



Change Order: Eight Month Contract Extension for Appliance Supply and Delivery

Item 2D

December 9, 2021

Board of Directors

Report: TCHC:2021-65

To: Board of Directors (the “Board”)

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

Date: November 3, 2021

PURPOSE:

The purpose of this report is to seek the Board’s approval for a change order to The Brick Warehouse LP, doing business as Midnorthern Appliances (“Midnorthern”) for an eight-month extension of services related to appliance supply and delivery from December 1, 2021 to July 31, 2022.

BIFAC approval is required for the recommended change order, as the cumulative amount of all change orders exceeds the \$2.5 million financial approval limit of Toronto Community Housing’s (“TCHC”) Procurement Award Committee (“PAC”).

RECOMMENDATIONS:

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

1. Approve a change order to The Brick Warehouse LP, doing business as Midnorthern Appliances (“Midnorthern”) for up to \$2,000,000 (exclusive of taxes) for the supply and installation of appliances for an eight-month period on an as needed basis for units west of Yonge

Street and act as a secondary vendor for the units east of Yonge Street; and

2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

BIFAC

This report was received by the BIFAC on November 3, 2021.

REASONS FOR RECOMMENDATIONS:

As part of tenancy agreements, TCHC provides all tenants with a refrigerator and stove. In some instances, microwaves (for tenant-specific needs) and washers and dryers (for standalone homes and some townhouse communities) may also be provided. When appliances break down and are deemed to be beyond economical repair, a new appliance is ordered.

In January 2021, RFP 20314 was issued to seek a primary vendor(s) to deliver, supply and install appliances for both the west and east groups, plus a backup vendor for both groups. Through the evaluation of the RFP submissions, Canadian Appliance Recycling Enterprise (“CARE”) was the lone successful proponent; they opted to supply all units east of Yonge St. At the time, Midnorthern and Appliance Canada were to continue to supply all units west of Yonge St. and act as a backup to CARE; both agreements with Midnorthern and Appliance Canada expires as of November 30, 2021.

In June 2021, RFP 21126 was issued to seek a primary vendor(s) to deliver, supply and install appliances for units west of Yonge St. and a backup vendor. Unfortunately, this RFP did not result in any successful proponent.

As Midnorthern’s current agreement is set to expire as of November 30, 2021, a contract extension for an eight-month period is required to be issued for Midnorthern to continue to provide the services west of Yonge St. and to enable enough time to issue a new RFP. With the change order, the eight-month period represents the estimated time that would be required to issue

and award the work to another vendor. During this time, Midnorthern would also act as a back-up vendor to CARE for the units east of Yonge St.

IMPLICATIONS AND RISKS:

Midnorthern is currently successfully delivering appliance supply and delivery services. The requested contract extension will ensure that tenants do not experience disruption in the supply, delivery, installation and removal of old appliances. The recommended change orders are in accordance with TCHC's current Procurement Policy. The Procurement Award Committee has reviewed and recommends that the change orders be approved by BIFAC. Funding is confirmed within the 2021 Capital Budget as approved by the TCHC Board (Report TCHC: 2021-88).

SIGNATURE:

"John P. Angkaw"

John P. Angkaw
Senior Director, Business Operations

ATTACHMENT:

1. Appliance Program Primary and Backup Vendors by Regions

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