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Housing Corporation
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Briefing Note: For Information

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

From: Allen Murray, VP Facilities Management
Rose-Ann Lee, Chief Financial Officer and Treasurer

Date: July 4, 2022

Re: Kitchen Sanitary Drain Treatment and Cleaning Program Procurement Process

At the June 17, 2022 BIFAC meeting a contract award was presented for approval for a new Kitchen Sanitary Drain Treatment and Cleaning Program resulting from RFP 21312. Members of the BIFAC requested additional information on the scope of the program and the procurement process as only two bids were received. This briefing note is in response to that request.

This program was last awarded under RFP 18151 through a three-stage process that attracted three bids. Two bids passed the Rated Criteria stage with the work being awarded to C.I. Group. Traditionally, the work defined in the Kitchen Sanitary Drain Treatment and Cleaning Program does not attract a significant number of bids. This is due in part to the small scale nature of the work (pouring of chemicals into tenants clogged drains) and the fact that entry into tenants’ units and keyholder services are required. All of these factors contribute to this being a labour intensive program that some vendors may not find appealing.

Prior to the RFP being issued, the options of tendering the program by geographic region or tendering for the entire portfolio were reviewed and it was decided that the program would be tendered portfolio wide to ensure the lowest priced bids. TCHC does issue RFP's for some programs by geographic region when there is a concern regarding vendor capacity combined with any legislative requirements to complete the program. As there is no legislative requirement linked to this program, it was determined that tendering the entire portfolio was the most advantageous for TCHC.

The June BIFAC meeting included an award of work to refresh the program based on the results of RFP 21312. The RFP was issued on December 9, 2021 and closed on January 27, 2022. Additionally, a courtesy email was sent to existing vendors on similar programs, and also to 19 vendors from Strategic Procurement's "Potential Vendor List". Several vendors responded with a demonstrated lack of interest in bidding on the program. Reasons for not bidding included a shortage in current staffing workloads, the inability to secure subcontractors and missed deadlines due to internal error. One vendor with an intent to bid felt that they did not have enough time to price the tender properly, though they neglected to submit any questions during the RFP process.

Two submissions were received to the public RFP. The submissions were evaluated through a three stage process to determine qualified vendors based on Rated Criteria and pricing. Though C.I. Group had performed this scope of work previously, their submission failed to pass the Rated Criteria stage, leaving only one qualified submission.

1799541 Ontario Inc. o/a Climate Works submitted the only qualified bid for the services as described in the scope of work of RFP 21312. The bid is 3.53% higher than FM-Construction and Preservation's estimate which is well within the acceptable range. 1799541 Ontario Inc. o/a Climate Works has confirmed understanding, ability and pricing via an email received on February 24, 2022.

The Plumbing Manager has determined that the pricing is reasonable and acceptable for the work.

This report has been supplied for your information.