



## Change Order: Additional Funds for Elevator Demand Repairs

Item 7J

September 8, 2023

Building Investment, Finance and Audit Committee

**Report: BIFAC:2023-95**

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

**From:** Vice President, Facilities Management

**Date:** August 4, 2023

### PURPOSE:

The purpose of this report is to seek the BIFAC's approval of the change order to Elcan Elevator Inc. for \$140,000.00 (exclusive of taxes) for the addition of demand repair services to the elevator maintenance contract for 34 elevators located in 15 buildings across the TCHC portfolio.

BIFAC approval is required for the recommended change order, as the cumulative amount of all change orders is both greater than \$250K and greater than 20% of the original contract amounts, which exceeds the financial approval limit of TCHC's Procurement Award Committee ("PAC").

### RECOMMENDATIONS:

It is recommended that the BIFAC:

1. approve a change order to Elcan Elevator Inc. for \$140,000.00 (exclusive of taxes) for the addition of demand repair services, on as needed basis, to the elevator maintenance contract for thirty four (34) elevators located in fifteen (15) buildings; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

## REASONS FOR RECOMMENDATIONS:

### PROJECT BACKGROUND:

Demand repairs to elevators are high priority. Work is done by the building elevator maintenance contractor on a 24/7 emergency basis. The demand scope of work includes repair work to elevators due to emergency repairs caused by vandalism, misuse and component replacement. These repairs are required for the safe operation of the elevator and to maintain elevator availability.

The original contract award included the cost for common elevator parts, but did not include provisions for demand repairs outside of the contracted scope or the labour associated with the component replacement.

The demand repair requests are assigned to the elevator vendor who was awarded the maintenance contract under public RFQ 19207. The 15 buildings included in this contract are as follows:

1. Jane/Firgrove (5 Needle Firway; 2 elevators);
2. Humber Boulevard (121 Humber Boulevard; 2 elevators);
3. R.J. Smith Apartments (101 Kendleton Drive; 2 elevators);
4. Edna Dixon Apartments (540 Queen Street East, 1 elevator);
5. 200 Wellesley (6 elevators);
6. Moss Park (295 Shuter Street; 3 elevators);
7. Dan Harrison Community Complex (251 Sherbourne Street; 2 elevators);
8. Hydro Block (28 Henry Street; 1 elevator);
9. Kensington Manor (34 Oxford Street; 3 elevators);
10. Winchester Square (55 Bleecker Street; 2 elevators);
11. 55 The Esplanade (2 elevators);
12. Chestnut/Elizabeth (112 Elizabeth Street; 1 elevator);
13. Chestnut/Elizabeth (111 Chestnut Street; 2 elevator);
14. William Dennison Apartments (310 Dundas Street East; 2 elevators); and
15. Dunn Avenue (245 Dunn Avenue; 3 elevators).

On June 29, 2019, the Procurement Award Committee (“PAC”) approved the award of the work to Elcan Elevator Inc., totaling \$672,410.00 (exclusive of taxes) for elevator maintenance and parts replacement for 15 buildings based on the outcome of Request for Quotations (“RFQ”) 19207.

On April 8, 2022, BIFAC approved a change order for \$411,188.00 to cover the estimated cost of demand elevator repairs, which was not included in the original award (Report BIFAC:2022-37). The amount was budgeted to cover the 59 months duration of the contract.

During the Q2 reconciliation process of this contract, forecasting was completed, based on historic requirements, however the remaining approval limit may not be sufficient to the end of the contract should there be any larger emergency repairs required.

A change order is therefore recommended to ensure the continued delivery of common parts replacement as well as demand repairs to the contract end date of May 31, 2024. The amount requested in this change order is based on the historic spend forecasted to the end of the contract.

To date, \$411,118.00 in change orders have been approved for this program. With approval of this request, total cumulative change orders equal \$551,118.00 and are equivalent to 81.96% of the original awarded amount issued as shown in Table 1. The revised total contract amount is \$1,223,528.00.

*Table 1: Purchase Order and Change Order Summary*

CO No.	VAC #	Approval Date	Description	Reason	Individual CO Amount
1	22061	Jan 27, 2022	Addition of demand repairs allowance	Demand repairs were not included in VAC 19308	\$411,118.00
2		Pending	Addition of demand repairs forecasted	Additional allowance needed till end of contract May 31, 2024	\$140,000.00
<b>Cumulative approved change orders to date</b>					<b>\$411,118.00</b>
Change order as requested in this report					\$140,000.00
<b>Total Cumulative change orders</b>					<b>\$551,118.00</b>
Original contract awarded (VAC 22061)					\$672,410.00

Revised total contract amount	\$1,223,528.00
<b>Cumulative CO % of contract award/purchase order</b>	<b>81.96%</b>

**IMPLICATIONS AND RISKS:**

Demand elevator repair work is defined as unplanned work that is required on an as-needed basis. The demand scope of work includes repair work to elevators due to emergency repairs caused by vandalism, water penetration, misuse and component upgrades.

A change order is recommended to ensure the continued delivery of common parts replacement as well as demand repairs to the contract end date of May 31, 2024. The amount requested in this change order is based on the previous years' spend for the demand repairs, forecasted to 2024.

To mitigate risks, staff will continuously and rigorously monitor the performance of the contractors during the course of the contract.

Funding for the Change Order award is within the TCHC approved operating and capital budgets for elevator costs.

**SIGNATURE:**

*"Allen Murray"*

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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

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