



## Vendor Award: Demand Maintenance Services – Air Conditioning and Ventilation (VAC 22516/RFP 22034)

Item 6C

December 8, 2022

Board of Directors

**Report:** TCHC:2022-72R

**To:** Board of Directors (the “Board”)

**From:** Building Investment, Finance and Audit Committee (“BIFAC”)

**Date:** November 10, 2022

### **PURPOSE:**

The purpose of this report is to seek the Board’s approval to award work totaling up to \$30,000,000.00 (exclusive of taxes) to multiple vendors for air conditioning and ventilation systems demand maintenance services on an as-needed basis throughout the entire TCHC portfolio (including buildings managed by TSHC). The contract is for a five (5) year term based on the outcome of Request for Proposals (RFP) 22034.

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 the Board’s approval is required as it exceeds the \$5 million financial approval limit of the BIFAC. This report has been amended from the version of the Report that was considered by BIFAC.

### **RECOMMENDATIONS:**

It is recommended that the Board approve the following recommendations:

1. approve the award of work up to \$30,000,000.00 (exclusive of taxes) for air conditioning and ventilation demand maintenance services for a term of five (5) years as follows:

- (a) up to \$18,000,000.00 for the first three (3) years of the contract; and
  - (b) up to \$12,00,000.00 for two (2) additional one-year terms at TCHC management's discretion; and
2. approve the award of work to the following vendors:
    - (a) Ambient Mechanical Ltd.;
    - (b) Firenza Plumbing & Heating Ltd.;
    - (c) Richmond Mechanical Ltd.;
    - (d) Sam's Heating and Cooling Solution Ltd
    - (e) Smith and Long Limited, in place of SNL Techlink which was originally recommended as a vendor; and
  3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**BIFAC:**

This report was approved by the BIFAC via unanimous written resolution on November 10, 2022. This report has been amended from the version that was approved by the BIFAC, at that time to reflect a change in the identity of one of the vendors recommended for participation in this Program.

**REASONS FOR RECOMMENDATIONS:**

For cost efficiency and logistical reasons, the over and under 5 ton programs have been combined into a single program. This award consolidates the scope of work from both programs and includes repairs to building ventilation systems, roof-top units, air systems, venting duct work, and cooling systems for mechanical equipment.

Having an established 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, and 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.

The Manager Plumbing, FM Construction and Preservation, in consultation with other FM Construction and Preservation staff have determined that the

recommended proponents have the capability and capacity to deliver the work within the timeline.

Subsequent to BIFAC's consideration of this matter, SNL Techlink ("SNL") informed TCHC that it would not be able to fulfill the contract. SNL is not able to staff up to meet the requirements of the contract due to an on-going labour shortage and has withdrawn their bid. SNL is currently a vendor of record with TCHC and has performed other work for TCHC with satisfactory results.

During the initial procurement process, Smith and Long Limited was identified as a qualified vendor and placed on the roster wait list. Smith and Long Limited is a vendor in good standing and has performed similar work for TCHC with satisfactory results. This report is to recommends replacing SNL with Smith and Long Limited on the current program roster. This program is scheduled to commence on February 1, 2023.

The addition of Smith and Long Limited's replacement of SNL to the program roster will have no impact on program pricing or the overall value of the award. TCHC's RFP invited proponents to provide a "price adjustment factor" that would be applied to unit rates established by TCHC for the work to be performed. The three lowest price adjustment factors received were averaged to obtain the final price adjustment factor which was applied to the price lists to obtain the final price schedule. Smith and Long Limited has agreed to accept the unit prices established through the RFP process as a condition of its designation as a vendor supporting this program.

This program is scheduled to commence on February 1, 2023.

### **PROJECT BACKGROUND:**

Demand service for air conditioning and ventilation is defined as unplanned repair work that is required for all HVAC systems involving chilled and heated air and a variety of exhaust systems. These services are provided and used by all TCHC properties (including buildings managed by TSHC), including townhouses and multiple unit dwellings.

The scope of work for demand maintenance services for air conditioning and ventilation under five tons is defined as, but not limited to, unplanned mechanical equipment repairs on an as-needed basis to building ventilation systems, roof-top units, air systems, venting duct work, and cooling systems. This scope of work is often outside of typical building staff skill levels and responsibilities.

There are currently two contract awards and rosters for air conditioning and ventilation repairs separated into programs for mechanical equipment under and over 5 tons. Both programs were awarded for a three (3) year term with two (2) additional one-year terms at TCHC management's discretion. The current programs are scheduled to expire on January 31, 2023.

### **PROCUREMENT PROCESS:**

An RFP was issued on March 1, 2022 and closed on April 13, 2022. Eight submissions were received, with six 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 second 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 second 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.

*Table 1: Recommended Contracts*

<b>Group</b>	<b>Operating Units</b>	<b>Primary Vendor</b>	<b>Back up Vendor</b>	<b>2<sup>nd</sup> Back up Vendor</b>
1	OUC, OUD, OUO	Richmond Mechanical Ltd.	Firenza Plumbing & Heating Ltd.	Sam's Heating & Cooling Solution Ltd.
2	OUE, OUF, OUJ	Firenza Plumbing & Heating Ltd.	Ambient Mechanical Ltd.	Richmond Mechanical Ltd.
3	OUK, OUM, OUQ	Sam's Heating & Cooling Solution Ltd.	Smith and Long Limited	Firenza Plumbing & Heating Ltd.

Group	Operating Units	Primary Vendor	Back up Vendor	2 <sup>nd</sup> Back up Vendor
4	OUG, OUL, OUN	Ambient Mechanical Ltd.	Sam's Heating & Cooling Solution Ltd.	Smith and Long Limited
5	OUH, OUI, OUP	Smith and Long Limited	Richmond Mechanical Ltd.	Ambient Mechanical Ltd.

See Confidential Attachment 1 for details on pricing and rated criteria.

### **IMPLICATIONS AND RISKS:**

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

The FM Construction and Preservation team, 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 regular basis to ensure the expenditures and forecasts do not exceed the approved spend.

Funding for this program will be requested within the 2023 Operating and Capital 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"*

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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

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**ATTACHMENT:**

**Confidential Attachment 1:** VAC 22516/RFP 22034 Summary of Submissions

**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.