



## Q1 2022 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 7J

July 27, 2022

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2022-107

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

**From:** Vice President, Facilities Management

**Date:** July 4, 2022

### PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q1 2022 results of the Preventive Maintenance/Demand Repair Programs and Elevator Contracts.

### RECOMMENDATION:

It is recommended that the BIFAC receive this report for information.

### 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 and Insurance utilize the programs.

Facilities Management delivered a detailed year-end review of their Preventive Maintenance/Demand Repair programs and Elevator contracts to the BIFAC on April 8, 2022.

This review details findings of the reconciliation completed at the end of Q1 2022.

### **Q1 2022 PROGRAM RESULTS**

Facilities Management completed a detailed review of 115 programs consisting of 37 Preventive Maintenance/Demand Repair programs and 78 Elevator contracts.

As of March 31, 2022, 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 Q1 and forecasted spends to the end of the contracts were found to be within approved amounts and thus in compliance.

It was further confirmed that all spends are also within budget.

As noted in the report presented to BIFAC on April 8, 2022, it is anticipated that a more automated reconciliation system will be available for the Q2 reconciliation process with the introduction of the HoMES system.

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

***Preventive maintenance*** is regularly occurring work that has a set cost determined during the procurement and 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 nor 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. This 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”*

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