



Request to Advance the Water Efficiency Retrofits Program

Item 7D

July 27, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-100

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

From: Vice President, Facilities Management

Date: July 4, 2022

PURPOSE:

The purpose of this report is to seek the BIFAC's and the Board's approval to remove the annual spend limit of \$4,000,000.00 annually (exclusive of taxes) to allow the accelerated delivery of the water efficiency retrofits program based on available budget. The program was approved by the Board of Directors (the "Board") in September 2020 as awarded under Request for Proposal (RFP) 20098 for work up to \$20,000,000.00 (exclusive of taxes) for the delivery of the water efficiency program at various TCHC locations.

BIFAC approval is requested to remove the annual spend limitation on the remaining \$12,000,000.00 (exclusive of taxes) approved for the program over the next three years.

RECOMMENDATIONS:

It is recommended that the BIFAC approve and forward to the Board for approval the following recommendations to:

1. authorize spending to the remaining approved spend limit of up to \$20,000,000 (exclusive of taxes) approved in the program budget without the annual limitation of \$4,000,000.00 per year; and

2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

PROGRAM BACKGROUND:

The water efficiency retrofit program aims to reduce water consumption and thus utilities expense, at various TCHC buildings through upgrades to tenant toilets, aerators and showerheads. As part of the program, vendors will also identify any other leaking or malfunctioning equipment in tenant units that are contributing to excess water usage and/or damage to property.

A roster was established in September 2020 for the above scope of work ensuring a formalized process to efficiently and effectively deliver the water efficiency program. This includes consistency in pricing, and accordance with both standard specifications and accountabilities and performance expectations. The list of pre-qualified vendors includes;

- Summit Building Solutions
- Joe Pace and Sons
- Solid General Contractors Inc.
- Watershed Technologies

The current program was intended to run as a 3-year program with two potential 1-year extensions with options to continue through to September 2024 and September 2025 at TCHC management's discretion. The current roster has a Board approved spending authorization limit of up to \$20,000,000.00 (exclusive of taxes) for 5 years at \$4,000,000.00 per year.

In 2021, the FM Team completed delivery of the water efficiency program in approximately 6,000 units across the portfolio with positive results.

The recommendation is to remove the annual maximum spending limit to accelerate the reduction in water consumption.

The vendors on the roster have the capacity and capability to expedite the delivery of the program.

REASONS FOR RECOMMENDATIONS:

Preliminary analysis is showing positive results suggesting an average of 19% reduction in consumption in buildings receiving the program and over 2% portfolio wide savings compared to the established program baseline.

Removal of the annual spending limit will allow TCHC to accelerate the program to help reduce water consumption and overall utility expenses sooner.

IMPLICATIONS AND RISKS:

The scope of work will reduce water consumption across the portfolio and reduce utility expenses. To mitigate risks, staff will continuously and rigorously monitor the performance of the program and of the contractors during the course of the project, and ensure the work is delivered in accordance with the design and specifications, and is on budget and on time. 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 will come from the applicable years' Capital Budget.

SIGNATURE:

"Allen Murray"

Allen Murray
Vice President, Facilities Management

STAFF CONTACT:

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