



Q4 2022 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 9B

March 6, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-30

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

From: Vice President, Facilities Management

Date: February 6, 2023

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q4 2022 results of the Preventive Maintenance/Demand Repair Programs and Elevator Contracts managed by Facilities Management.

RECOMMENDATION:

It is recommended that the BIFAC receive this report for information.

BACKGROUND

At the November 3, 2021 BIFAC meeting, Facilities Management committed to completing a quarterly reconciliation of the Preventive Maintenance/Demand Repair programs and Elevator contracts to ensure the programs were in compliance with the approved awards and to take corrective action, when required, to ensure ongoing compliance.

These programs ensure that TCHC's grounds, elevators, fire life safety, mechanical, electrical, and heating ventilation and air conditioning ("HVAC") equipment are properly maintained through best in class preventive maintenance programs and ensure that demand repairs are completed, when required, to maintain buildings in a state of good repair and ensure tenant comfort. Facilities Management, Client Care,

Maintenance Dispatch, Building Staff and Risk and Insurance utilize the programs.

This review details findings of the reconciliation completed as of the end of Q4 2022.

Q4 2022 PROGRAM RESULTS

In accordance with the detailed information provided in Report BIFAC:2022-153 “Q2 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts”, Facilities Management completed a detailed review of Preventive Maintenance/Demand Repair programs and Elevator contracts owned by Facilities Management.

As of December 31, 2022, all Preventive Maintenance/Demand Repair programs and Elevators contracts have been reconciled using a manual reconciliation process. The results of the reconciliation found that all program spends for Q4 were within approved amounts and thus in compliance.

At the time of report completion, audited 2022 year-end financial close was in progress, however preliminary financial review indicates spends are within overall budgets.

The automated reporting from HoMES to assist in the reconciliation is not yet available. It is anticipated that this reporting will be available in Q1 2023.

IMPLICATIONS AND RISKS:

TCHC is obligated to complete this work to either ensure compliance with various code requirements (e.g. Ontario Fire Code, Technical Standards and Safety Authority (“TSSA”)) and/or ensure its buildings are properly maintained. Properly maintained buildings preserve TCHC assets, help achieve a state of good repair for the portfolio, and help provide a healthy, comfortable and safe home for our tenants.

Preventive maintenance is regularly occurring work that has a set cost determined during the procurement and award process.

Demand repairs are completed on an as needed basis and can vary from year to year. This can present challenges when determining the required approval amounts. Historic data, industry knowledge, plus current market conditions are used to try to predict future spends.

As with any work performed, there is a risk that the work may not be performed satisfactorily or represent value for money. To mitigate these risks, these programs are procured through a public procurement process and once awarded, any work arising from the preventive maintenance activities must be authorized by Facilities Management staff. Facilities Management staff also perform random reviews of completed work to ensure the work was completed satisfactorily. For work generated from demand requests, site staff must confirm that the work was performed satisfactorily before approving the invoice for payment by Finance staff.

The inspection process that is in place is consistent with recommendations made by the Auditor General to ensure work is being performed satisfactorily and that there is value for money.

Facilities Management will continue to provide quarterly reconciliation of the programs to ensure that they are closely monitored and that any additional approvals required can be obtained in a timely manner to ensure there is no interruption with the completion of this required work.

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

ATTACHMENT:

1. Preventive Maintenance/Demand Repairs Programs Summary
February 1, 2023

STAFF CONTACT:

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| 2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023 | | | | Preventive Maintenance (PM) | | Demand Repairs | | |
|--|---------------------------------|--|-----------|-----------------------------|--------------------|--------------------|------------------------|---|
| Service | Start Date/ End Date | Total Approved Award by VAC | Year | PM Approved | PM Actual Spend | Demand Approved | Demand Actual Spend | 2022 Q4 Reconciliation Comments |
| Roof Maintenance | Jul-20/Jul-24 | \$23,459,388 | 2020-2021 | \$426,918 | \$373,882 | \$9,000,000 | \$6,191,295 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$23,567,295 | 2022 | \$177,490 | \$152,269 | \$4,500,000 | \$2,384,318 | |
| | | C/O: (\$107,907) | 2023 | \$177,490 | | \$4,500,000 | | |
| | | | 2024 | \$177,490 | | \$4,500,000 | | |
| Grounds & Snow Maintenance | May-20/Apr-25, Oct-21/Apr-25 | \$67,655,937 | 2021 | \$11,435,094 | \$11,435,094 | Not Applicable | Not Applicable | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$56,200,470 | 2022 | \$14,236,843 | \$14,020,565 | | | |
| | | C/O's & DA: \$11,455,467 | 2023 | \$14,121,460 | | | | |
| | | | 2024 | \$13,931,270 | | | | |
| | | | 2025 | \$13,931,270 | | | | |
| Fire Life Safety | April-22 May 22/Dec 22 | \$9,274,926 | 2022 | \$1,340,926 | \$705,018 | \$7,934,000 | \$5,472,304 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC (DA): \$847,335 C/O: \$8,427,591 | | | | | | |
| Generator | July-22/Jun-24 | Orig VAC: \$2,932,073 | 2022-2024 | \$732,073 | \$73,998 | \$2,200,000 | \$156,930 | Q4 2022 reconciliation completed. No action required. |
| Chillers | Jan-16/Dec-22 | \$2,369,513 | 2016-2021 | \$1,363,464 | \$1,363,464 | \$407,808 | \$385,936 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$1,924,697 | 2022 | \$337,926 | \$337,926 | \$260,315 | \$147,367 | |
| | | C/O: \$444,816 | | | | | | |
| PTAC/Fan Coil | Jan-17/Dec-22 | \$6,533,769 | 2017-2021 | \$4,956,341 | \$4,956,341 | \$215,000 | \$195,785 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$4,264,220 | 2022 | \$1,310,757 | \$1,310,757 | \$51,671 | \$18,904 | |
| | | C/O: \$2,269,549 | | | | | | |
| Elevator A/C | Jan-21/Dec-25 | \$632,225 | 2021 | \$23,640 | \$23,640 | \$75,000 | \$53,050 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$498,225 | 2022 | \$57,140 | \$27,930 | \$75,000 | \$44,800 | |
| | | C/O: \$134,000 | 2023 | \$57,140 | | \$75,000 | | |
| | | | 2024 | \$57,140 | | \$76,500 | | |
| | | | 2025 | \$57,140 | | \$78,525 | | |

| 2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023 | | | | Preventive Maintenance (PM) | | Demand Repairs | | |
|--|-------------------------|---|-----------|-----------------------------|--------------------|--------------------|------------------------|--|
| Service | Start Date/ End Date | Total Approved Award by VAC | Year | PM Approved | PM Actual Spend | Demand Approved | Demand Actual Spend | 2022 Q4 Reconciliation Comments |
| Booster/Sump Pump | Jan-21/Dec-25 | \$1,253,359 | 2021 | \$123,017 | \$123,017 | \$85,000 | \$76,378 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$1,046,084 | 2022 | \$139,160 | \$139,160 | \$110,000 | \$25,212 | |
| | | C/O: \$207,275 | 2023 | \$155,394 | | \$110,000 | | |
| | | | 2024 | \$155,394 | | \$110,000 | | |
| | | | 2025 | \$155,394 | | \$110,000 | | |
| Laundry Room Exhaust | Jan-18/Dec-22 | \$1,020,158 | 2018-2021 | \$462,960 | \$453,650 | \$350,000 | \$324,913 | Q4 2022 reconciliation No action required. |
| | | Orig VAC: \$941,286 C/O: \$78,872 | 2022 | \$126,947 | \$57,246 | \$80,251 | \$43,583 | |
| Thermographs | Jan-17/Dec-22 | \$1,836,180 | 2017-2021 | \$1,107,320 | \$1,107,319 | \$380,000 | \$291,468 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$1,448,840 C/O: \$387,340 | 2022 | \$298,860 | \$298,000 | \$50,000 | \$46,135 | |
| Garage CO PM | Jan-18/Dec-23 | \$419,278 | 2018-2021 | \$121,456 | \$121,456 | \$172,000 | \$109,985 | Q4 2022 reconciliation completed. No action Required. VAC approved for 6 yrs. TCHC elected not to extend year 6. |
| | | Orig VAC: \$409,278 C/O: \$10,000 | 2022 | \$46,213 | \$39,782 | \$42,000 | \$18,825 | |
| Duct cleaning | Jan-20/Dec-24 | \$5,463,226 | 2020-2021 | Not Applicable | Not Applicable | \$2,245,761 | \$2,227,548 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$5,000,000 | 2022 | | | \$1,217,464 | \$1,071,164 | |
| | | C/O: \$463,226 | 2023 | | | \$1,000,000 | | |
| | | | 2024 | | | \$1,000,000 | | |
| Chemical Treatment | Feb-21/Dec-26 | \$576,772 | 2021-2022 | \$88,285 | \$88,285 | \$12,420 | \$9,786 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$502,692 | 2023 | \$101,605 | \$93,138 | \$12,420 | \$8,738 | |
| | | C/O: \$74,080 | 2024 | \$105,472 | | \$15,200 | | |
| | | | 2025 | \$105,472 | | \$15,200 | | |
| | | | 2026 | \$105,472 | | \$15,226 | | |

| 2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023 | | | | Preventive Maintenance (PM) | | Demand Repairs | | |
|--|-------------------------|--------------------------------|-----------|-----------------------------|--------------------|--------------------|------------------------|---|
| Service | Start Date/ End Date | Total Approved Award by VAC | Year | PM Approved | PM Actual Spend | Demand Approved | Demand Actual Spend | 2022 Q4 Reconciliation Comments |
| Demand Plumbing | Jan-20/Dec-24 | \$50,405,427 | 2020-2021 | Not Applicable | Not Applicable | \$23,205,427 | \$10,079,897 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$26,500,000 | 2022 | | | \$16,600,000 | \$15,159,837 | |
| | | C/O: \$23,905,427 | 2023 | | | \$5,300,000 | | |
| | | | 2024 | | | \$5,300,000 | | |
| Demand Heating | Feb-20/Dec-24 | \$30,550,000 | 2020-2021 | Not Applicable | Not Applicable | \$12,550,000 | \$8,665,016 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$30,000,000 | 2022 | | | \$6,000,000 | \$4,370,475 | |
| | | C/O: \$550,000 | 2023 | | | \$6,000,000 | | |
| | | | 2024 | | | \$6,000,000 | | |
| HVAC Over 5 Ton | Feb-20/Dec-24 | \$2,430,000 | 2020-2021 | Not Applicable | Not Applicable | \$990,000 | \$866,254 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$2,400,000 | 2022 | | | \$480,000 | \$408,613 | |
| | | C/O: \$30,000 | 2023 | | | \$480,000 | | |
| | | | 2024 | | | \$480,000 | | |
| HVAC Under 5 Ton | Feb-20/Dec-24 | \$22,620,000 | 2020-2021 | Not Applicable | Not Applicable | \$9,120,000 | \$5,221,324 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$22,500,000 | 2022 | | | \$4,500,000 | \$2,325,556 | |
| | | C/O: \$120,000 | 2023 | | | \$4,500,000 | | |
| | | | 2024 | | | \$4,500,000 | | |
| Electrical | Feb-20/Dec-24 | \$10,200,000 | 2020-2021 | Not Applicable | Not Applicable | \$4,200,000 | \$4,162,906 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$10,000,000 | 2022 | | | \$2,000,000 | \$1,617,402 | |
| | | C/O: \$200,000 | 2023 | | | \$2,000,000 | | |
| | | | 2024 | | | \$2,000,000 | | |
| Furnace PM | Jan-22/Dec-26 | \$7,559,440 | 2022 | \$1,436,888 | \$1,381,955 | \$75,000 | \$64,352 | Q4 2022 reconciliation completed. No action required. |
| | | Orig VAC: \$6,909,440 | 2023 | \$1,436,888 | | \$75,000 | | |
| | | C/O: \$650,000 | 2024 | \$1,436,888 | | \$75,000 | | |
| | | | 2025 | \$1,436,888 | | \$75,000 | | |
| | | | 2026 | \$1,436,888 | | \$75,000 | | |

| 2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023 | | | | Preventive Maintenance (PM) | | Demand Repairs | | |
|---|-------------------------|--|-----------|-----------------------------|--------------------|--------------------|------------------------|--|
| Service | Start Date/ End Date | Total Approved Award by VAC | Year | PM Approved | PM Actual Spend | Demand Approved | Demand Actual Spend | 2022 Q4 Reconciliation Comments |
| Furnace Replacements (NOTE: Approved replacement spend/actuals shown in the PM columns) | Jan-22/Dec-26 | \$10,284,480 Orig VAC \$9,533,600 C/O: \$750,880 | 2022 | \$2,072,160 | \$2,033,450 | \$260,000 | \$242,123 | Q4 2022 reconciliation completed. No action required. |
| | | | 2023 | \$2,072,160 | | \$260,000 | | |
| | | | 2024 | \$1,771,720 | | \$135,000 | | |
| | | | 2025 | \$1,771,720 | | \$85,000 | | |
| | | | 2026 | \$1,771,720 | | \$85,000 | | |
| PTAC Replacements (NOTE: Approved replacement spend/actuals shown in the PM columns) | Apr-22/Mar-28 | \$7,568,492 | 2022-2023 | \$1,108,505 | \$180,907 | \$37,000 | \$778 | Q4 2022 reconciliation completed. No action required. Q4 2022 reconciliation completed. No action required. |
| | | | 2024 | \$1,108,505 | | \$37,000 | | |
| | | | 2025 | \$1,108,505 | | \$37,000 | | |
| | | | 2026 | \$1,274,781 | | \$37,370 | | |
| | | | 2027 | \$1,338,520 | | \$37,931 | | |
| | | | 2028 | \$1,405,446 | | \$37,931 | | |
| Backflow | July-20/June-25 | \$954,825 Orig VAC: \$904,539 C/O: \$50,286 | 2020-2021 | \$55,420 | \$55,420 | \$120,541 | \$59,973 | Q4 2022 reconciliation completed. No action required. |
| | | | 2022 | \$57,120 | | \$137,261 | | |
| | | | 2023 | \$60,520 | | \$166,727 | | |
| | | | 2024 | \$60,520 | | \$113,581 | | |
| | | | 2025 | \$60,520 | | \$122,615 | | |

| 2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023 | | | | Preventive Maintenance (PM) | | Demand Repairs | | |
|--|-------------------------|--|---------------------------------|-----------------------------|--------------------|--------------------|------------------------|--|
| Service | Start Date/ End Date | Total Approved Award by VAC | Year | PM Approved | PM Actual Spend | Demand Approved | Demand Actual Spend | 2022 Q4 Reconciliation Comments |
| Demand Pressure Vessels | Jan-21/Dec-25 | \$2,184,050 Orig VAC: \$1,960,450 C/O: \$223,600 | 2021 | Not Applicable | Not Applicable | \$411,011 | \$411,011 | Q4 2022 reconciliation completed. No action required. |
| | | | 2022 | | | | | |
| | | | 2023 | | | | | |
| | | | 2024 | | | | | |
| | | | 2025 | | | | | |
| Elevators | Jun-17/May-27 | Orig VAC PM/Demand: \$31,427,470 | N/A: Award based on total term | \$19,536,888 | \$10,882,697 | \$11,890,581 | \$4,722,889 | Q4 2022 reconciliation completed. No action required. |
| | | | Kitchen Drains Treatment | Aug-22/Aug-30 | \$8,007,585 | 2022-2023 | \$827,068 | \$446,709 |
| 2024 | \$827,068 | \$100,000 | | | | | | |
| 2025 | \$827,068 | \$100,000 | | | | | | |
| 2026 | \$827,068 | \$100,000 | | | | | | |
| 2027 | \$974,828 | \$100,000 | | | | | | |
| 2028 | \$974,828 | \$100,000 | | | | | | |
| 2029 | \$974,828 | \$100,000 | | | | | | |
| 2030 | \$974,828 | \$100,000 | | | | | | |
| Electrical | Oct-22/Sept-27 | \$18,000,000 | 2022-2023 | Not Applicable | Not Applicable | \$3,600,000 | \$803,147 | Q4 2022 reconciliation completed. No action required. |
| | | | 2024 | | | \$3,600,000 | | |
| | | | 2025 | | | \$3,600,000 | | |
| | | | 2026 | | | \$3,600,000 | | |
| | | | 2027 | | | \$3,600,000 | | |