



Vendor Award: Demand Maintenance Services – Heating (VAC 22338/RFP 22033)

Item 6A

September 8, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-122

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

From: Vice President, Facilities Management

Date: August 15, 2022

PURPOSE:

The purpose of this report is to seek the BIFAC's and the Board's approval to award work totaling up to \$35,000,000.00 (exclusive of taxes) to multiple vendors for heating systems demand maintenance services on an as-needed basis throughout the entire TCHC portfolio. The contract is for a five (5) year term based on the outcome of Request for Proposals (RFP) 22033.

BIFAC approval is required for this award as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC"), and Board of Directors (the "Board") approval is required as it exceeds the \$5 million financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the BIFAC approve and recommend that the Board approve the following recommendations to:

1. approve the award of work up to \$35,000,000.00 (exclusive of taxes) for heating systems demand maintenance services for a term of five (5) years as follows:

- a. up to \$21,000,000.00 for the first three (3) years of the contract; and
 - b. up to \$14,00,000.00 for two (2) additional one-year terms at TCHC management's discretion; and
2. approve the award of work to the following vendors:
 - Bomben Plumbing & Heating Ltd.
 - Climate Works (1799541 Ontario Inc.)
 - Firenza Plumbing & Heating Ltd.
 - Richmond Mechanical Ltd.
 - Smith and Long Limited; and
 3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

PROJECT BACKGROUND:

Demand services repairs to building heating systems equipment including circulating pumps, heat exchangers, building valves, boiler repairs and boiler replacements are required to ensure the comfort and safety of our tenants.

Demand services for heating are defined as unplanned work required in all mechanical/heating systems involving both heating and domestic hot water (DHW) services to a variety of TCHC and TSHC properties, including single homes, townhouses and multiple unit dwellings. These services may include but are not limited to:

- Building heating systems
- Heating, hydronic and steam heating circuits
- Circulating pump, excess pressure control loop, expansion/charging tanks, makeup water system, pot feeder replacement
- Heat exchangers, ceiling hung unit heaters, fan coil units, ducted force flow units
- Pumps(heating/glycol)
- Glycol circuit
- Building valves (makeup, shut off, radiator, mixing, anti- scalding, gas, PRV, balancing, zone, source, isolation)
- Boiler replacement (heating/domestic)
- Boiler tube replacement /plugging and welding
- Radiator repairs, zones valves, thermostats, actuators, transformers

- Steam traps, air eliminators, indoor/outdoor controllers

On November 20, 2019 the Board of Directors approved the award for work to Bomben Plumbing & Heating Ltd., Firenza Plumbing & Heating Ltd., Richmond Mechanical Ltd. and SNL Techlink for \$30,000,00.00 (exclusive of taxes) to provide demand maintenance services for building heating equipment across the TCHC's direct managed portfolio. The term of the current contract was for a three year term beginning February 1, 2020 with the possibility of two additional one year extensions at TCHC management's discretion.

In August 2020, a change order in the amount of \$550,000 was processed against the contract to account for additional scope of work due to the addition of contract managed buildings from OUW. This brought the total approved spend for the contract to \$30,550,000.00.

Due to the addition of new units it was decided that the program should be retendered.

REASONS FOR RECOMMENDATIONS:

The scope of work for demand maintenance services for heating equipment is defined as unplanned repairs on an as-needed basis to building heating systems, circulating pumps, heat exchangers, building valves and boiler replacements.

This scope of work is often outside of typical building staff skill levels and responsibilities. For TCHC's in-house heating technicians, they are largely responsible for implementing the preventive maintenance program. TCHC does not have the resources to have internal heating staff effectively and efficiently respond to the level of demand service repairs under this scope of work.

Establishing a roster for the above scope of work ensures a formalized process to efficiently dispatch and deliver unplanned demand maintenance repairs. This includes consistency in pricing, in accordance with both standard specifications and accountabilities and performance expectations. A roster for this scope of work allows TCHC to respond effectively to current and emerging needs, ensuring equipment is operational and working as intended.

This program is to commence February 1, 2023.

PROCUREMENT PROCESS:

An RFP was issued on March 1, 2022 and closed on April 11, 2022. Six submissions were received with five vendors successfully meeting the requirements of the RFP. The submissions were evaluated through a five stage process to determine qualified vendors based on mandatory requirements, rated criteria, pricing and price adjustment factors and rank.

The highest ranked proponent was offered their choice as primary vendor for one group, back-up vendor for a second group and 2nd back-up for a third group. The next highest ranked proponent was then offered their choice as primary vendor in one of the remaining groups, back-up vendor for a second group and 2nd back-up for a third group in one of the remaining groups. This process continued until all five groups were assigned.

Work will not commence until this award has been approved and a contract has been executed. The recommendation is to award the work to the above proponents as per their qualified submissions.

Group	Operating Units	Primary Vendor	Back-up Vendor	2nd Back-up Vendor
1	OUC, OUD, OUG	Richmond Mechanical Ltd.	Firenza Plumbing & Heating Ltd	Climate Works (1799541 Ontario Inc.)
2	OUE, OUF, OUI	Firenza Plumbing & Heating Ltd.	Richmond Mechanical Ltd.	Bomben Plumbing & Heating Ltd.
3	OUK, OUM, OUQ	Smith and Long Limited	Bomben Plumbing & Heating Ltd.	Firenza Plumbing & Heating Ltd.
4	OUG, OUL, OUP	Climate Works (1799541 Ontario Inc.)	Smith and Long Limited	Richmond Mechanical Ltd.
5	OUH, OUI, OUN	Bomben Plumbing & Heating Ltd.	Climate Works (1799541 Ontario Inc.)	Smith and Long Limited

See **Confidential Attachment 1: VAC 22338/RFP 22033 Summary of Submissions** for details on pricing and rated criteria.

IMPLICATIONS AND RISKS:

Entry into tenant units is required. Timely and appropriate notification will be provided to tenants to notify them of planned disruptions and restrictions.

FM Construction and Preservation, as well as Operations staff will continuously and rigorously monitor the performance of the recommended proponents during the course of the program. Performance will be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through program reviews will be used to support decisions to remove underperforming vendors from TCHC's programs and/or future bidding opportunities.

This program will be reconciled on a quarterly basis to ensure the expenditures and forecasts do not exceed the approved spend.

Funding for this program is within the 2023 Operating, Capital and Preventive Maintenance Budgets as applicable. Funding for future years will be requested in each consecutive year of the term from the Capital and Operating Budgets.

SIGNATURE:

"Allen Murray"

Allen Murray
Vice President, Facilities Management

ATTACHMENT:

Confidential Summary of Submissions

Attachment 1:

Reason for Confidential Attachment: Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

STAFF CONTACT:

Allen Murray, Vice President, Facilities Management

(416) 981-6955

Allen.Murray@torontohousing.ca