – PAC AWARDS AND REVENUE CONTRACTS BIFAC:2021-41

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the Q1 2021 PAC Awards and Revenue Contracts report as outlined in Report BIFAC:2021-41 for its information.

ITEM 2G Q1 2021 – TENANTS FIRST UPDATE BIFAC:2021-42

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the Q1 2021 Tenants First Update as outlined in Report BIFAC:2021-42 for its information.

ITEM 3 BUSINESS ARISING FROM THE PUBLIC MEETING MINUTES AND ACTION ITEMS UPDATE

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the matters reported as Business Arising from the Public Meeting Minutes and Action Items Update as of April 27, 2021 for its information.

ITEM 4 Q1 2021 – HOMES PROJECT UPDATE BIFAC:2021-43

The above-captioned report (BIFAC:2021-43) was circulated to BIFAC members prior to the meeting.

Ms. Andrews was available to answer questions of the BIFAC. Highlights of the discussion include:

- The project remains on track and the budget remains within the approved amount.
- Track 1 went live in January 2021 and is now fully implemented; this will no longer be reported in the quarterly HoMES updates. A few issues were identified post-implementation, but have been resolved and the solution is working as planned.
- The implementation date for Track 2A was pushed out by four weeks to allow for proper testing and will launch in June 2021.
- Track 2B is going through its second round of testing.

Motion carried **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr. Macrae and carried, the BIFAC received the Q1 2021 – HoMES Project Update as outlined in Report BIFAC:2021-43 for its information.

- carried* Smith and carried, the BIFAC unanimously approved:
1. The Building Investment, Finance and Audit Committee Charter (Attachment 1 to Report BIFAC:2021-44);
 2. The Investment Advisory Committee Charter (Attachment 2 to Report BIFAC:2021-44); and
 3. The Procurement Award Committee Charter (Attachment 3 to Report BIFAC:2021-44);

and forwarded them to the Board of Directors for its approval.

BOARD AND COMMITTEE MEETING

ITEM 6 MATERIALS ON TCHC'S PUBLIC WEBSITE BIFAC:2021-45

The above-captioned report (BIFAC:2021-45) was circulated to BIFAC members prior to the meeting.

Mr. Meagher was available to answer questions of the BIFAC. Highlights of the discussion include:

- TCHC is required to comply with the *Accessibility for Ontarians with Disabilities Act* ("AODA") and has to provide users with an AODA-compliant website by year-end 2021.
- The Board expressed to management at various times an interest in ensuring all Board and Committee meeting materials are accessible directly from our website. However, this documentation is rarely accessed and is currently non-compliant with AODA standards.
- It is proposed that Board and Committee documentation from before January 1, 2021 be removed from TCHC's website, except for the meeting agendas so members of the public can review what was considered at any given meeting.
- To ensure one level of service for anyone accessing Board and Committee materials, members of the public will be able to request specific meeting documents and these will be provided in an AODA compliant format, and will also posted on the website in the new format.
- It is estimated that it would cost around \$500K to remediate the current

Board and Committee document library housed on the website.

- Service level standards and clear instructions will be posted on the website for how to access documentation.
- All documentation created moving forward will be AODA compliant and accessible via the website.
- Training will be required for staff to create AODA compliant documentation moving forward.

*Motion
carried*

ON MOTION DULY MADE by Mr. Smith, seconded by Mr. Macrae and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for its approval the following direction to staff to remediate TCHC's public website as outlined in Report BIFAC:2021-45:

1. With the exception of Board and Committee meeting agendas, remove Board and Committee PDF meeting materials up to January 1, 2021 that are not compliant with AODA standards and retain non-compliant materials offline;
2. Remediate Board and Committee PDF materials starting from January 1, 2021 to comply with AODA standards and allow materials to remain on the website;
3. Remediate all Board and Committee PDF agendas to comply with AODA standards and allow agendas to remain on the website; and
4. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**CONTRACTOR AWARD: GARAGE
RESTORATION SERVICES AT TRIMBEE
COURT (30 DENARDA STREET) (RFQ
20288-PP)**

ITEM 7

BIFAC:2021-47

The above-captioned report (BIFAC:2021-47) was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC. Highlights of the discussion include:

- This contract was originally approved by the BIFAC in March 2021, however the successful proponent did not agree to hold pricing for all three phases of the project and was disqualified. The award proposed today is to the next highest scoring proponent, DanMichael Construction Ltd.
- The RFQ document clearly stated that proponents would need to abide by all terms and conditions, including holding pricing for the three phases of the project.
- Action item: Management to confirm:
 - whether the language in the RFQ explicitly stated that proponents would need to hold pricing for all phases of the work;
 - whether Procurement will keep documentation of performance issues in the disqualified vendor's file; and
 - whether the disqualified vendor should be disqualified from future bids or penalized in some way since they failed to abide by all the terms and conditions of the RFQ.

*Motion
carried*

ON MOTION DULY MADE by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC unanimously approved the following recommendations as outlined in Report BIFAC:2021-47:

1. Approve the award of the work to DanMichael Construction Ltd. for \$3,029,525.00 (exclusive of taxes) for garage restoration services at Trimbee Court based on the outcome of Request for Quotations (RFQ) 20288-PP as follows:
 - \$602,675.00 for phase one in 2021;
 - \$1,450,850.00 for phase two in 2022;
 - \$976,000.00 for phase three in 2023; and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

ITEM 8A	CHANGE ORDER: COMMERCIAL LAUNDRY (SPARKLE SOLUTIONS CORPORATION)	BIFAC:2021-46
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The above-captioned report (BIFAC:2021-46) was circulated to BIFAC members prior to the meeting.

Mr. Angkaw was available to answer questions of the BIFAC. Highlights of the discussion include:

- In the RFP process, tenant feedback is factored in when reviewing complaints data related to commercial laundry services in buildings. Issues identified through complaints are the number of machines in buildings (e.g. too few) and maintenance of machines, which was subsequently emphasized in the new RFP.
- All laundry equipment across the portfolio will be replaced as part of the new RFP, regardless of who the successful proponent is.
- The fundamental premise behind the restructuring plan was to bring services closer to tenants. If there are issues with laundry facilities, tenants will more easily be able to bring their concerns directly to staff.
- A generous buffer was built into the RFP to allow vendors to secure the volume of appliances required for the TCHC portfolio based on the global supply chain issues and manufacturing delays with appliances more generally. Timelines will be pushed up sooner if possible.
- Any machines being swapped out will be replaced the same day as the old machine is removed.
- The contract with the vendor is structured with a licensing fee and TCHC takes a percentage of the revenue. The licensing fee will not begin until all new machines are installed.
- Two change orders to Sparkle were required as we had to recruit for the staff to develop the RFP, which had to be developed from scratch since the existing contract has been in place for more than 15 years, and site staff had to do a manual inventory of all laundry machines across the portfolio.

Motion **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr.

- carried* Macrae and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for its approval the following recommendations as outlined in Report BIFAC:2021-46:
1. Approve a change order to Sparkle Solutions Corporation for up to \$1,870,029.00 (exclusive of taxes) on a month-to-month basis at \$178,098.00 per month (with a declining value for the final four months of transition) for continued commercial laundry services at TCHC buildings and townhouses for up to a 12 month term, expiring June 30, 2022; and
 2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

ITEM 8D	APPLIANCE PROGRAM: AUDIT RECOMMENDATION ACTION PLAN	BIFAC:2021-37
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The above-captioned report (BIFAC:2021-37) was circulated to BIFAC members prior to the meeting.

Mr. Angkaw was available to answer questions of the BIFAC. Highlights of the discussion include:

- Operations leadership are exploring the segregation of duties for the appliance program into two roles, but if that is not possible, one role will carry the responsibilities with the proper oversight controls in place.
- Staff are working with the HoMES project team to implement an inventory module to track all assets and their warranties via barcode on appliances.
- There are 19 action items coming out of Internal Audit's review of the appliance program, 10 of which have been completed or are in flight.
- Language will be embedded in the contract for the appliance program regarding performance reporting requirements and vendor compliance prior to signing the contract with the new vendor. The successful proponent for the new appliance program contract is aware that we will conduct quarterly vendor compliance reviews with them.
- Before ordering new appliances, the Manager of Building Services

reviews the inventory of appliances available on-site with the Superintendent, and will use available building inventory prior to ordering anything new.

- The Committee recommended segregating duties related to the appliance program to prevent any issues similar to those identified by Internal Audit.
- It is important to get as many action items in place as soon as possible to ensure the new contract for the appliance program is successful.

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC unanimously received the Appliance Program Audit Recommendation Action Plan as outlined in Report BIFAC:2021-37 for its information.

**CHANGE ORDER: SIX MONTH CONTRACT
EXTENSION FOR APPLIANCE SUPPLY
AND DELIVERY** BIFAC:2021-48

The above-captioned report (BIFAC:2021-48) was circulated to BIFAC members prior to the meeting.

Mr. Angkaw was available to answer questions of the BIFAC. Highlights of the discussion include:

- Midnorthern Appliances (“Midnorthern”) is the current appliance vendor for the west region, while Appliance Canada is the current appliance vendor for east region.
- The \$800K change order for each vendor is for a two month extension of their current assigned regions, and then four months of Midnorthern and Appliance Canada each covering half of the west region.
- This change order is required to avoid disruption of services.
- There were supply chain issues that caused Appliance Canada to have a backlog of almost 500 appliances, which was the impetus to bring on Midnorthern to help alleviate the backlog.
- There are no performance issues with Midnorthern that prevented us from awarding them the new appliances contract; there were process issues with their RFP submission that disqualified them.

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- Staff will go back out to RFP for the provision of appliances west of Yonge Street, as well as a backup vendor for both regions.

*Motion
carried*

ON MOTION DULY MADE by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC unanimously the following recommendations as outlined in Report BIFAC:2021-48:

1. Approve a change order to Appliance Canada (Division of Leon's Furniture Ltd.) for up to \$800,000.00 (exclusive of taxes) for the supply and installation of appliances for a two month period on an as needed basis for units east of Yonge Street, and for an additional four month period for half the units west of Yonge Street;
2. Approve a change order to The Brick Warehouse LP, doing business as Midnorthern Appliances ("Midnorthern Appliances") for up to \$800,000.00 (exclusive of taxes) for the supply and installation of appliances for a two month period on an as needed basis for units west of Yonge Street, and for an additional four month period for half the units west of Yonge Street; and
3. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**CONTRACTOR AWARD: SUPPLY,
DELIVERY AND INSTALLATION OF NEW
APPLIANCES AT VARIOUS TCHC
LOCATIONS (RFP 20314)**

ITEM 8C

BIFAC:2021-49

The above-captioned report (BIFAC:2021-49) was circulated to BIFAC members prior to the meeting.

Mr. Angkaw was available to answer questions of the BIFAC. Highlights of the discussion include:

- Canadian Appliance Recycling Enterprise ("CARE") was the sole successful proponent for this award and will service east of Yonge Street.

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- CARE is a new vendor to TCHC, so staff performed a diligent review of their past performance with other companies and confirmed their inventory, and are satisfied they will meet TCHC's service level standards.
 - There are a limited number of vendors able to supply appliances at the volumes we require for the TCHC portfolio.
 - Vendors who submitted, but did not pass the RFP process for the east region are permitted to submit bids for the contract for the west region. There were issues with how they submitted their bid packages rather than concerns with their pricing submissions.
 - The change order to Midnorthern and Appliance Canada is not reflective of a six month spend for the program as they will each be covering one quarter of the portfolio for four months of their contract extensions.

*Motion
carried*

ON MOTION DULY MADE by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for approval the following recommendations as outlined in Report BIFAC:2021-49:

1. Approve the award of the work to Canadian Appliance Recycling Enterprise ("CARE") for the supply, delivery and installation of new appliances and the removal and disposal of old appliances at various TCHC locations for up to \$12,000,000.00 (\$2,400,00.00 per annum) (exclusive of taxes) for a 3-year term for the East Group, with an option to extend for two additional 1-year terms at TCHC management's discretion, based on the outcome of Request for Proposals ("RFP") 20314; and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

TERMINATION

The public meeting terminated at 12:04 p.m.

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Secretary

Chair, Building Investment,
Finance & Audit Committee