



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

Item 8B

May 18, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-48

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

From: Acting Chief Operating Officer

Date: May 5, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC's approval to approve a change order to Appliance Canada (Division of Leon's Furniture Ltd.) ("Appliance Canada") and a change order to The Brick Warehouse LP, doing business as Midnorthern Appliances ("Midnorthern Appliances") for a six month extension of services related to appliance supply and delivery from June 1, 2021 to November 30, 2021.

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 BIFAC approve the following recommendations:

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.

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.

The current agreements for the appliance program expire as of May 31, 2021. Pending the BIFAC’s and Board of Directors’ (the “Board”) approval, a new RFP is recommended to be awarded to Canadian Appliance Recycling Enterprise (“CARE”) for the supply, delivery and installation of new appliances and the removal and disposal of old appliances at TCHC locations for a three year term for the East portfolio (RFP 20314). To allow time to execute on the agreement with CARE, it is recommended that Appliance Canada (East portfolio) and MidNorthern (West portfolio), who are currently delivering these services, be offered an extension on their agreements for a period of two months. After this time, both vendors will each be offered half of the West region and to act as a backup vendor for the East region for a period of four months. This strategy is being implemented to best mitigate the current supply chain issues, and to avoid delays while a new RFP is issued and awarded for the West region.

The change order amount of \$800,000 (exclusive of taxes) is based on a monthly run rate of approximately \$200,000 (exclusive of taxes) for the west group (2 months) and half of the west group (4 months).

IMPLICATIONS AND RISKS:

Appliance Canada and Midnorthern are currently successfully delivering appliance supply and delivery services. The requested contract extension will ensure the 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
Acting Chief Operating Officer

ATTACHMENT:

1. Appliance Program Primary and Backup Vendors by Regions – **NEW**

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Attachment 1: Appliance Program Primary and Backup Vendors by Regions

	Month	West of Yonge St.	East of Yonge St.
2021	May	BIFAC Approval – RFP Appliance Program (CARE) BIFAC Approval – Change Order (Appliance Canada and Midnorthern)	
	June	Board of Directors Approval – RFP Appliance Program (CARE)	
	June	Primary Vendor:	Primary Vendor:
	July	<ul style="list-style-type: none"> • MidNorthern 	<ul style="list-style-type: none"> • Appliance Canada
	August	New Agreement In-Effect – Appliance Program (CARE)	
	August	Primary Vendor:	Primary Vendors:
	September	<ul style="list-style-type: none"> • Appliance Canada (1/2 of West Region) 	<ul style="list-style-type: none"> • CARE
	October	<ul style="list-style-type: none"> • MidNorthern (1/2 of West Region) 	Backup Vendors:
	November	Backup Vendors:	<ul style="list-style-type: none"> • Appliance Canada • Midnorthern
	December	Primary Vendor: <ul style="list-style-type: none"> • Successful RFP Proponent Backup Vendor <ul style="list-style-type: none"> • CARE 	Primary Vendor: <ul style="list-style-type: none"> • CARE Backup Vendor <ul style="list-style-type: none"> • Successful RFP Proponent