



Vendor Award: Preventive Maintenance/Demand Services for Fire/Alarm Suppression Systems and Fire Hydrant Testing, Inspection and Maintenance Services – East Region (Group 1)

Item 8F

December 6, 2023

Board of Directors

Report: TCHC:2023-70

To: Board of Directors (the “Board”)

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

Date: November 2, 2023

PURPOSE:

The purpose of this report is to seek the Board of Directors’ approval to award work to Oak Ridge Building Solutions Inc. for up to \$19,290,253.53 (exclusive of taxes) for preventive maintenance services and demand repairs for fire/alarm suppression systems and fire hydrant testing, inspection and maintenance services in buildings in TCHC East Region. The contract is for a five (5) year term based on the outcome of Request for Proposals (“RFP”) 23059.

Board of Directors (the “Board”) approval is required as it exceeds the \$5 million financial approval limit of the Building Investment, Finance and Audit Committee (“BIFAC”).

RECOMMENDATIONS:

It is recommended that the Board:

1. approve the award of work to Oak Ridge Building Solutions Inc. up to \$19,290,253.53 (exclusive of taxes) for fire/alarm suppression systems and fire hydrant testing, inspection and maintenance

services in TCHC East Region (Group 1 Operating Units G, H, and I) at the rates established for a five year term based on the outcome of Request for Proposal (RFP) 23059 as follows:

- a. up to \$2,790,253.53 (exclusive of taxes) for preventive maintenance as follows:
 - i. \$1,670,825.53 for three (3) years of the initial contract];
 - ii. \$1,119,428.00 for two (2) additional one-year terms at TCHC management's discretion;
 - b. up to 16,500,000 (exclusive of taxes) for demand repairs not in scope as follows:
 - i. \$9,900,000 for three (3) years of the initial contract;
 - ii. \$6,600,000 for two (2) additional optional one-year terms at TCHC management's discretion; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

BIFAC:

This report was approved by the BIFAC on November 2, 2023.

PROJECT BACKGROUND:

TCHC is required to perform preventive maintenance (specific inspections and tests) on fire alarm and suppressions systems as per the Ontario Fire Code. Annual and bi-annual 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 certified services are required to inspect and test the following:

- Fire alarm, voice communication and interconnected systems;
- Suppression and sprinkler system, including fire hose cabinet, hoses and valve, hydrostatic testing (three years), and internal obstruction testing;
- Portable fire extinguishers;
- Fire pumps including jockey pumps and air compressors;
- Emergency generators;
- Audible pull stations;
- Smoke control systems;

- Integration testing of all systems, with the addition of HVAC, maglocks, smoke controls, elevator systems integration with the fire alarm/suppression systems;
- Emergency lighting and fire exits signage; and
- Monthly test and inspections while performing the annual test and inspection.

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

- Mechanical water flow alarm main supply and pressure switches, low pressure alarms, alarm signals at the fire alarm panel;
- Drip drums;
- Valves, system risers, and pressure; and
- Monthly test and inspections while performing the semi-annual test and inspection.

Contracted services are also required to perform demand repairs which are repairs on an as-needed basis when there is equipment failure and/or based on the results of inspections.

REASONS FOR RECOMMENDATIONS:

This work is required to maintain fire safety and fire suppression systems, and ensure all codes are met to ensure the health and safety of our tenants.

The existing contract commenced in January 1, 2023 and ends December 31, 2023. The new contract for this program will be for three years, commencing on January 1, 2024 to December 31, 2026 with the option of two additional 1-year terms at TCHC management's discretion. Work will not commence until this award has been approved, a Main Services Agreement – Life Safety Systems has been executed and the purchase order issued. Any significant delays in issuing the purchase order may impact the program schedule.

PROCUREMENT PROCESS:

An RFP was issued on March 9, 2023 and closed on April 26, 2023. Three submissions were received. The submissions were evaluated through a three-stage process to determine lowest overall priced submission (including preventive maintenance and demand repairs).

TCHC and the Toronto Seniors Housing Corporation's ("TSHC") portfolio was divided into five separate groups for fire/alarm suppression systems and one group for fire hydrant testing, inspection and maintenance services. Proponents were required to submit a bid for all groups and were to be awarded a maximum of two groups based on their final score and by what is most financially advantageous for TCHC/TSHC.

Fire hydrant testing, inspection and maintenance services are to be awarded to the highest scoring proponent. Separate from the capacity limits mentioned in the point above.

The recommendation is to award the work for Group 1 buildings to Oak Ridge Building Solutions Inc. as the qualified submission.

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

IMPLICATIONS AND RISKS:

A public RFP was issued and the recommendation is based on awarding the contract as per the RFP requirements. Thus, the risk of a proponent challenging the awarding of the contract is minimized.

Upon approval of this award, Strategic Procurement will pursue execution of Main Services Agreement – Life Safety Services with the recommended proponent.

Entry into tenant units is required to conduct inspections and tests on specific fire alarm and suppression systems. Key holder services will be provided. Timely and appropriate notification will be provided to gain entry into the tenant units and to notify tenants of planned disruptions and restrictions.

Fire Life Safety staff will continuously and rigorously monitor the performance of the recommended proponent during the course of the program. Performance will be evaluated in accordance with TCHC's Vendor Compliance Evaluation System. Results gathered through program reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

Funding for this award is within the program budget of the 2024 Operating Budget (SLA.5291 and OU Maintenance Budgets) and 2024 Capital

Budget (Demand Capital). Funding for future years budgets will be requested within the 2025 to 2028 Operating Budgets.

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

PUBLIC ATTACHMENT:

1. Briefing Note in response to Public Action Item #9

CONFIDENTIAL 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:

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Item 8F – Vendor Award: Preventive Maintenance/Demand Services for Fire/Alarm Suppression Systems and Fire Hydrant Testing, Inspection and Maintenance Services – East Region (Group 1)

Public Board of Directors Meeting – December 6, 2023

Report #: TCHC:2023-70

Attachment 1

Toronto Community Housing Corporation
931 Yonge Street
Toronto, ON
M4W 2H2



Briefing Note: For Information

To:	The Board of Directors (the “Board”)
From:	Allen Murray, Vice President of Facilities Management
Date:	November 24, 2023
Re:	Building Investment, Finance and Audit Committee (“BIFAC”) Meeting of November 2, 2023 – Vendor Award: Preventive Maintenance/Demand Services for Fire/Alarm Suppression Systems and Fire Hydrant Testing, Inspection and Maintenance Services [Report BIFAC:2023-119] (Public Action Item #9 re: Vendor Qualification Methodology)

PURPOSE:

At its November 2, 2023 meeting, the BIFAC received reports related to Preventive Maintenance and Demand Repair Services for Fire/Alarm Suppression System awards for the Toronto Community Housing (“TCHC”) and Toronto Seniors Housing (“TSHC”) portfolios as part of the public agenda. The BIFAC requested that information be supplied to the Board regarding the internal processes used to evaluate the capacity of external vendors to perform the work and the separation of the portfolio into five separate groups.

This briefing note is in response to that request.

BACKGROUND:

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

RFP 23059 was issued on March 9, 2023 seeking qualified vendors for fire/alarm suppression systems and fire hydrant testing, inspection, and maintenance services across the TCHC portfolio. As part of the program, TCHC and TSHC portfolios were separated into five separate groups: East, West, Central, Seniors East and Seniors West.

Each group was to be awarded separately to the highest ranked vendor. Vendors could be awarded a maximum of two groups of the five groups included in the program. TCHC determined which locations would be awarded to which vendor based on what is generally the most financially advantageous for TCHC. Vendors were required to submit a bid for all five groups.

PORTFOLIO GROUPING:

The methodology of dividing the portfolio into separate, smaller groups is used to encourage a higher number of submissions, ensure competitive pricing, and mitigate risks in the program. Awarding the entire portfolio to a single vendor increases risks and liability should any issues arise with the vendor and their ability to perform the work.

Awarding multiple vendors ensures the program has available pre-qualified vendors, providing flexibility in assigning groups in the portfolio should issues or unforeseen circumstances arise.

TCHC strives to attract vendors to pre-qualify for any tender who may have previously not worked with TCHC. These vendors may be smaller and have limited capacity. TCHC does not want to discourage smaller vendors from submitting a bid, therefore the approach is taken to break the program into multiple groups to make the program more attractive and manageable for potential vendors.

Through the award process (including vendor confirmation meetings and review of submitted bid packages), it was identified that at least one of the vendors did not have the capacity to be awarded more than one group. By separating the portfolio, TCHC was successful in identifying and recommending three individual vendors with the capacity to fulfill the program.

The recommended length of the program is an initial three-year term with the option to extend the contract for an additional two one-year terms at TCHC management's discretion. The initial three-year term establishes cost certainty for the program at fixed rates based on the original bids. There is the possibility that over the next three years, there may be significant changes to fire codes and regulations. The additional optional terms create flexibility in awarding the remainder of the contract based on what is most financially advantageous to TCHC.

ASSESSING VENDOR CAPACITY:

Vendor capacity is evaluated at multiple levels, including during the RFP process. During the RFP process, TCHC staff assess vendor capabilities by requiring them to provide information including, but not limited to:

- a list of service vehicles that will be utilized;
 - TCHC is looking for a minimum of ten service vehicles.
 - Vehicle insurance is checked and verified if the proponent is successful.
- the number of in-house personnel (technicians) and their qualifications (including copies of professional licenses relating directly to the scope of work;
 - At minimum TCHC is requesting ten fire alarm technicians and six sprinkler technicians.
- proof of residential building and social housing experience in the past five years;
- the number of individual residential buildings the proponent has performed the related scope of work for during 2019-2022; and
- the proponent's anticipated and planned 2024/2025 workload using in-house forces.

During the contract, reports provided by vendors to Life Safety are required to meet the standards outlined in CAN/ULC S536. The incoming reports for annual and semi-annual tests and inspections are reviewed for completeness and compared to previous reports for trends. The review includes reviewing the outlined deficiencies that require action including:

- Reports with Final Certificates: With all deficiencies repaired or corrected, final certificates are obtained as a final verification that the inspection has been completed and code compliance is met.

- Preventive Maintenance Work Inspections: Random spot checks are done to validate deficiencies. Random inspections are carried out to verify work completed.
- Demand Work Order Inspections: Random spot checks are done on demand work orders over \$1500.00 to verify the work has been completed as per the scope of work.

This briefing note has been provided for information purposes.