



Contractor Award: Portable Terminal Air Conditioning Unit (“PTAC”) System Replacement and In-suite Ventilation Upgrade at 145 Mutual Street (RFP 21102-PP)

Item 6A

September 2, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-85

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

From: Vice President, Facilities Management

Date: August 10, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC’s approval to award a contract for the replacement of the Portable Terminal Air Conditioning Unit (“PTAC”) system and in-suite ventilation upgrades at 145 Mutual Street based on the outcome of Request for Proposal (“RFP”) 201102-PP.

BIFAC approval is required for this contractor award as it exceeds the \$2.5 million financial approval limit of TCHC’s Procurement Award Committee (“PAC”).

RECOMMENDATIONS:

It is recommended that the BIFAC approve the following recommendations:

- (a) Approve the award of the work to Martinway Contracting Ltd. for \$3,977,414,21 (exclusive of taxes) for PTAC replacement and in-suite ventilation upgrades at 145 Mutual Street based on the outcome of Request for Proposal (RFP) 21002-PP; and
- (b) Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

REASONS FOR RECOMMENDATIONS:

145 Mutual Street, built in 1985, consists of a 15-storey building and walk-up apartments with a total of 145 units.

Over recent years, TCHC has received tenant complaints regarding issues related to the poor operation and performance of the building's PTAC units, located in every tenant suite. Issues have included:

- Water penetration in suites leading to floor and finish damage caused by the opening in the envelope required to accommodate the PTAC unit installation.
- Poor thermal comfort due to deficiency in the PTAC unit's original air flow design.
- High tenant hydro bills due to inefficient PTAC performance and a need for tenants to run the units continuously at high levels in order to increase thermal comfort and reduce drafts.
- Significant moisture and mold issues due to poor ventilation in suites.

The recommended scope of work includes the removal of each suite's PTAC unit and the installation of a new air-source heat pump system. This proposed new system is highly energy efficient (reducing tenant utility bills), quieter, requires a far smaller penetration at the envelope (eliminating leaks and drafts), and will significantly improve tenant comfort.

The installation can be performed on a unit by unit basis utilizing the existing electrical service. Auxiliary work will include infilling the envelope at the former PTAC opening, a new drywall bulkhead, and the replacement of bathroom exhaust fans with low continuous running fans.

PROCUREMENT PROCESS:

An RFQ was issued on May 18, 2021 and closed on June 23, 2021. Seven submissions were received. The submissions were evaluated to determine the best price. Confidential Attachment 1 provides a summary of the submissions.

Martinway Contracting Ltd. submitted the lowest price and is recommended for the work. Overall, Martinway Contracting Ltd.'s submission satisfied all mandatory requirements and surpassed the standard required to permit consideration of its pricing proposal. The recommendation is based on awarding the work as per the RFP requirements.

Martinway Contracting Ltd. has confirmed understanding, ability and pricing during a bid confirmation meeting held on July 13, 2021.

The Procurement Award Committee approved the recommendation to award the work to Martinway Contracting Ltd. at its meeting on July 21, 2021, subject to BIFAC approval. At that time, the Committee took note of the following considerations:

- The award is within reasonable and acceptable range for the scope of work;
- The recommended proponent has performed similar work for TCHC with satisfactory results; and
- The recommended proponent has confirmed they have the capability and capacity to deliver the scope of work.

IMPLICATIONS AND RISKS:

The scope of work is recommended to address poor thermal conditions, water penetration, and poor ventilation and mold issues. This work is required to maintain the building integrity and ensure all codes are met.

To mitigate risks, staff will continuously and rigorously monitor the performance of the contractor during the course of the project. The engineering firm will provide contract administrative services to ensure the work is delivered in accordance with the design and specifications, and is on budget and on time. A third-party health and safety monitoring agent will also be retained to conduct health and safety site inspections during construction. Performance will 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 is confirmed within the 2021 Capital Budget as approved by the TCHC Board (TCHC:2020-88). Phase two and three will be awarded upon availability of funding and based on general contractor performance.

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

Confidential RFP Submissions
Attachment 1:

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

STAFF CONTACT:

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