



Change Order: Additional Funding for Preventive Maintenance Services and Demand Repairs for Fire Alarm/Suppression Systems (RFP 18349 and RFP 19390)

Item 8B

November 3, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-108

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

From: Vice President, Facilities Management

Date: October 26, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC approval for additional funds to contracts awarded under RFP 18349 and RFP 19390 to Eurotech Safety Inc., Greater Toronto Fire Protection, and TBR Mechanical/Electrical Inc. A change order of \$5,268,907.64 (exclusive of taxes) is requested based on the anticipated spend for the last three months of the contract for preventative maintenance and demand repairs.

BIFAC approval is required for the recommended change order, as the cumulative amount exceeds the financial approval limit of Toronto Community Housing's ("TCHC's") Procurement Award Committee ("PAC").

RECOMMENDATIONS:

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

1. approve a change order to Eurotech Safety Inc., Greater Toronto Fire Protection, and TBR Mechanical/Electrical Inc. for \$5,268,907.64 (exclusive of taxes) for the preventive maintenance services and demand repairs for fire alarm/suppression systems (RFP 18349 and RFP 19390); seek the approval of the Building Investment, Finance and Audit Committee to award the work in line with financial spending authorities, as the total value of the contract is beyond the approved spending limit of the Chief Executive Officer; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

BACKGROUND

TCHC is required to perform preventive maintenance (specific inspections and tests) on fire alarm and suppressions systems as per the Ontario Fire Code (OFC). Inspections and tests are performed by both site staff and contracted services. Monthly inspections and tests will be performed by site staff.

On an annual basis, contracted services are required to inspect and test the following:

- Fire alarm, voice communication and interconnected systems;
- Sprinkler systems including fire hose cabinets, hoses and valves, and hydrostatic testing (three years);
- Portable fire extinguishers;
- Fire pumps including jockey pumps and air compressors;
- Emergency generators;
- Audible pull stations;
- HVAC, maglocks, smoke control, elevator system integration with the fire alarm/ suppression systems; and
- Emergency lighting and fire exit signage.

On a semi-annual basis, contracted services are required to inspect and test the following:

- Mechanical waterflow alarm main supply and pressure switches, low pressure alarms, alarm signals at the fire alarm panel;
- Valves, system risers, and pressure; and
- Drip drums.

On December 6, 2018, the Board of Directors approved the award for the delivery of work preventive maintenance and demand repairs for fire alarm/suppression systems for a 5-year term based on the outcome of Request for Proposals (RFP) 18349 for the amount of \$34,839,376.00 for a term of up to five years (three-years, with the possibility of two additional one-year extensions at TCHC management's discretion).

The original award approved under VAC 18610 (RFP 18349) was awarded to EPI Fire Protection Inc. (EPI), Eurotech Safety Inc. (Eurotech), and Greater Toronto Fire Protection. Five groups of buildings were awarded under RFP 18349 based on best price and capacity. Due to vendor performance issues, Group 5 (consisting of former Operating Units F, L and M) was retendered to the open market under RFP 19390.

In December 2019, TBR Mechanical/Electrical Inc. (TBR) was awarded the work for a term of up to four years (two-years, with the possibility of two additional one-year extensions at TCHC management's discretion) starting in January 2020 under VAC 19705 for OU F, VAC 19706 for OU L for and VAC 19707 for OU M.

Due to the significant addition of scope of over the years, TCHC is electing to tender anew rather than exercise the option to extend the existing contract.

REASONS FOR RECOMMENDATIONS

The program has incurred additional costs over the course of the multi-year contract and is now reaching the approved accumulated limit of the original award with three months left on the contract.

Since the award of this contract six (6) new developments (21 Tubman Avenue, 110 River Street, 150 River Street, 20 Zachary Court, 30 Okra Tomar Crescent and 170 Fairview Mall Drive) were added to LSS portfolio. This resulted in an additional cost of \$163,489.23 over the three years. In September 2020 LSS also inherited 24 developments as result of the transfer of OUW from Contract Managed to Direct Managed sites. This contributed to an additional cost incurred in 2020/2021 (to date) of \$1,669,393.20. In total an unforeseen additional cost of \$1,832,822.43 was added to the contact to date.

Since March 2020, the Covid-19 pandemic caused an increase in costs due to multiple variables. For instance there have been added costs due to the requirement for increased personal protective equipment as well as keyholder costs. The LSS team has also documented an increase in material costs for required demand work as a result of increasingly scarce materials and labour associated with the work.

As a result of the above unforeseen additions, costs have escalated over the course of the contract. This change order is being requested to ensure there is an allowance for anticipated costs during the remaining months of the contract leading up to December 31, 2021.

Table 1: Purchase Order and Change Order summary

CO No.	VAC #	Approval Date	Description	Reason	Individual CO Amount
Direct Award	19193	June 5, 2019	DA to Tyco for repair services following a vendor performance issue resulting in another vendor's contract termination.	Vendor Performance	\$563,086.86

Direct Award	19547	Oct 4, 2019	DA to Eurotech for repair services following a vendor performance issue resulting in another vendor's contract termination.	Vendor Performance	\$55,543.80
CO-1	20400	Sept 18, 2020	CO to Eurotech for inclusion of 6 additional OUW sites	OUW – Additional Sites	\$42,886.00
CO-2	20399	Sept 18, 2020	CO to Eurotech for inclusion of 20 additional OUW sites	OUW – Additional Sites	\$190,950.60
RFP - 19390	19705	Dec 24, 2020	Retender of OUF	Vendor Performance	\$250,356.00
	19706		Retender of OUL	Vendor Performance	\$384,088.00
	19707		Retender of OUM	Vendor Performance	\$181,440.00
Current Contract Amount – PM PO adjustment (EPI 2020 & 2021)					\$6,825,949.26
Current Contract Amount – Demand					\$15,000,000
Cumulative approved change orders to date					\$1,668,351.26
Change order as requested in this report					\$5,268,907.64
Total Cumulative change orders					\$6,937,258.90
Original contract awarded (VAC 18610)					\$20,868,092.00
Revised total contract amount					\$27,805,350.90
Cumulative CO % of contract award/purchase order					33.24%

IMPLICATIONS AND RISKS:

The change order is recommended for the delivery of the project, addressing unforeseen site conditions and to ensure continued delivery of preventive maintenance (specific inspections and tests) on fire alarm and suppressions systems.

Prior to this item being presented to BIFAC, the Procurement Award Committee will consider the change order that is recommended in this report.

Performance will continue to be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through project reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

Funding is confirmed within the 2021 Capital Budget as approved by the TCHC Board (TCHC:2020-88).

SIGNATURE:

"Allen Murray"

Allen Murray

Vice President, Facilities Management

STAFF CONTACT:

Allen Murray, Vice President Facilities Management

416-981-6955

Allen.Murray@torontohousing.ca