



Q2 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 7B

September 8, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-100

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

From: Vice President, Facilities Management

Date: July 28, 2028

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q2 2023 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.

REASONS FOR RECOMMENDATION:

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 Management and Insurance utilize the programs.

This review details findings of the reconciliation completed as of the end of Q2 2023.

Q2 2023 PROGRAM RESULTS

As of June 30, 2023, 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 Q2 were within approved amounts and thus in compliance. This report also includes details on the Corporate and Commercial HVAC Equipment Preventive Maintenance & Demand Repairs program as well as the Demand General Repairs (“DGR”) Program, which is managed and reconciled by the Operations Division.

Additionally, preliminary financial review indicates that spends are within overall budgets.

There are four separate elevator contracts that, based on forecasting, require additional funds prior to year-end. The additional funding for three of these reports were processed through change orders and were within the business unit’s authority for approval. The fourth report is being presented to BIFAC as part of today’s meeting agenda.

The automated reporting from HoMES to assist in the reconciliation is not yet available.

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) and/or ensure its buildings are properly maintained. Properly maintained buildings preserve TCHC’s assets, help achieve a state of good repair for the portfolio, and help provide healthy, comfortable and safe home for our tenants.

Preventive maintenance is regularly occurring work that has a set cost determined during the procurement 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. Q2 2023 Preventive Maintenance/Corporate and Commercial HVAC Equipment Preventive Maintenance & Demand General Repairs Programs Summary

STAFF CONTACT:

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PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments
Roof Maintenance	Jul-20/Jul-24	\$23,459,388	2020-2022	\$604,408	\$526,151	\$13,500,000	\$8,575,613	Q2 2023 reconciliation completed.
		Orig VAC: \$23,567,295	2023	\$177,490	\$34,811	\$4,500,000	\$1,732,134	No action required.
		C/O: (\$107,907)	2024	\$177,490		\$4,500,000		
Grounds & Snow Maintenance	May-20/Apr-25,	\$70,624,141	2021-2022	\$26,765,813	\$25,455,659	N/A	N/A	Q2 2023 reconciliation completed.
	Oct-21/Apr-25	Orig VAC: \$56,200,470	2023	\$14,454,459	\$7,013,211			No action required.
		C/O's & DA: \$14,423,671	2024	\$14,701,935				
			2025	\$14,701,935				
Fire Life Safety	Apr-22	\$20,677,517	2022	\$1,340,926	\$1,293,838	\$7,934,000	\$7,244,353	Q2 2023 reconciliation completed.
	May-22/Dec-22	Original DA: \$847,335	2023	\$2,452,591	\$675,353	\$8,950,000	\$4,002,745	No action required.
	Jan-23/Dec-23	CO1: \$8,427,591						
		CO2: \$11,440,000 CO3: (\$37,409)						
Generator	July-22/Dec-24	\$2,933,415	2022	\$107,803	\$106,608	\$440,000	\$287,823	Q2 2023 reconciliation completed.
		Orig VAC: \$2,932,073	2023	\$211,963	\$98,468	\$880,000	\$215,899	No action required.
		CO1: \$352	2024	\$413,649		\$880,000		
		CO2: \$990						
Chillers	Jan-23/Dec-27	\$3,871,792	2023	\$391,469	\$196,229	\$152,423	\$30,521	Q2 2023 reconciliation completed.
		Orig VAC: \$3,871,792	2024	\$391,469		\$152,423		No action required.
			2025	\$391,469		\$152,423		
			2026	\$391,469		\$152,423		
			2027	\$391,469		\$152,423		
			2028	\$412,261		\$163,905		
			2029	\$412,261		\$163,905		

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PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments
PTAC/Fan Coil	Jan-23/Dec-27	\$8,711,892 Orig VAC: \$8,711,892	2023	\$1,840,333	\$795,240	\$75,000	\$22,694	Q2 2023 reconciliation completed.
			2024	\$1,611,130		\$75,000		No action required.
			2025	\$1,611,130		\$75,000		
			2026	\$1,627,241		\$76,318		
			2027	\$1,644,422		\$76,318		
Elevator A/C	Jan-21/Dec-25	\$632,225 Orig VAC: \$498,225 C/O: \$134,000	2021-2022	\$80,780	\$51,570	\$150,000	\$97,850	Q2 2023 reconciliation completed.
			2023	\$57,140	\$13,965	\$75,000	\$35,850	No action required.
			2024	\$57,140		\$76,500		
			2025	\$57,140		\$78,525		
Booster/Sump Pump	Jan-21/Dec-25	\$1,253,359 Orig VAC: \$1,046,084 C/O: \$207,275	2021-2022	\$262,177	\$262,177	\$195,000	\$101,589	Q2 2023 reconciliation completed.
			2023	\$155,394	\$70,982	\$110,000	\$24,731	No action required.
			2024	\$155,394		\$110,000		
			2025	\$155,394		\$110,000		
Laundry Room Exhaust	Jan-23/Dec-27	\$402,500 Orig VAC: \$402,500	2023	\$30,200	\$14,800	\$50,000	\$26,545	Q2 2023 reconciliation completed.
			2024	\$30,200		\$50,000		No action required.
			2025	\$30,200		\$50,000		
			2026	\$30,200		\$50,750		
			2027	\$30,200		\$50,750		

PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments	
Thermographs	Jan-23/Dec-25	\$2,338,800 Orig VAC: \$2,338,800	2023	\$289,800	\$147,970	\$100,000	\$60,805	Q2 2023 reconciliation completed.	
			2024	\$289,800		\$100,000		No action required.	
			2025	\$289,800		\$100,000			
			2026	\$289,800		\$100,000			
			2027	\$289,800		\$100,000			
			2028	\$289,800		\$100,000			
Duct cleaning	Jan-23/Dec-27	\$7,986,375 Orig VAC: \$7,986,375	2023	N/A	N/A	\$1,550,000	\$779,617	Q2 2023 reconciliation completed.	
			2024			\$1,550,000		No action required.	
			2025			\$1,550,000			
			2026			\$1,668,187			
			2027			\$1,668,188			
Chemical Treatment	Feb-21/Dec-25	\$576,772 Orig VAC: \$502,692 C/O: \$74,080	2021	\$88,285	\$88,285	\$12,420	\$9,786	Q2 2023 reconciliation completed.	
			2022	\$101,605	\$93,138	\$12,420		\$8,738	No action required.
			2023	\$105,472	\$50,802	\$15,200		\$1,620	
			2024	\$105,472		\$15,200			
			2025	\$105,472		\$15,226			
Demand Plumbing	Feb-23/Jan-28	\$75,000,000 Orig VAC: \$75,000,000	2023	N/A	N/A	\$15,000,000	\$6,372,429	Q2 2023 reconciliation completed.	
			2024			\$15,000,000		No action required.	
			2025			\$15,000,000			
			2026			\$15,000,000			
			2027			\$15,000,000			

PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments	
Demand Heating	Feb-23/Jan-28	\$35,000,000 Orig VAC: \$35,000,000	2023	N/A	N/A	\$7,000,000	\$1,554,564	Q2 2023 reconciliation completed.	
			2024			\$7,000,000		No action required.	
			2025			\$7,000,000			
			2026			\$7,000,000			
			2027			\$7,000,000			
Air Conditioning and Ventilation (previously HVAC over and under 5 ton)	Feb-23/Jan-28	\$30,000,000 Orig VAC: \$30,000,000	2023	N/A	N/A	\$6,000,000	\$694,983	Q2 2023 reconciliation completed.	
			2024			\$6,000,000		No action required.	
			2025			\$6,000,000			
			2026			\$6,000,000			
			2027			\$6,000,000			
Furnace PM	Jan-22/Dec-26	\$7,559,440 Orig VAC: \$6,909,440 C/O: \$650,000	2022	\$1,436,888	\$1,381,955	\$75,000	\$64,352	Q2 2023 reconciliation completed.	
			2023	\$1,436,888	\$669,944	\$75,000		\$38,016	No action required.
			2024	\$1,436,888		\$75,000			
			2025	\$1,436,888		\$75,000			
			2026	\$1,436,888		\$75,000			
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	Q2 2023 reconciliation completed.	
			2023	\$2,072,160	\$731,700	\$260,000		\$111,300	No action required.
			2024	\$1,771,720		\$135,000			
			2025	\$1,771,720		\$85,000			
			2026	\$1,771,720		\$85,000			

PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments
PTAC Replacements (NOTE: Approved replacement spend/actuals shown in the PM columns)	Apr-22/Mar-28	\$7,568,492	2022	\$831,379	\$121,710	\$27,750	\$778	Q2 2023 reconciliation completed.
		Orig VAC: \$7,568,492	2023	\$277,126	\$91,458	\$9,250	\$226	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	2020-2022	\$112,540	\$112,540	\$257,802	\$137,974	Q2 2023 reconciliation completed.
		Orig VAC: \$904,539	2023	\$60,520	\$30,260	\$166,727	\$15,866	No action required.
		C/O: \$50,286	2024	\$60,520		\$113,581		
			2025	\$60,520		\$122,615		
Demand Pressure Vessels	Jan-21/Dec-25	\$2,184,050	2021-2022	N/A	N/A	\$898,421	\$831,797	Q2 2023 reconciliation completed.
		Orig VAC: \$1,960,450	2023			\$487,410	\$75,198	No action required.
		C/O: \$223,600	2024			\$395,158		
			2025			\$403,061		
Elevators	Jun-17/May-28	Orig VAC for PM/Demand: \$31,784,170	N/A Award based on total term	\$19,673,588	\$12,527,553	\$12,110,581	\$5,283,764	Q2 2023 reconciliation completed. No action required.

PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments
Kitchen Drains Treatment	Aug-22/Aug-30	\$8,007,585	2022	\$446,709	\$446,709	\$50,000	\$0	Q2 2023 reconciliation completed.
		Orig VAC: \$8,007,585	2023	\$827,068	\$592,886	\$100,000	\$2,620	No action required.
			2024	\$827,068	\$100,000			
			2025	\$827,068	\$100,000			
			2026	\$974,828	\$100,000			
			2027	\$974,828	\$100,000			
			2028	\$974,828	\$100,000			
			2029	\$974,828	\$100,000			
			2030	\$380,359	\$50,000			
Electrical	Oct-22/Sept-27	\$18,000,000	2022	N/A	N/A	\$900,000	\$803,147	Q2 2023 reconciliation completed.
		Orig VAC: \$18,000,000	2023			\$3,600,000	\$1,900,547	No action required.
			2024			\$3,600,000		
			2025			\$3,600,000		
			2026			\$3,600,000		
			2027			\$2,700,000		
TCHC Corporate and Commercial HVAC Equipment PM & Demand Repairs	May-23/Apr-28	\$1,198,654	2023	\$42,850	\$0	\$99,833	\$7,253	PM work will start in July 2023.
			2024	\$85,700		\$149,750		Q2 2023 reconciliation completed.
			2025	\$85,700		\$149,750		No action required.
			2026	\$86,986		\$152,745		
			2027	\$89,595		\$157,327		
			2028	\$45,460		\$52,957		

PM/Demand repairs Programs 2023 Summary 1-Aug-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	2023 Q2 Reconciliation Comments
Demand General Repairs (DGR)	Sep-21/Sep-26	\$191,720,000	2021-2022	N/A	N/A	\$31,170,000	\$19,733,321	TCHC has retendered the program.
		Orig. VAC: \$170,600,000	2023			\$44,350,000	\$37,066,779	Q2 2023 reconciliation completed.
		C/O: \$11,740,000	2024			\$33,500,000		No action required.
		C/O: \$9,380,000	2025			\$38,500,000		
			2026			\$44,200,000		