



Vendor Award: Demand Maintenance Services for Drains and Water Mains (VAC 22403/RFP 22059)

Item 6C

September 8, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-124

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 \$7,000,000.00 (exclusive of taxes) to multiple vendors for drains and water mains 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") 22059.

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 \$7,000,000.00 (exclusive of taxes) for drains and water mains demand maintenance services for a term of five (5) years as follows:

- a. up to \$4,200,000.00 for the first three (3) years of the contract; and
 - b. up to \$2,800,000.00 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.
 - Firenza Plumbing & Heating Ltd.; and
 3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

PROJECT BACKGROUND:

Demand maintenance services for drains and water mains include but are not limited to demand building exterior sanitary main repairs and manhole/catch basin installations and repairs, demand building exterior storm water main repairs and manhole/catch basin installations and repairs, and demand water main repair or replacement to include separate fire line coming from city mains.

On December 12, 2019, the Board of Directors approved an award to Bomben Plumbing & Heating Ltd., and Firenza Plumbing and Heating Ltd. for demand maintenance service for drains and water mains in the amount of \$6,500,000.00 (exclusive of taxes). The term of the current contract was for a three year term beginning January 1, 2020 with the possibility of two additional one year extensions at TCHC management's discretion.

The scope of work for demand maintenance services for drains and water mains is defined as unplanned repair work on an as-needed basis including, but not limited to:

- Building exterior sanitary main repairs and manhole/catch basin installations and repairs;
- Building exterior storm water main repairs and manhole/catch basin installations and repairs; and
- Water main repair or replacement, including separate fire lines from city mains.

During the course of the contract, former contract managed buildings were added to the scope of work. Due to this change in scope, it was decided that the program should be retendered.

REASONS FOR RECOMMENDATIONS:

This program allows TCHC to respond effectively to current and emerging needs, ensuring drains and water mains are operational and working as intended. This scope of work is outside of typical building staff skill levels and responsibilities.

Establishing a roster for the 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 will allow TCHC to respond effectively to current and emerging needs, ensuring systems are operational and working as intended.

This program is to commence on February 1, 2023.

PROCUREMENT PROCESS:

An RFP was issued on April 21, 2022 and closed on May 3, 2022. Three submissions were received. All three proponents successfully meet the requirements of the RFP.

The submissions were evaluated through a three stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing.

The highest ranked proponent was offered their choice as primary vendor for one group, and back-up vendor for the second group. The next highest ranked proponent was then offered the remaining group as primary vendor, and back-up vendor for the other group. Both proponents have confirmed their choice of groups, understanding of the scope of work, and understand that services will be delivered at the price list from the RFP documents.

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
1	OUC, OUD, OUE, OUF, OUJ, OUK, OUM and OUO	Firenza Plumbing & Heating Ltd.	Bomben Plumbing & Heating Ltd.
2	OUG, OUH, OUI, OUL, OUN, OUP and OUQ	Bomben Plumbing & Heating Ltd.	Firenza Plumbing & Heating Ltd.

See **Confidential Attachment 1: VAC 22403/RFP 22059 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 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”

Allen Murray
Vice President, Facilities Management

ATTACHMENT:

Confidential Attachment 1: 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.

STAFF CONTACT:

Allen Murray, Vice President, Facilities Management
(416) 981-6955
Allen.Murray@torontohousing.ca