



Q4 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 6G

March 18, 2024

Building Investment, Finance and Audit Committee

Report: BIFAC:2024-31

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

From: Vice President, Facilities Management

Date: March 5, 2024

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q4/year-end 2023 results of the Preventive Maintenance/Demand Repair programs and elevator contracts managed by Facilities Management.

RECOMMENDATION:

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

REASONS FOR RECOMMENDATION:

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, roofs, 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. The Toronto Seniors Housing Corporation, Facilities

Management, Client Care, Maintenance Dispatch, building staff, and Risk Management and Insurance utilize these programs.

This review details findings of the reconciliation completed as of the end of Q4 2023.

Q4 2023 PROGRAM RESULTS:

As of December 31, 2023, all Preventive Maintenance/Demand Repair programs and elevator contracts have been reconciled using a manual reconciliation process. The results of the reconciliation found that all Facilities Management program spends for Q4, including the Corporate and Commercial HVAC Equipment Preventive Maintenance & Demand Repair program are within overall approved budgets.

The Demand General Repairs (“DGR”) Program, which is managed and reconciled by the Operations division, was found to be out of compliance with respect to the annual spend against the approved annual contract budget. As such, a change order has been initiated for BIFAC’s review and approval.

The automated reporting from HoMES to assist in the reconciliation is not yet available and reconciliations continue to be done manually using the information that is available.

IMPLICATIONS AND RISKS:

TCHC is obligated to complete this work to either ensure compliance with various code requirements (e.g. Ontario Fire Code and the Technical Standards and Safety Authority) and/or ensure its buildings are properly maintained. Properly maintained buildings preserve TCHC’s assets, help achieve a state of good repair for the portfolio, and help provide healthy, comfortable, and safe home for our tenants.

Preventive maintenance is regularly occurring work that has a set cost determined during the procurement 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 or 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.

The 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”

Allen Murray
Vice President, Facilities Management

ATTACHMENT:

1. Q4 2023 Preventive Maintenance/Corporate and Commercial HVAC Equipment Preventive Maintenance & Demand General Repairs Programs Summary

STAFF CONTACT:

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

John Angkaw, Senior Director, Operations
416-981-6194
John.Angkaw@torontohousing.ca

Q4 2023 PM/Demand Repair Program Summary			Preventive Maintenance (PM)			Demand Repairs		2023 Q4 Reconciliation Comments		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	Demand Approved	Demand Actual Spend (2023 Q1 & Q2 & Q3 & Q4)			
Roof Maintenance & Roof Anchor Inspection	Jul-20/Jul-24	\$23,459,388	2020-2022	\$604,408	\$526,151	\$13,500,000	\$8,575,613	Q4 2023 reconciliation completed. No action required.		
		Orig VAC: \$23,567,295	2023	\$258,655	\$257,369	\$4,500,000	\$2,713,750			
	C/O: (\$107,907)	2024	\$266,605		\$4,500,000					
	Jan-22/Dec-26	Orig VAC: \$457,500	2025	\$109,785		Not Applicable	Not Applicable			
			2026	\$96,270						
Grounds & Snow Maintenance	May-20/Apr-25, Oct-21/Apr-25	\$70,561,702	2021-2022	\$26,765,813	\$25,455,659	Not Applicable	Not Applicable	Q4 2023 reconciliation completed. No action required.		
		Orig VAC: \$56,200,470	2023	\$14,392,020	\$14,255,326					
	C/O's & DA: \$14,423,671	2024	\$14,701,935							
	CO1: (\$5,850)	2025	\$14,701,935							
	CO2: \$10,000 CO3: (\$66,589)									
Fire Life Safety	Apr-22	\$21,877,517	2022	\$1,340,926	\$1,294,443	\$7,934,000	\$7,151,181	Q4 2023 reconciliation completed. No action required.		
		Original DA: \$847,335	2023	\$2,452,591	\$2,091,089				\$10,150,000	\$8,405,244
	CO1: \$8,427,591									
	CO2: \$11,440,000									
	CO3: \$1,200,000 CO: (\$37,409)									
Generator	July-22/Dec-24	\$2,937,231	2022	\$107,803	\$106,608	\$440,000	\$266,940	Q4 2023 reconciliation completed. No action required.		
		Orig VAC: \$2,932,073	2023	\$215,778	\$215,101				\$880,000	\$512,384
		CO: \$5,158	2024	\$413,649					\$880,000	
Chillers	Jan-23/Dec-27	\$3,871,792	2023	\$391,469	\$391,469	\$152,423	\$107,710	Q4 2023 reconciliation completed. No action required.		
		Orig VAC: \$3,871,792	2024	\$391,469					\$152,423	
			2025	\$391,469					\$152,423	
			2026	\$391,469					\$152,423	
			2027	\$391,469					\$152,423	
			2028	\$412,261					\$163,905	
			2029	\$412,261					\$163,905	

Q4 2023 PM/Demand Repair Program Summary			Preventive Maintenance (PM)			Demand Repairs		2023 Q4 Reconciliation Comments
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	Demand Approved	Demand Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	
PTAC/Fan Coil	Jan-23/Dec-27	\$8,711,892 Orig VAC: \$8,711,892	2023	\$1,840,333	\$1,590,480	\$75,000	\$40,210	Q4 2023 reconciliation completed. No action required.
			2024	\$1,611,130		\$75,000		
			2025	\$1,611,130		\$75,000		
			2026	\$1,627,241		\$76,318		
			2027	\$1,644,422		\$76,318		
Elevator A/C	Jan-21/Dec-25	\$632,225 Orig VAC: \$498,225 C/O: \$134,000	2021-2022	\$80,780	\$51,570 \$27,929	\$150,000	\$97,850 \$44,740	Q4 2023 reconciliation completed. No action required.
			2023	\$57,140		\$75,000		
			2024	\$57,140		\$76,500		
			2025	\$57,140		\$78,525		
Booster/Sump Pump	Jan-21/Dec-25	\$1,253,359 Orig VAC: \$1,046,084 C/O: \$207,275	2021-2022	\$262,177	\$262,177 \$141,964	\$195,000	\$101,589 \$45,715	Q4 2023 reconciliation completed. No action required.
			2023	\$155,394		\$110,000		
			2024	\$155,394		\$110,000		
			2025	\$155,394		\$110,000		
Laundry Room Exhaust	Jan-23/Dec-27	\$402,500 Orig VAC: \$402,500	2023	\$30,200	\$29,600	\$50,000	\$37,720	Q4 2023 reconciliation completed. No action required.
			2024	\$30,200		\$50,000		
			2025	\$30,200		\$50,000		
			2026	\$30,200		\$50,750		
			2027	\$30,200		\$50,750		
Thermographs	Jan-23/Dec-25	\$2,338,800 Orig VAC: \$2,338,800	2023	\$289,800	\$283,920	\$100,000	\$97,511	Q4 2023 reconciliation completed. No action required.
			2024	\$289,800		\$100,000		
			2025	\$289,800		\$100,000		
			2026	\$289,800		\$100,000		
			2027	\$289,800		\$100,000		
			2028	\$289,800		\$100,000		
Duct cleaning	Jan-23/Dec-27	\$7,986,375 Orig VAC: \$7,986,375	2023	Not Applicable	Not Applicable	\$1,550,000	\$1,426,905	Q4 2023 reconciliation completed. No action required.
			2024			\$1,550,000		
			2025			\$1,550,000		
			2026			\$1,668,187		
			2027			\$1,668,188		
Chemical Treatment	Feb-21/Dec-25	\$576,772 Orig VAC: \$502,692 C/O: \$74,080	2021-2022	\$189,890	\$181,423 \$101,605	\$12,420	\$9,786 \$8,738 \$1,620	Q4 2023 reconciliation completed. No action required.
			2023	\$105,472		\$12,420		
			2024	\$105,472		\$15,200		
			2025	\$105,472		\$15,200		

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Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	Demand Approved	Demand Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	
Demand Plumbing	Feb-23/Jan-28	\$75,000,000 Orig VAC: \$75,000,000	2023	Not Applicable	Not Applicable	\$15,000,000	\$14,881,328	Q4 2023 reconciliation completed. No action required.
			2024			\$15,000,000		
			2025			\$15,000,000		
			2026			\$15,000,000		
			2027			\$15,000,000		
Demand Heating	Feb-23/Jan-28	\$35,000,000 Orig VAC: \$35,000,000	2023	Not Applicable	Not Applicable	\$7,000,000	\$3,140,855	Q4 2023 reconciliation completed. No action required.
			2024			\$7,000,000		
			2025			\$7,000,000		
			2026			\$7,000,000		
			2027			\$7,000,000		
Air Conditioning and Ventilation (previously HVAC over and under 5 ton)	Feb-23/Jan-28	\$30,000,000 Orig VAC: \$30,000,000	2023	Not Applicable	Not Applicable	\$6,000,000	\$1,655,580	Q4 2023 reconciliation completed. No action required.
			2024			\$6,000,000		
			2025			\$6,000,000		
			2026			\$6,000,000		
			2027			\$6,000,000		
Furnace PM	Jan-22/Dec-26	\$7,559,440 Orig VAC: \$6,909,440 C/O: \$650,000	2022	\$1,436,888	\$1,381,955	\$75,000	\$64,352 \$65,007	Q4 2023 reconciliation completed. No action required.
			2023	\$1,436,888	\$1,339,888	\$75,000		
			2024	\$1,436,888		\$75,000		
			2025	\$1,436,888		\$75,000		
			2026	\$1,436,888		\$75,000		
Furnace Replacements <small>(NOTE: Approved replacement spend/actuals shown in the PM columns)</small>	Jan-22/Dec-26	\$10,284,480 Orig VAC \$9,533,600 C/O: \$750,880	2022	\$2,072,160	\$2,033,450	\$260,000	\$242,123 \$149,710	Q4 2023 reconciliation completed. No action required.
			2023	\$2,072,160	\$1,346,270	\$260,000		
			2024	\$1,771,720		\$135,000		
			2025	\$1,771,720		\$85,000		
			2026	\$1,771,720		\$85,000		
PTAC Replacements <small>(NOTE: Approved replacement spend/actuals shown in the PM columns)</small>	Apr-22/Mar-28	\$7,568,492 Orig VAC: \$7,568,492	2022	\$831,379	\$121,710	\$27,750	\$778 \$1,893	Q4 2023 reconciliation completed. No action required.
			2023	\$1,108,505	\$271,662	\$9,250		
			2024	\$1,108,505		\$37,000		
			2025	\$1,108,505		\$37,000		
			2026	\$1,274,781		\$37,370		
			2027	\$1,338,520		\$37,931		
			2028	\$574,067		\$37,931		

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Backflow	July-20/June-25	\$954,825 Orig VAC: \$904,539 C/O: \$50,286	2020-2022 2023	\$112,540 \$60,520	\$112,540 \$30,260	\$257,802 \$166,727 \$113,581 \$122,615	\$137,974 \$15,866	Q4 2023 reconciliation completed. No action required. New contract will start in January 2024.
Demand Pressure Vessels	Jan-21/Dec-25	\$2,184,050 Orig VAC: \$1,960,450 C/O: \$223,600	2021-2022 2023 2024 2025	Not Applicable	Not Applicable	\$898,421 \$487,410 \$395,158 \$403,061	\$831,797 \$335,219	Q4 2023 reconciliation completed. No action required.
Elevators	Jun-17/May-28	\$32,384,170 Orig VACs for PM/Demand: \$27,743,258 CO1 VACs for Demand: \$4,300,911 CO2 VACs for Demand: \$340,000	N/A Award based total term	\$19,876,588	\$14,138,008	\$12,507,581	\$5,847,519	Q4 2023 reconciliation completed. No action required.
Kitchen Drains Treatment	Aug-22/Aug-30	\$8,007,585 Orig VAC: \$8,007,585	2022 2023 2024 2025 2026 2027 2028 2029 2030	\$446,709 \$827,068 \$827,068 \$827,068 \$974,828 \$974,828 \$974,828 \$974,828 \$380,359	\$446,709 \$819,092	\$50,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$50,000	\$0 \$7,090	Q4 2023 reconciliation completed. No action required.
Electrical	Oct-22/Sept-27	\$18,000,000 Orig VAC: \$18,000,000	2022 2023 2024 2025 2026 2027	Not Applicable	Not Applicable	\$900,000 \$3,600,000 \$3,600,000 \$3,600,000 \$3,600,000 \$2,700,000	\$803,147 \$2,798,347	Q4 2023 reconciliation completed. No action required.
TCHC Corporate and Commercial HVAC Equipment PM & Demand Repairs	May-23/Apr-28	\$1,198,654	2023 2024 2025 2026 2027 2028	\$42,850 \$85,700 \$85,700 \$86,986 \$89,595 \$45,460	\$41,667	\$99,833 \$149,750 \$149,750 \$152,745 \$157,327 \$52,957	\$60,593	Q4 2023 reconciliation completed. No action required.

Q4 2023 PM/Demand Repair Program Summary			Preventive Maintenance (PM)			Demand Repairs		2023 Q4 Reconciliation Comments
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Garage CO System	Aug-23/Aug-27	\$355,134 Orig VAC \$355,134	2023	\$37,700	\$0	\$32,500	\$25,266	Q4 2023 reconciliation completed. No action required.
			2024	\$37,700				
			2025	\$37,700				
			2026	\$38,454				
			2027	\$38,454				
DM Services for CCTV, access control, electromagnetic locks, intercom systems & alarm intrusion systems	Oct-23/Oct-28	Orig. VAC: \$10,400,000	2023	Not Applicable	Not Applicable	\$1,883,333	\$599,845	Q4 2023 reconciliation completed. No action required.
			2024					
			2025					
			2026					
			2027					
Electrical Safety Authority Continuous Safety Program	Jan-23/Dec-23	\$740,712	2023	\$740,712	\$740,712	\$0	\$187,828	These repair costs are part of the demand electrical contract. Q4 2023 reconciliation completed.

Programs Managed by Operations	Start Date/End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	Demand Approved	Demand Actual Spend (2023 Q1 & Q2 & Q3 & Q4)	2023 Q4 Reconciliation Comments
Demand General Repairs (DGR)*	Sep-21/Sep-26 *Contract terminated Aug 31, 2023	\$191,720,000 Orig. VAC: \$170,600,000 C/O: \$11,740,000 C/O: \$9,380,000	2021-2022	Not Applicable	Not Applicable	\$29,213,333	\$19,733,321	Q4 2023 reconciliation completed. Change order issued for BIFAC review and approval
			2022-2023					
	Sep-23/Sep-26	Original Vac: 200,561,829	2023-2024	Not Applicable	Not Applicable	\$29,900,000	\$12,620,813	Q4 2023 reconciliation completed. No action required.
			2024-2025					
			2025-2026					
			2026-2027					
			2027-2028					