

# BUILDING INVESTEMENT, FINANCE AND AUDIT COMMITTEE MEETING AGENDA

## PUBLIC SESSION

Date: February 5, 2021  
Time: **9:10 a.m. – 10:05 a.m.**  
Location: Via WebEx

### Agenda

| Time          | Description  | Action         | Pre-read                               | Presenter                             | Page # |
|---------------|--|----------------|--|---------------------------------------|--------|
| Public Agenda |  |                |  |                                       |        |
| <b>9:10</b>   | <b>1.</b> Chair's Remarks  | Information    | Verbal Report<br><i>5 minutes</i>      | Chair                                 | -      |
| <b>9:15</b>   | <b>2.</b> Consent agenda   |                | <i>5 minutes</i>                       |                                       |        |
|               | a) Approval of Public Meeting Agenda                               | BIFAC Approval | Agenda                                 | Chair                                 | 1      |
|               | b) Chair's Poll re: Conflict of Interest                           | Declaration    | Agenda and Conflict of Interest Policy | Chair                                 | -      |
|               | c) Confirmation of the Public Meeting Minutes of November 16, 2020 | BIFAC Approval | Minutes                                | Chair                                 | 4      |
|               | d) Internal Audit Update: Q4-2020                                  | Information    | BIFAC:2021-06                          | Manager, Internal Audit               | 12     |
|               | e) Q4 2020 PAC Awards and Revenue Contracts                        | Information    | BIFAC:2021-07                          | General Counsel & Corporate Secretary | 19     |

**PUBLIC AGENDA | BIFAC | February 5, 2021**

Page 2 of 3

|             |           |   |                        |                                      |  |    |
|-------------|-----------|---|------------------------|--------------------------------------|--|----|
|             | f)        | Q4 2020 Update on Tenants First   | Information            | BIFAC:2021-08                        | Director, Strategic Planning & Stakeholder Relations | 26 |
|             | g)        | 2 Murray Street Mortgage Renewal  | BIFAC & Board Approval | BIFAC:2021-09                        | Chief Financial Officer & Treasurer                  | 31 |
|             | h)        | Information Technology Services Report: Q4 2020 Update  | Information            | BIFAC:2021-12<br><i>5 minutes</i>    | Vice President, Information Technology Services      | 34 |
| <b>9:20</b> | <b>3.</b> | Business Arising from the Public Meeting Minutes and Action Items Update  | Information            | Action Item List<br><i>5 minutes</i> | Chair  | 38 |
| <b>9:25</b> | <b>4.</b> | 2021 Internal Audit Work Plan   | Approval               | BIFAC:2021-10<br><i>10 minutes</i>   | Manager, Internal Audit                              | 40 |
| <b>9:35</b> | <b>5.</b> | Q4 2020 – HoMES Project Update  | Information            | BIFAC:2021-11<br><i>10 minutes</i>   | Vice President, Information Technology Services      | 46 |
| <b>9:45</b> | <b>6.</b> | <b>Facilities Management Reports</b>  |                        |                                      |  |    |
|             | a)        | Change Order: Additional Compliance Measures for Constructor Role and Unforeseen Conditions to the Envelope Repairs and Structural Rehabilitation Project at Mornelle Ellsemere | BIFAC & Board Approval | BIFAC:2021-13<br><i>5 minutes</i>    | Vice President, Facilities Management                | 51 |

**PUBLIC AGENDA | BIFAC | February 5, 2021**

Page 3 of 3

|              |    |  |                              |  |  |    |
|--------------|----|--|------------------------------|--|--|----|
| <b>9:50</b>  | b) | Direct Award:<br>Integrated Project<br>Delivery (Design and<br>Construction) of an<br>Energy Retrofit at<br>Leslie Finch | BIFAC &<br>Board<br>Approval | BIFAC:2021-<br>14<br><i>10 minutes</i> | Vice<br>President,<br>Facilities<br>Management | 57 |
| <b>10:00</b> | 7. | 2021 Public BIFAC<br>Work Plan   | Approval                     | BIFAC:2021-<br>15<br><i>5 minutes</i>  | General<br>Counsel &<br>Corporate<br>Secretary | 62 |

**TERMINATION**



## **Building Investment, Finance and Audit Committee**

931 Yonge Street,  
Toronto, M4W 2H2

Page 1 of 8

The Building Investment, Finance and Audit Committee (“BIFAC”) of the Toronto Community Housing Corporation (“TCHC”) held a virtual Public meeting on November 16, 2020, via WebEx, commencing at 9:26 a.m.

**BIFAC Directors Present:** Adele Imrie, Chair  
Deputy Mayor Ana Bailão  
Amanda Coombs  
Nick Macrae  
Brian Smith

**BIFAC Directors Absent:** n/a

**Management Present:** Kevin Marshman, President & Chief Executive Officer (“CEO”)  
Sheila Penny, Chief Operating Officer (“COO”)  
Darragh Meagher, General Counsel & Corporate Secretary  
Rose-Ann Lee, Chief Financial Officer & Treasurer  
Vincent Tong, Chief Development Officer  
Paula Knight, Vice President, Strategic Planning & Communications  
Allen Murray, Vice President, Facilities Management  
John Angkaw, Senior Director, Business Operations  
Ceilidh Wilson, Assistant Corporate Secretary

**Building Investment, Finance and Audit Committee  
Public Minutes**

November 16, 2020

Page 2 of 8

A quorum being present, Ms. Imrie, serving as Chair, called the meeting to order, and Ms. Wilson served as recording secretary.

**ITEM 1 CHAIR'S REMARKS**

---

The Chair welcomed everyone to the BIFAC meeting, noted the Acknowledgement of the Land and notified everyone that due to the need for social distancing to limit the spread of COVID-19, TCHC's holding this BIFAC meeting virtually.

**COVID-19 Update**

TCHC's COVID-19 response is now in its eighth month, and the Chair thanked employees for the exemplary work they are doing to deliver essential services and support TCHC tenants.

Many of TCHC's communities are among the hardest hit by the virus, and employees have stepped up to support tenants who are self-isolating and help agencies deliver food and other essentials to seniors and vulnerable tenants.

In particular, the Chair recognized the contributions of staff who work in TCHC buildings. Given the resurgence of COVID-19 cases, TCHC's maintaining the extended 10-hour shift schedules that are enabling TCHC to deliver enhanced cleaning protocols that are preventing the spread of the virus and keeping people safe.

Lastly, the Chair thanked everyone at the company for setting a good example by following public health advice at work and at home.

**DEPUTATIONS**

---

The following written deputations were received in relation to the following items:

- Item 2F – Internal Audit Update: Q3-2020 (*Cheryl Duggan*)
- Item 2H – Q3 2020 – HoMES Update (*Cheryl Duggan*)
- Item 2I – Q3 2020 – ITS Update (*Cheryl Duggan*)

---

**ITEM 2A APPROVAL OF PUBLIC MEETING AGENDA**

---

*Motion carried* **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC approved the Public meeting agenda for the BIFAC's November 16, 2020.

---

**ITEM 2B CHAIR'S POLL RE: CONFLICT OF INTEREST**

---

The Chair requested members of the BIFAC to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. **No conflicts were declared.**

---

**ITEM 2C CONFIRMATION OF MINUTES OF THE PUBLIC BIFAC MEETING OF SEPTEMBER 14, 2020**

---

*Motion carried* **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC confirmed the above-captioned minutes without amendments.

---

**ITEM 2D REVIEW OF INVESTMENT ADVISORY COMMITTEE CHARTER** BIFAC:2020-65

---

*Motion carried* **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC unanimously approved the Investment Advisory Charter in the form attached to Report BIFAC:2020-65, and forwarded it to the Board of Directors (the "Board") for its approval.

---

**ITEM 2E Q3 2020 PAC AWARDS AND REVENUE CONTRACTS** BIFAC:2020-66

---

*Motion carried* **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-66 for its information.

**Building Investment, Finance and Audit Committee  
Public Minutes**  
November 16, 2020

Page 4 of 8

---

**ITEM 2F      INTERNAL AUDIT UPDATE: Q3-2020      BIFAC:2020-67**

---

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-67 for its information.

---

**ITEM 2G      Q3 2020 – HOMES UPDATE      BIFAC:2020-68**

---

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-68 for its information.

---

**ITEM 2H      Q3 2020 – ITS UPDATE      BIFAC:2020-69**

---

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-69 for its information.

---

**ITEM 2I      UPDATE ON TENANTS FIRST      BIFAC:2020-70**

---

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-70 for its information.

---

**ITEM 2J      UPDATE: ENTERPRISE RISK MANAGEMENT      BIFAC:2020-63**

---

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Macrae and carried, the BIFAC received the information contained in Report BIFAC:2020-63 for its information, and approved amending the BIFAC work plan to move ERM program updates from a quarterly report to a bi-annual report.

Item 2C - Minutes of Public Meeting of November 16, 2020

**ITEM 3 BUSINESS ARISING FROM THE PUBLIC MEETING MINUTES AND ACTION ITEMS UPDATE**

---

*Motion carried* **ON MOTION DULY MADE** by Mr. Macrae, seconded by Ms. Coombs and carried, the BIFAC received the matters reported as Business Arising from the Public Meeting Minutes and Action Items Update for its information.

**ITEM 4A CHANGE ORDER: CONSTRUCTOR SERVICES FOR RECLADDING AT JANE/FALSTAFF** BIFAC:2020-71

---

The above-captioned report (BIFAC:2020-71) was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC.

*Motion carried* **ON MOTION DULY MADE** by Mr. Macrae, seconded by Ms. Coombs and carried, the BIFAC unanimously approved and forwarded to the Board for approval the recommendations outlined in Report BIFAC:2020-71 to:

1. Approve the change order of the work up to \$60,000.00 (exclusive of taxes) to Trinity Services Ltd. for constructor services for recladding at Jane/Falstaff (40 Falstaff Avenue); and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.



---

|                |  |                      |
|----------------|--|----------------------|
| <b>ITEM 4B</b> | <b>CHANGE ORDER: CONTRACT<br/>ADMINISTRATION FOR THE 389<br/>CHURCH STREET RENOVATIONS</b> | <b>BIFAC:2020-72</b> |
|----------------|--|----------------------|

---

The above-captioned report (BIFAC:2020-72) was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC.

*Motion carried*      **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr. Macrae and carried, the BIFAC unanimously approved the recommendations outlined in Report BIFAC:2020-72 to:

1. Approve the change order of the work up to \$169,485.00 (exclusive of taxes) to Hilditch Architect Inc. for contract administration services for the 389 Church Street renovations; and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

---

|                |   |                      |
|----------------|---|----------------------|
| <b>ITEM 4C</b> | <b>2019 FACILITY CONDITION INDEX<br/>REPORT</b> | <b>BIFAC:2020-73</b> |
|----------------|---|----------------------|

---

The above-captioned report (BIFAC:2020-73) was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC. Highlights of the discussion include:

- Congratulations to the team for substantial outperformance of the Facility Condition Index (“FCI”) target.
- Action item: In the 2020 FCI report, Management to include both the FCI projections and actuals to identify any variance between the two.

**Building Investment, Finance and Audit Committee  
Public Minutes**

November 16, 2020

Page 7 of 8

*Motion carried*      **ON MOTION DULY MADE** by Mr. Macrae, seconded by Mr. Smith and carried, the BIFAC received the information contained in Report BIFAC:2020-73 for its information.

**ITEM 5      DIRECT AWARD: MIDNORTHERN APPLIANCE      BIFAC:2020-76**

---

The above-captioned report (BIFAC:2020-76) was circulated to BIFAC members prior to the meeting.

Mr. Angkaw was available to answer questions of the BIFAC. Highlights of the discussion include:

- With this award, appliance prices are very similar to the pricing provided by the incumbent vendor.
- The award is not to replace 50% of appliances in the portfolio, but rather to be the demand vendor for appliance replacement for half of the portfolio.
- The BIFAC requested that the language in the recommendations be amended to indicate that the successful proponent will be the demand vendor for appliance replacement for half of the portfolio.
- This award is to catch up on the backlog of appliance replacements and ongoing requests for half of the portfolio for six months. As of the week before this meeting, there were just over 500 outstanding appliance orders, 90% of which are fridges.
- It has been confirmed that the vendor has the inventory to address the demand.

*Motion carried*      **ON MOTION DULY MADE** by Ms. Coombs, seconded by Mr. Smith and carried, the BIFAC unanimously approved the amended recommendations outlined in Report BIFAC:2020-76 to:

1. Approve the direct award to The Brick Warehouse LP, doing business as Midnorthern Appliance (“Midnorthern”), for \$950,000 before taxes, to serve as the demand supplier for installation of appliances to one-half of the

portfolio for a six (6) month term; and

2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**TERMINATION**

---

The public meeting terminated at 9:46 a.m.

---

Secretary

---

Chair, Building Investment,  
Finance & Audit Committee



## Internal Audit Update: Q4-2020

Item 2D

February 5, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-06**

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

**From:** Manager, Internal Audit

**Date:** January 12, 2021

### PURPOSE:

The purpose of this report is to provide BIFAC with an update on the work conducted by the Internal Audit Department ("IAD") up to December 31, 2020.

### RECOMMENDATION:

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

### REASONS FOR RECOMMENDATION:

#### Background:

#### Q4-2020 Work Plan Update:

The Q4-2020 Work Plan Update is set out in Attachment 1 to this report. There are three tables, as follows:

- 1) **Table 1 - Status of 2020 Projects:** New engagements that were completed or substantially completed in 2020;
- 2) **Table 2 - Status of Standing Items:** Engagements that are being completed every year;
- 3) **Table 3 - Other Items:** Other Internal Audit activities not categorized as New Projects or Standing Items (above).

**Resource Requirements**

We believe we have the resources available to complete all engagements for the year 2020 as detailed in the Q4-2020 Work Plan Update.

**IMPLICATIONS AND RISKS:**

IAD will provide BIFAC with quarterly updates on the status of the Internal Audit engagements.

**SIGNATURE:**

*“Karim Jessani”*

---

Karim Jessani  
Manager, Internal Audit

**ATTACHMENT:**

1. December 31, 2020 Internal Audit Department Work Plan Update.

**STAFF CONTACT:**

Karim Jessani, Manager, Internal Audit  
416-981-4052  
Karim.Jessani@torontohousing.ca

Amyn Bhayani, Internal Audit Analyst  
416-688-6767  
Amyn.Bhayani@torontohousing.ca

**Attachment 1 - December 31, 2020 Internal Audit Department Work Plan Update**

| Audit Engagement                         | Description  | Potential Risk   | Alignment with ERM Priority Risks  | Division    | December 31, 2020 Update   | % completion as of December 31st |
|--|--|--|--|-------------|--|----------------------------------|
| <b>Table 1 - Status of 2020 Projects</b> |  |  |  |             |  |                                  |
| Insurance Coverage & Claims Review       | A review of the adequacy of insurance coverage and claims management.    | <ul style="list-style-type: none"> <li>&gt; Company assets are inadequately insured.</li> <li>&gt; Insurance claims are not filed on a timely basis.</li> </ul>  | <ul style="list-style-type: none"> <li>5- Operational Process</li> <li>17- Non-compliance with legislations &amp; regulations</li> </ul> | Legal (ERM) | Completed. Final Audit Report with Management Action Plan being presented to BIFAC on February 05, 2021.   | Completed                        |
| IT Asset Management Review               | A review of ITS processes to manage IT assets.                           | <ul style="list-style-type: none"> <li>&gt; IT assets are inadequately inventoried and managed.</li> <li>&gt; IT assets' lifecycle is not optimized.</li> </ul>  | <ul style="list-style-type: none"> <li>1- Information Technology Systems</li> <li>5- Operational Process</li> </ul>                      | ITS         | Initial planning completed and fieldwork started during Q3 2020. Due to resource reprioritization towards other projects (see Management's Request section below), audit will be completed during Q1 2021. | 35%                              |
| Hiring and Onboarding Review             | A review of HR end to end hiring and onboarding process.                 | <ul style="list-style-type: none"> <li>&gt; Hiring policies and procedures are not followed.</li> <li>&gt; Applicable legislative compliance is not achieved.</li> <li>&gt; Suboptimal onboarding process.</li> </ul>  | <ul style="list-style-type: none"> <li>6- HR Process</li> <li>17- Non-compliance with legislations &amp; regulations</li> </ul>          | HR          | Completed. Final Audit Report with Management Action Plan being presented to BIFAC on February 05, 2021.   | Completed                        |
| Payroll Process Review                   | A review of HR payroll process including Public Sector Salary Disclosure | <ul style="list-style-type: none"> <li>&gt; Payroll policies and procedures are not followed.</li> <li>&gt; Applicable legislative compliance is not achieved.</li> <li>&gt; Inaccurate payroll processing.</li> </ul> | <ul style="list-style-type: none"> <li>6- HR Process</li> <li>17- Non-compliance with legislations &amp; regulations</li> </ul>          | HR          | Initial planning completed and fieldwork started during Q4 2020. Due to resource reprioritization towards other projects (see Management's Request section below), audit will be completed during Q1 2021. | 43%                              |

| Audit Engagement                                       | Description   | Potential Risk   | Alignment with ERM Priority Risks | Division | December 31, 2020 Update  | % completion as of December 31st |
|--|---|--|-----------------------------------|----------|---|----------------------------------|
| Continuous Controls Monitoring (CCM) Follow-up Project | Data analytics to identify unusual transactions/trends and identifying areas where internal controls can be strengthened. | IAD is a small team with 2 corporate audit analysts and one manager to audit all the risks in the organization. CCM provides an efficient and effective means to focus on high or medium risk areas. | 5- Operational Process            | Various  | Follow-up in progress for the actions taken based on analysis conducted during 2019. Project will be completed in conjunction with 2021 CCM project.  | 61%                              |
| Management's request                                   | Special assignment requests. Due to the recent restructuring, we expect assignments in various business areas.            | Various  | Various                           | Various  | <ol style="list-style-type: none"> <li>1. Reviewed Appliances related processes to evaluate adequacy of internal controls and operational efficiency. Draft report is being finalized to obtain management's action plan.</li> <li>2. Overhoused process analysis performed to identify RGI overhoused households where overhoused process was not followed. Results and findings were presented to the Management.</li> <li>3. Market rent table analysis for DM and CM properties was performed to identify households where Annual Rent Increase Guideline was not followed. Results and findings were presented to the Management.</li> <li>4. Utility charges were analyzed for consistency. Results and findings were presented to the Management.</li> <li>5. Supported Investigations Unit on request received from SSHA on files referred by AG's office.</li> <li>6. Following analysis are in progress: <ul style="list-style-type: none"> <li>- Arrears analysis for DM &amp; CM.</li> <li>- Data analysis on units transferred from CM to DM.</li> </ul> </li> </ol> | Ongoing                          |

| Audit Engagement  | Description   | Potential Risk  | Alignment with ERM Priority Risks  | Division   | December 31, 2020 Update   | % completion as of December 31st |
|---|---|---|--|------------|--|----------------------------------|
| <b>Table 2 - Status of Standing items</b>   |   |   |  |            |  |                                  |
| Follow Up on the Implementation of Recommendations from Previous Internal Audit Reports | This is the review of the status of recommendations made in previous Internal Audit reports including reviewing supporting audit evidence. BIFAC will be provided 2 status updates during the year.                         | The risks identified in the initial audits are now known but not adequately mitigated.  | Various  | Various    | Follow-up is ongoing with process owners for open recommendations.<br>Status update on audit recommendations, as of Dec 31, 2020 will be presented in March 2021 BIFAC meeting.  | 87%                              |
| RGI continuous auditing   | This includes:<br>> PwC / KPMG RGI Review<br>> Future Dated Review<br>> Contract Management Review - New samples.<br>> Contract Management Review - Follow-up samples.<br>> Special requests such as from AG's office, etc. | The External Auditors identified a significant financial risk in 2015 in relation to the accuracy of the RGI calculation. Management set up a program in 2016 and then transferred this function to IAD in February 2017. Now the 3-member RGI team performs various RGI related reviews throughout the year. | 5- Operational Process<br>10- Brand and Reputation<br>12- Records Management<br>16- Operational Funding<br>17- Non-Compliance with Legislation & Regulations | Operations | - Following projects were completed during the period:<br>1. External Auditor RGI Review (2019 RGI Audit)<br>2. Contract Management Review - New samples.<br>3. Contract Management Review - Follow-up samples.<br><br>Summary of Internal Audit findings on 2020 CM review (items 2 & 3 above) was presented to Senior Director, Business Operations.<br>We also arranged a debrief session with Greenwin staff to provide feedback based on our CM Reviews (items 2 & 3 above).<br><br>External Auditor RGI Review (2020 RGI Audit):<br>Coordinating with the External Auditor (KPMG) for RGI Review (2020 RGI Audit). Information requested by KPMG was provided and awaiting their response.<br>Future Dated Review: Future Dated Review was suspended due to COVID -19. | 96%                              |



| Audit Engagement  | Description  | Potential Risk  | Alignment with ERM Priority Risks                           | Division | December 31, 2020 Update   | % completion as of December 31st |
|---|--|---|---|----------|--|----------------------------------|
| Information Technology and other Advisory Services        | As and when requested, the Manager, Internal Audit will participate on Committees for IT projects or procurement of various IT assets to provide independent and objective advisory services.  | TCHC is going through a company-wide transformation by procuring an Enterprise Resource Planning system to replace more than 30 legacy systems. The risks are: change management; time, budget and scope creep. | 1- Information Technology Systems<br>5- Operational Process | ITS      | Internal Audit provided feedback on the following during the year:<br>1. Queries received from iHMS Business Lead related to HoMES project; and<br>2. New Arrears Collection Process being developed by the Working Group. | Ongoing                          |
| Annual Audit Plan, Rolling Plan & Risk Assessment refresh | The Manager, Internal Audit will revisit operational risks and will update it to reflect current processes and other factors in the organization. This would be done in consultation with ERM and will be used to prepare the Annual Audit Plan for 2021 and to update the Rolling Plan for 2022-24. | IAD's workplan should align with the corporation's priorities. By performing this operational risk assessment refresh, IAD ensures that its services yield value to the Management.                             | 19- Strategic Alignment                                     | Various  | Internal Audit Work Plan for 2021 and Rolling Plan for 2022-24, being presented to BIFAC on February 05, 2021, for approval.   | Completed                        |

| Audit Engagement | Description | Potential Risk | Alignment with ERM Priority Risks | Division | December 31, 2020 Update | % completion as of December 31st |
|------------------|-------------|----------------|-----------------------------------|----------|--------------------------|----------------------------------|
|------------------|-------------|----------------|-----------------------------------|----------|--------------------------|----------------------------------|

**Table 3 - Other Items**

|                          |   |  |  |  |         |  |
|--------------------------|---|--|--|--|---------|--|
| BIFAC Status Reporting   | Quarterly status update to BIFAC providing progress on Annual Audit Plan. |  |  |  | Ongoing |  |
| Internal Audit Manual    | To guide the Corporate & RGI Audit Teams.                                 |  |  |  | Ongoing |  |
| Document Standardization | To guide all IAD team members and promote audit efficiencies.             |  |  |  | Ongoing |  |
| Staffing, training, etc  | Ongoing.  |  |  |  | Ongoing |  |

**Note: Time commitment for each of the above item varies depending upon the stage of completion, etc.**



## Q4 PAC Awards and Revenue Contracts

Item 2E

February 5, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2021-07

**To:** Building Investment, Finance & Audit Committee (“BIFAC”)

**From:** General Counsel and Corporate Secretary

**Date:** January 5, 2021

### PURPOSE:

The purpose of this report is to notify the BIFAC of the Procurement Awards Committee (“PAC”) awards in Q4 2020 and revenue contracts between \$500,000 and \$5,000,000 entered into in Q4 2020.

### RECOMMENDATIONS:

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

### REASONS FOR RECOMMENDATIONS:

#### PAC Awards

According to the PAC Charter, PAC shall report all contract awards, approvals and change orders up to \$2.5 million (exclusive of taxes) to BIFAC. The contracts and change orders approved by PAC in Q4 2020 are listed in Attachment 1.

#### Revenue Contracts

Pursuant to Bylaw No. 3, revenue contracts between \$500,000 and \$5,000,000 shall be reported to the Board on a quarterly basis.

The following commercial leases were entered into between TCHC and commercial tenants in Q4 2020:

| <b>Commercial Tenant</b>                      | <b>Term</b> | <b>Value</b> |
|---|-------------|--------------|
| 12234599 Canada Inc. o/a<br>Amata Gyro        | 10 years    | \$762,635.75 |
| 2510843 Ontario Inc., o/a<br>"SmoQue N Bones" | 15 years    | \$855,290.04 |

**IMPLICATIONS AND RISKS:**

Reporting of PAC awards and revenue contracts on a quarterly basis is in compliance with the PAC Charter and Bylaw No. 3, respectively.

**SIGNATURE:**

*"Darragh Meagher"*

---

Darragh Meagher  
General Counsel and Corporate Secretary

**ATTACHMENT:**

1. Q4 2020 PAC Awards

**STAFF CONTACT:**

Darragh Meagher, General Counsel and Corporate Secretary  
416-981-4241  
Darragh.Meagher@torontohousing.ca

## Attachment 1: Q4 2020 Procurement Awards Committee Awards

| Meeting Date  | RFX #        | # of Bids Submitted | # of Envelopes Opened | Total of Winning Bids (excl. taxes) | Procurement Category   | Winning Vendor(s)                        | Contract Term     | Location(s)               | TCHC Division              |
|---------------|--------------|---------------------|-----------------------|-------------------------------------|--|--|-------------------|---------------------------|----------------------------|
| Oct. 14, 2020 | RFQ 20224-PP | 3                   | 3                     | \$575,000.00                        | Accessibility Ramp & Waterproofing   | Joe Pace & Sons Contracting Inc.         | May 2021          | 931 Yonge Street          | Facilities Management (FM) |
| Oct. 14, 2020 | RFQ 20227-PP | 9                   | 7                     | \$512,750.00                        | Parking Garage Repairs   | Amlin Contracting Ltd.                   | June 2021         | 80 Blake Street           | FM                         |
| Oct. 14, 2020 | RFP 20173-PP | 9                   | 5                     | \$752,400.00                        | Accessibility Common Area Upgrades   | Joe Pace & Sons Contracting Inc.         | February 2022     | 75 Tandridge Crescent     | FM                         |
| Oct. 14, 2020 | RFP 20142    | 4                   | 2                     | \$739,971.60                        | Integrated Service Delivery Training   | Humber College                           | March 2021        | n/a                       | Human Resources (HR)       |
| Oct. 28, 2020 | RFP 20123-PP | 19                  | 12                    | \$611,985.00                        | Construction Services for Interior Improvements Including a New Tenant Service Hub | Richview Renovation and Restoration Ltd. | April 2021        | 155 Sherbourne Street     | FM                         |
| Oct. 28, 2020 | Change Order | n/a                 | n/a                   | \$156,230.00                        | Additional Galvanized Pipe and Valve Replacement                                   | Summit Building Solutions Inc.           | November 30, 2020 | 1420 Victoria Park Avenue | FM                         |

*Note: This report only includes contract awards approved by the Procurement Award Committee where the PAC (PAC) has full delegated authority from the Board to award the contract, in line with the PAC Charter. PAC also approves contracts above their approval authority limit for recommendation to BIFAC for final approval. Those awards are not included in this table, as BIFAC is the final approving authority for those contracts.*

| Meeting Date  | RFX #        | # of Bids Submitted | # of Envelopes Opened | Total of Winning Bids (excl. taxes) | Procurement Category   | Winning Vendor(s)                    | Contract Term | Location(s)   | TCHC Division |
|---------------|--------------|---------------------|-----------------------|-------------------------------------|--|--------------------------------------|---------------|---|---------------|
| Oct. 28, 2020 | RFP 20131    | 1                   | 1                     | \$1,960,449.56                      | Pressure Vessels Inspections and Relining of Storage Tanks                         | Hydrastone Industrial Coatings Inc.  | December 2023 | Multiple locations  | FM            |
| Oct. 28, 2020 | RFP 20123-PP | 19                  | 12                    | \$367,381.00                        | Construction Services for Interior Improvements Including a New Tenant Service Hub | Joe Pace & Sons Contracting Inc.     | March 2021    | 30 Driftwood Court  | FM            |
| Nov. 12, 2020 | RFP 20184-PP | 11                  | 7                     | \$996,700.00                        | Heating & Chiller Plant Retrofit   | Bomben Plumbing & Heating Ltd.       | December 2021 | 140 The Esplanade   | FM            |
| Nov. 12, 2020 | RFP 20215    | 2                   | 1                     | \$1,046,083.50                      | Sump Pump and Cold Water Booster Pumps Preventative Maintenance                    | Butt's Pumps & Motors Ltd.           | December 2023 | Multiple locations  | FM            |
| Nov. 12, 2020 | RFQ 20240    | 4                   | 3                     | \$638,000.00                        | Replacement of Fire Pump Packaged Assembly – Group 1                               | Greater Toronto Fire Protection Ltd. | June 2021     | <ul style="list-style-type: none"> <li>• 10 Humberline Drive</li> <li>• 20 Falstaff Avenue</li> <li>• 30 Falstaff Avenue</li> <li>• 40 Falstaff Avenue</li> </ul> | FM            |

*Note: This report only includes contract awards approved by the Procurement Award Committee where the PAC (PAC) has full delegated authority from the Board to award the contract, in line with the PAC Charter. PAC also approves contracts above their approval authority limit for recommendation to BIFAC for final approval. Those awards are not included in this table, as BIFAC is the final approving authority for those contracts.*

| Meeting Date  | RFX #        | # of Bids Submitted | # of Envelopes Opened | Total of Winning Bids (excl. taxes) | Procurement Category  | Winning Vendor(s)                        | Contract Term | Location(s)  | TCHC Division |
|---------------|--------------|---------------------|-----------------------|-------------------------------------|---|--|---------------|--|---------------|
| Nov. 12, 2020 | RFQ 20240    | 4                   | 3                     | \$664,485.00                        | Replacement of Fire Pump Packaged Assembly – Group 2        | Zerem Electrical Services Ltd.           | June 2021     | <ul style="list-style-type: none"> <li>• 50 Tuxedo Court</li> <li>• 35 Shoreham Court</li> <li>• 2765 Islington Avenue</li> <li>• 2 Brahms Avenue</li> </ul>   | FM            |
| Nov. 12, 2020 | RFQ 20240    | 4                   | 3                     | \$666,252.00                        | Replacement of Fire Pump Packaged Assembly – Group 3        | Zerem Electrical Services Ltd.           | June 2021     | <ul style="list-style-type: none"> <li>• 10 Gordonridge Place</li> <li>• 30 Gordonridge Place</li> <li>• 1021 Birchmount Avenue</li> <li>• 6 Glamorgan Avenue</li> </ul>                               | FM            |
| Nov. 12, 2020 | RFQ 20240    | 4                   | 3                     | \$840,673.50                        | Replacement of Fire Pump Packaged Assembly – Group 4        | Zerem Electrical Services Ltd.           | June 2021     | <ul style="list-style-type: none"> <li>• 90 Mornelle Court</li> <li>• 110 Mornelle Court</li> <li>• 4110 Lawrence Avenue East</li> <li>• 2180 Ellesmere Road</li> <li>• 2190 Ellesmere Road</li> </ul> | FM            |
| Nov. 12, 2020 | RFQ 20123-PP | 19                  | 12                    | \$626,723.00                        | Construction Services for Interior Improvements Including a | Richview Renovation and Restoration Ltd. | February 2021 | 460 Jarvis Street  | FM            |

*Note: This report only includes contract awards approved by the Procurement Award Committee where the PAC (PAC) has full delegated authority from the Board to award the contract, in line with the PAC Charter. PAC also approves contracts above their approval authority limit for recommendation to BIFAC for final approval. Those awards are not included in this table, as BIFAC is the final approving authority for those contracts.*

| Meeting Date  | RFX #        | # of Bids Submitted | # of Envelopes Opened | Total of Winning Bids (excl. taxes) | Procurement Category   | Winning Vendor(s)                        | Contract Term      | Location(s)   | TCHC Division |
|---------------|--------------|---------------------|-----------------------|-------------------------------------|--|--|--------------------|---|---------------|
|               |              |                     |                       |                                     | New Tenant Service Hub   |  |                    |   |               |
| Nov. 12, 2020 | RFQ 20123-PP | 19                  | 12                    | \$537,033.00                        | Construction Services for Interior Improvements Including a New Tenant Service Hub | Richview Renovation and Restoration Ltd. | January 2021       | 200 Wellesley Street  | FM            |
| Dec. 10, 2020 | RFP 20229-PP | 5                   | 2                     | \$642,191.80                        | Supply and Installation of In-Suite Electrical Sub-Metering Systems – Group 1      | Smith and Long Limited                   | March 2021         | <ul style="list-style-type: none"> <li>• 325 Bleecker Street</li> <li>• 275 Bleecker Street</li> <li>• 10 Humberline Drive</li> <li>• 855 Roselawn Avenue</li> <li>• 91 Augusta Avenue</li> </ul> | FM            |
| Dec. 10, 2020 | Change Order | n/a                 | n/a                   | \$18,210.00                         | Replacement of Radiators   | The Atmospheric Fund                     | December 2021      | 101 & 121 Kendleton Drive   | FM            |
| Dec. 10, 2020 | RFP 20123-PP | 19                  | 12                    | \$587,383.54                        | Construction Services for Interior Improvements Including a New Tenant Service Hub | Cypruss Contracting Inc.                 | September 30, 2021 | 1275 Danforth Avenue  | FM            |

*Note: This report only includes contract awards approved by the Procurement Award Committee where the PAC (PAC) has full delegated authority from the Board to award the contract, in line with the PAC Charter. PAC also approves contracts above their approval authority limit for recommendation to BIFAC for final approval. Those awards are not included in this table, as BIFAC is the final approving authority for those contracts.*



| Meeting Date                                   | RFX #        | # of Bids Submitted | # of Envelopes Opened | Total of Winning Bids (excl. taxes) | Procurement Category   | Winning Vendor(s)          | Contract Term | Location(s)        | TCHC Division |
|--|--------------|---------------------|-----------------------|-------------------------------------|--|----------------------------|---------------|--------------------|---------------|
| Dec. 10, 2020                                  | RFP 20123-PP | 19                  | 12                    | \$573,467.46                        | Construction Services for Interior Improvements Including a New Tenant Service Hub | Martinway Contracting Ltd. | March 2021    | 20 Vanauley Street | FM            |
| <b>Q4 Total PAC Committee Awards Approved:</b> |              |                     |                       | <b>\$13,513,369.96</b>              | <b>20 awards</b>   |                            |               |                    |               |

*Note: This report only includes contract awards approved by the Procurement Award Committee where the PAC (PAC) has full delegated authority from the Board to award the contract, in line with the PAC Charter. PAC also approves contracts above their approval authority limit for recommendation to BIFAC for final approval. Those awards are not included in this table, as BIFAC is the final approving authority for those contracts.*



## Q4 2020 Update on Tenants First

Item 2F

February 5, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-08**

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

**From:** Director, Strategic Planning & Stakeholder Relations

**Date:** January 5, 2021

### **PURPOSE:**

The purpose of this report to provide the BIFAC with an update on the City’s Tenants First process.

### **RECOMMENDATION:**

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

### **BACKGROUND**

#### **Item History**

Management reported to the BIFAC at its November 16, 2020 meeting and provided an overview of Council’s most recent report, *EX17.2 – Implementing Tenants First: 2020 Action Updates*.

<https://www.torontohousing.ca/events/Documents/BIFAC/2020%20BIFAC/November%2016%202020%20BIFAC/Item%2021%20-%20Tenants%20First%20update%20-%20Nov%2016,%202020%20Final.pdf>

## **Overall TCHC-City Coordination Process**

TCHC Management and the City's Tenants First team continue to work closely together on this project. The Executive Oversight Table continues to meet monthly, chaired jointly by CEO Kevin Marshman and City Manager Chris Murray. This table oversees progress and works with staff to remove barriers to project success.

## **Development**

In July 2019, City Council approved, in principle, the transfer of TCHC's development function to CreateTO and/or the City and directed TCHC to work with the City and CreateTO to conduct the necessary due diligence for the transfer. The City's due diligence report on the transfer was targeted for Q4 2019, however City staff determined that additional time was required to fully assess the various options for the organizational structure of the development functions being transferred. The due diligence process was paused during COVID-19 and has since resumed. The timing for reporting back to City Council has not yet been confirmed. City staff have informed us that we will hear more with regards to timing in January 2021.

## **Council Report: *Implementing Tenants First: 2020 Action Updates***

The report *EX 17.2 – Implementing Tenants First: 2020 Action Updates* was adopted by City Council without debate on October 27, 2020. The report included recommendations in several areas:

- Updated Shareholder Direction for TCHC
- Integrated Service Model implementation
- Seniors Housing Corporation
- Office of the Commissioner of Housing Equity
- Asset transfer process and RFP for scattered houses

The remainder of this report provides an update on the ongoing work in each of these areas.

## Updated Shareholder Direction for TCHC

Staff from the City's Tenants First Team, City Legal, Shelter Support and Housing Administration and the City Manager's Office have been meeting regularly with staff from TCHC to review and revise the current Shareholder Direction. Updates will focus on ensuring that language and references are updated, that the Shareholder Direction appropriately reflects direction from

Council to TCHC, and provides clarity on TCHC's mandate to deliver social housing as the City's Local Housing Corporation.

#### Integrated Service Model ("ISM") Implementation

As directed by Council, the business case and continued allocation of resources to the Seniors Housing Unit ("SHU") for the ISM was presented at the December 15, 2020 Board meeting as part of the overall budget package.

The objectives of the ISM are to promote aging in place, better quality of life, and successful tenancies for tenants living in TCHC seniors-designated buildings. The ISM's key features include increased staff to tenant ratios, better coordinated access to health services and supports through the Local Health Integration Network and community partners, and seniors health and wellness hubs. Phase 1 of the ISM rollout began in 18 buildings in the South East Region on December 11, 2020 with the subsequent Phase 2 to proceed in two additional regions (West and Downtown) starting in late 2021 and Phase 3 in the final two regions (Central and North East) in 2022.

The SHU has begun implementation of new staff for Phase 1 of the ISM, including the new Seniors Services Coordinators and other roles, and additional staff will be on-boarded in January and February 2021. As well, the SHU has continued reviewing partnership agreements and is working with partners to develop specific programs and services under the ISM. The SHU will also continue developing and aligning policy and processes to the ISM.

The Senior Tenants Advisory Committee ("STAC") is now operational and held its first meeting on December 14, 2020. The STAC is a forum for Seniors Housing tenants to share ideas, provide advice and feedback and support tenant outreach and engagement in support of the ISM. The STAC will be co-led by the SHU and Seniors Services & Long Term Care division at the City, and is comprised of 13 Seniors Housing tenant members.

A Tenant Experience Survey was completed in November 2020 with tenants in the 18 South East region buildings to collect base data to enable measuring ISM performance over the first year. Over 1,200 responses were received (a 43% response rate), which provides an extensive dataset of tenant input from across the region. The results are being consolidated and

will be analyzed in Q1 2021 with the support of Sunnybrook Research Institute and will be reported back by spring 2021.

In Q1 2021, Sunnybrook Research Institute will be holding virtual focus group consultations for tenants (up to 80) in the South East Region and the SHU will continue planning for implementation of the first Seniors Health & Wellness Hub in the South East Region as well.

#### Seniors Housing Corporation Timeline

City staff and TCHC staff are meeting regularly to complete the work required for the creation of the Seniors Housing Corporation (“SHC”). The areas of focus include:

- Shared services
- Review of contracts and vendor agreements
- Shareholder Direction for the SHC
- Operating Agreement for the SHC
- Review of estimated costs of transition and implementation of the SHC

The report back to Council on the recommended timelines for the creation of the Seniors Housing Corporation has been set spring 2021. The timeline will consider the impact of COVID-19 on the City's ability to create the new corporation. This timeline does not impact the implementation of the ISM, nor does it signal any delay in the preliminary work that will support the creation of the new corporation.

#### Office of the Commissioner of Housing Equity (“OCHE”)

The City, OCHE, and TCHC are in discussions to identify the best mandate, governance and location of the OCHE going forward, in the context of the creation of the SHU. Staff are focused on ensuring that the important work that the OCHE does, in the support of vulnerable and senior tenants to preserve their tenancies, is maintained and included in the new SHU. The goal is to ensure good governance, excellence in service, clear lines of accountability and that the office’s work is supported appropriately.

#### Scattered Properties Request for Proposal (“RFP”) Process and Transfers

Following the approval from Council of the identified proponents for the scattered houses RFP, TCHC and the City have entered into a due diligence process related to the proponents’ Best and Final Offers. Following that period, which ends in early January, we will enter into a 30

day formal negotiation period. At the close of the negotiation, if successful, TCHC will execute the agreements of purchase and sale with the successful proponents. The transfers will close after the negotiated due diligence period is completed and the City has finalized Social Housing Agreements with the proponents.

### **IMPLICATIONS AND RISKS:**

TCHC is undertaking these actions related to the transfer of the scattered houses in accordance with directions from City Council. It is recognized and accepted by TCHC that the full portfolio of scattered houses will not be sold at fair market value and management is supportive of moving ahead with the transfers.

### **SIGNATURE:**

*“Lindsay Viets”*

---

Lindsay Viets  
Director, Strategic Planning & Stakeholder Relations

### **STAFF CONTACTS:**

Karen Gomez, Business Planner Strategic Planning and Stakeholder Relations

(416) 688-8457

Karen.Gomez@torontohousing.ca

Jill Bada, General Manager, Seniors Housing Unit

(416) 981-4548

Jill.Bada@torontohousing.ca



## April 2021 Loan Renewal with City of Toronto

Item 2G

February 5, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2020-09

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

**From:** Chief Financial Officer & Treasurer

**Date:** January 11, 2021

### PURPOSE:

The purpose of this report is to seek approval from the BIFAC and the Board of Directors (the "Board") to renew a loan with the City of Toronto ("the City") that will expire on April 1, 2021.

### RECOMMENDATIONS:

It is recommended that the BIFAC approve the following and forward to the Board for their approval:

1. Approve the renewal of the loan amount of \$ 602,812.42 with the City of Toronto; and
2. Authorize the President and Chief Executive Officer or the Chief Financial Officer & Treasurer to take necessary actions, including negotiation and execution of such documentation as may be required, in order to give effect to the above recommendation.

**REASONS FOR RECOMMENDATIONS:**

The original loan amount was \$1,248,000.00 and started in 2006 as a 15 year term loan with 25 year amortization. The interest rate was 2.75%. Pursuant to the loan agreement, TCHC has an option to renew the loan for a further term of 10 years. The interest rate for the renewal term will be determined on the renewal date.

The terms of the loan renewal are subject to approval by the City. Once the approval is obtained, finalizing the renewal with the City is targeted for Q1 2021.

**IMPLICATIONS AND RISKS:**

There are no significant additional implications or risks as a result of the City loan renewal.

**SIGNATURE:**

*“Rose-Ann Lee”*

\_\_\_\_\_  
Rose-Ann Lee  
Chief Financial Officer & Treasurer

**ATTACHMENTS:**

**Confidential Attachment 1:** Summary of City Loan Details

**Reason for Confidential Attachment:**

Matters that are not required to be disclosed under the *Municipal Freedom of Information and Protection of Privacy Act*, including but not limited to a proposed or pending transaction with a third party.



**STAFF CONTACTS:**

Rose-Ann Lee, Chief Financial Officer & Treasurer  
416-981-4316  
Rose-Ann.Lee@torontohousing.ca

Tony Zhu, Manager, Treasury  
416-981-4043  
Tony.Zhu@torontohousing.ca



## Information Technology Services Report: Q4 Update

Item 2H

February 5, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2021-12

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

**From:** Vice President, Information Technology Services ("ITS")

**Date:** January 8, 2021

### PURPOSE:

The purpose of this report is to provide an update to BIFAC on Information Technology Services for the period of Q4 2020.

### RECOMMENDATION:

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

### REASONS FOR RECOMMENDATION:

### SUMMARY:

This report covers the period of October 1, 2020 to December 31, 2020. The ITS team continued to execute the balance of the 2020 IT Divisional plan (revised in May 2020) and this plan largely remained on track. The ITS leadership team finalized the 2021 ITS Divisional plan in Q4. A town hall meeting will be held with all ITS staff at the end of January to celebrate successes of 2020 and introduce the team to the 2021 ITS Divisional Plan. An overview of the team's activities in the fourth quarter of 2020 are outlined below in three categories.

**Keep the Lights On (“KTLO”):** This category outlines all the activities required to ensure that the business remains up and running. These activities include actioning any issues impacting business operations as they arise or fulfilling standard requests from the business, such as setting up new shared folders or onboarding a new employee.

In the fourth quarter of 2020, the ITS team responded to and resolved 3,245 incidents. When compared to 2019, ITS has seen an increase of more than 105% of incidents from the same period in 2019 (1,580). Approximately 43% of the incidents were issues under the category of Software and Applications (1,380).

In total for 2020, ITS received 11,524 incidents as compared to 6,382 in 2019. The majority of the increase in incident calls came in the second half of the year and were anticipated.

The increase in the number of incidents year-over-year can be attributed to the following four factors:

- TCHC is focused on replacing End of Life (“EOL”) applications and an increase in the number of incidents reflects expected issues from users when adopting new applications including the first Yardi modules implemented in July 2020.
- New technologies implemented to support cybersecurity.
- In the fourth quarter, a considerable number of changes were made to the data and workflows within our current tenancy management applications to support operations and the conversion of contract managed buildings in the west to direct managed. While the changes were in progress, ITS saw an increased number of calls from users seeking clarification or correction to the changes.
- Challenges with employees adopting to working remotely requiring assistance from ITS
- Network and WebEx issues experienced in the March to May timeframe

In the fourth quarter of 2020, the ITS team responded to and completed 4,915 requests. This is an increase of approximately 56% over the same period in 2019 (3,144). In total for 2020, the ITS team responded to and completed 17,838 requests as compared to 13,150 in 2019.

The increase in the number of requests year-over-year can be attributed to four factors:

- COVID-19 requests to support remote working including requests for laptops, cellphones, monitors and other equipment
- Operations restructuring. The movement of employees between regions generates a request to update workflows, access and core employee information in Active Directory such as region and/or title.
- Requests for access to Yardi post-go live, requests for new reporting, and requests for configuration updates to workflows.
- Onboarding of new staff as a result of the transition of buildings in the west from contract managed to direct managed.

**Information Technology Services Led Initiatives:** Information Technology Services led projects initiated in 2021 are part of ITS long-term technology roadmap and include the modernization of many of TCHC's end of life technologies. Information Technology Services projects in 2020 are, for the most part, multi-year initiatives with specific milestones scheduled for completion in 2020. Major accomplishments for Q4 include the completion of a significant milestone within the Unified Communication and Collaboration project ("UCC"). All of the network activities and hardware installations were completed to support this new technology and the team is ready to deploy the technology to a cross functional pilot team. Users across various business units will participate in a multi-week pilot in February 2021. Once this pilot is completed, the full rollout of UCC will commence across the TCHC portfolio. This technology will introduce new collaboration tools to employees and further enhance remote working.

**Business Led Initiatives:** The ITS team continues to support the organization in the implementation of new technologies. In Q4, the ITS team primarily focused on four initiatives:

- Operations Restructuring
- Contract to Direct Managed Transition
- HoMES Project
- COVID-19 Health Screening
  - In October 2020, ITS partnered with Health and Safety to deploy a mobile Health Screening tool. This new COVID-19 tool was implemented in a seven week timeframe.

**SIGNATURE:**

*“Luisa Andrews”*

---

Luisa Andrews  
Vice President, Information Technology Services

**STAFF CONTACT:**

Luisa Andrews, VP IT Services  
416-981-5012  
Luisa.andrews@torontohousing.ca



**Report on Business Arising from Public Meeting Minutes**  
**BIFAC Action Item List**

| <b>Report No. and Meeting Date</b>   | <b>Description</b>  | <b>Status</b> | <b>Target Date</b>                                    | <b>Assigned To</b>                              |
|--|---|---------------|---|---|
| <b>1. BIFAC:2019-100</b><br>November 20, 2019  | <b>HoMES Project Update</b><br><br>Management to provide report outlining impact of new IT software on TCHC's business, on staff and tenants, and anticipated efficiencies to be created.   | In progress   | November 3, 2021 (as part of Q3 HoMES project update) | Vice President, Information Technology Services |
| <b>2. BIFAC:2019-102</b><br>November 20, 2019  | <b>Seniors Housing Unit</b><br><br>Management to provide a presentation, in conjunction with City staff, at a future BIFAC meeting as to the manner in which the implementation of the Seniors Housing Corporation will impact TCHC's staffing model and the services that are provided to impacted senior tenants. | In progress   | May 18, 2021  | General Manager, Seniors Housing Unit           |
| <b>3. BIFAC:2020-34</b><br>September 14, 2020<br><br><b>BIFAC:2020-73</b><br>November 16, 2020 | <b>Status of Facility Condition Index ("FCI")</b><br><br>The Vice President, Facilities Management to provide the BIFAC with a 2020 year-end report outlining where we are and where we plan to be in   | In progress   | May 18, 2021  | Vice President, Facilities Management           |

| Report No. and Meeting Date | Description   | Status | Target Date | Assigned To |
|-----------------------------|---|--------|-------------|-------------|
|                             | <p>terms of lowering FCI throughout the portfolio as a result of the 10-year capital plan.</p> <ul style="list-style-type: none"><li>• In the 2020 FCI report, Management to include both the FCI projections and actuals to identify any variance between the two.</li></ul> |        |             |             |



## 2021 Internal Audit Work Plan

Item 4

February 5, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-10**

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

**From:** Manager, Internal Audit

**Date:** January 12, 2021

### PURPOSE:

The purpose of this report is to provide the BIFAC with a plan for utilization of the Internal Audit Department resources in 2021.

This plan is presented in the "2021 Internal Audit Work Plan" (Attachment 1) and referred throughout the rest of this report as the "2021 Work Plan".

### RECOMMENDATIONS:

It is recommended that the BIFAC approve the 2021 Work Plan as presented in Attachment 1.

### REASONS FOR RECOMMENDATIONS:

#### Background

Each year, BIFAC approves Internal Audit's Work Plan as per section *F Internal Audit, Accounting Systems and Internal Controls* of the BIFAC Charter, which describes one of BIFAC's responsibilities as: "*Reviewing and approving the Internal Audit work plans...*"

The 2021 Work Plan was prepared considering the available staffing resources and the following:



- 1) Collaboration with the ERM department, keeping in view the top 10 organizational risks as identified by ERM.
- 2) Audit projects deferred from last year.
- 3) Audit projects executed during the last 5 years (2016-20).
- 4) Management's requests.
- 5) Review and discussion of audit plans for the Auditor General's ("AG") office and the City of Toronto's Internal Audit ("IA") Department to ensure optimal use of our resources.

### **2021 Internal Audit Work Plan**

The 2021 Work Plan is set out in Attachment 1 to this report.

There are three tables, as follows:

- 1) **Table 1 – New Projects:** New engagements that will be completed or substantially completed in 2021;
- 2) **Table 2 – Standing Items:** Engagements that are being completed every year; and
- 3) **Table 3 – Other Items:** Other Internal Audit activities not categorized as New Projects or Standing Items (above).

### **Resource Requirements**

We believe we have the resources available to complete and/or substantially complete all engagements in the 2021 Work Plan as presented in the attached document.

### **IMPLICATIONS AND RISKS:**

The 2021 Work Plan takes into consideration risks and other factors as mentioned above.

We will provide BIFAC with quarterly status updates on this work plan.

### **SIGNATURE:**

*"Karim Jessani"*

---

Karim Jessani  
Manager, Internal Audit

**ATTACHMENT:**

1. 2021 Internal Audit Work Plan

**STAFF CONTACT:**

Karim Jessani - Manager, Internal Audit

416-981-4052

Karim.Jessani@torontohousing.ca

Amyr Bhayani - Internal Audit Analyst

416-688-6767

Amyr.Bhayani@torontohousing.ca

| Audit Engagement                                    | Description   | Potential Risk   | Alignment with ERM Priority Risks   | Division             | Time Est. (Hours) | Estimated Start |
|---|---|--|---|----------------------|-------------------|-----------------|
| <b>Table 1 - New Projects</b>                       |   |  |   |                      |                   |                 |
| Annual Unit Inspection Process Review               | A review of the effectiveness of TCHC's process of annual inspection of residential units.  | - Non-compliance with policies and procedures.<br>- Health & Safety<br>- Reputational Risk   | 4- Operational Processes<br>16- Health & Safety<br>20- Non-compliance with Legislations & Regulations | Operations           | 363               | Q-1             |
| Business Continuity & Disaster Recovery Plan Review | A review of TCHC Business Continuity & Disaster Recovery plan.  | - Inadequate measures in place to prepare and respond to emergencies or service disruptions.<br>- Reputational risk due to unavailability of information or services.                                | 2- Data Governance & Integrity<br>13- Organization Resiliency   | ITS, Operations, ERM | 363               | Q-2             |
| Budgeting & Monitoring Process Review               | A review of financial planning, budgeting and monitoring process.   | - Inadequate policies and procedures to manage the budgeting process.<br>- Inadequate or ineffective monitoring of the approved budget.  | 4- Operational Processes<br>8- Records Management   | Finance              | 363               | Q-2             |
| Capital Projects Close-out Process Review           | A review of the inspection process that supports the issuance of the substantial completion certificate.  | - Ineffective close-out process, resulting in financial loss to the company.<br>- Criteria for substantial completion not adequately documented.<br>- Non-compliance with laws & regulation          | 4- Operational Processes<br>20- Non-compliance with Legislations & Regulations                        | FM                   | 363               | Q-3             |
| Continuous Controls Monitoring (CCM)                | Data analytics to identify unusual transactions/trends and identifying areas where internal controls can be strengthened.   | IAD is a small team with 2 corporate audit analysts and one manager to audit all the risks in the organization. CCM provides an efficient and effective means to focus on high or medium risk areas. | 4- Operational Process  | Various              | 218               | Q-4             |
| Management requests                                 | Due to the organizational restructuring, we expect assignments in various business areas. Corporate & RGI team members will carry-out special projects, analysis, regional/hub-level operational reviews and other Management | Various  | Various   | Various              | 725               | Q-1 to Q-4      |

| Audit Engagement  | Description  | Potential Risk  | Alignment with ERM Priority Risks   | Division   | Time Est. (Hours) | Estimated Start |
|---|--|---|---|------------|-------------------|-----------------|
| <b>Table 2 - Standing items</b>   |  |   |   |            |                   |                 |
| Follow Up on the Implementation of Recommendations from Previous Internal Audit Reports | This is the review of the status of recommendations made in previous Internal Audit reports including reviewing supporting audit evidence. BIFAC will be provided 2 status updates during the year.  | The risks identified in the initial audits are now known but not adequately mitigated.  | Various   | Various    | 218               | Q-2 & Q-4       |
| RGI continuous auditing   | This includes:<br>> Support to KPMG for their RGI Review<br>> Future Dated Review<br>> Contract Management Review - New samples<br>> Contract Management Review - Follow-up samples<br>> Special requests such as from AG's office, etc.   | - Inaccurate RGI rent calculation resulting in recording inaccurate revenue in the financial statements.<br>- Overcharge to tenants resulting in reputational risk due to tenant complaints.<br>- Inadequate documentation supporting rent calculation resulting in non-compliance with applicable legislation and regulations. | 3- Brand and Reputation<br>4- Operational Process<br>8- Records Management<br>20- Non-Compliance with Legislation & Regulations | Operations | 5031              | Q-1 to Q-4      |
| Information Technology and other Advisory Services                                      | As and when requested, the Manager Internal Audit will participate on Committees for IT projects or procurement of various IT assets to provide independent and objective advisory services.   | TCHC is going through a company-wide transformation by implementing an Enterprise Resource Planning system to replace more than 30 legacy systems. The risks are: change management; time, budget and scope creep.  | 4- Operational Process<br>7- Information Technology Systems   | ITS        | 109               | Q-1 to Q-4      |
| Annual Audit Plan, Rolling Plan & Risk Assessment refresh                               | The Manager, Internal Audit will revisit operational risks and will update it to reflect current processes and other factors in the organization. This would be done in consultation with ERM and will be used to prepare the Annual Audit Plan for 2022 and to update the Rolling Plan for 2023-25. | IAD's workplan should align with the corporation's priorities. By performing this operational risk assessment refresh, IAD ensures that its services yield value to the Management.   | 22- Strategic Alignment   | Various    | 109               | Q-4             |

| Audit Engagement | Description | Potential Risk | Alignment with ERM Priority Risks | Division | Time Est. (Hours) | Estimated Start |
|------------------|-------------|----------------|-----------------------------------|----------|-------------------|-----------------|
|------------------|-------------|----------------|-----------------------------------|----------|-------------------|-----------------|

**Table 3 - Other Items**

|                          |   |  |  |  |  |  |
|--------------------------|---|--|--|--|--|--|
| BIFAC Status Reporting   | Quarterly status update to BIFAC providing progress on Annual Audit Plan.   |  |  |  |  |  |
| Internal Audit Manual    | To guide the Corporate & RGI Audit Teams.   |  |  |  |  |  |
| Internal Audit Charter   | It is a formal document that defines Internal Audit Department's purpose, authority, responsibility and position within the organization. |  |  |  |  |  |
| Document Standardization | To guide all IAD team members and promote audit efficiencies.   |  |  |  |  |  |
| Staffing, training, etc. | Ongoing.  |  |  |  |  |  |

**Note: Time commitment for each of the above item varies depending upon the stage of completion, etc.**



## Q4 2020 – HoMES Project Update

Item 5

February 5, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2021 11

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

**From:** Vice President, Information Technology Services

**Date:** January 31, 2021

### PURPOSE:

The purpose of this report is to provide the BIFAC with an update as to the status of the HoMES Project.

### RECOMMENDATION:

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

### REASONS FOR RECOMMENDATIONS:

TCHC has committed to continuing to provide the following level of reporting to the BIFAC and the Board of Directors:

- Quarterly project updates to BIFAC; and
- Yearly, and as required, project updates to the Board.

### STATUS:

This report covers the period of October 1 to December 31, 2020.

The HoMES project completion date to implement the full Yardi solution will now be delayed to October 2021 from the original planned date of May 2021. As noted in the third quarter update report to BIFAC, the HoMES Project Management Office ("PMO") brought forward a recommendation to separate the Track 2 rollout into two separate components: Track 2A, the Yardi core

tenancy management solution, and Track 2B, the Yardi demand maintenance solution. The recommendation was approved by the HoMES Steering Committee on November 17, 2020.

During November and December 2020, the HoMES PMO along with Yardi, updated the integrated project plan to reflect the decision to decouple the original Track 2. Both Yardi and the HoMES PMO continue to work together to finalize a change order to the Yardi contract to reflect the additional effort needed. While this change order is not yet finalized, the estimated costs to extend the project are reflected in the budget information provided. The HoMES project budget remains within the approved amount.

### **PROGRESS UPDATE:**

#### **Track 1 (Finance and Capital Planning and Maintenance)**

Track 1B (Capital Planning) is still on track and scheduled to Go Live on January 25, 2021. Training is in progress and activities related to the transition from existing applications to the implementation of the Track 1 functions began on January 5, 2021. This rollout will result in an additional 200 TCHC employees utilizing the Yardi platform's Job Cost and Construction Manager Modules.

As of the date of this report, Track 1B went live as planned. Details will be provided in the Q1 2020 update report.

#### **Track 2 (Residential Tenancy Management)**

Track 2A, the core tenancy management solution, is planned to Go Live in late May 2021. Core tenancy management includes solutions to support the rent review, rent billing and collection, and vacancy management.

This will involve approximately 500 users. All activities such as testing and training for Track 2A will be executed as originally planned.

At the end of Q4, configuration of the tenancy management modules and a full data conversion was completed in preparation for a second round of testing scheduled to run from February 1, 2021 to February 26, 2021. Testing will include integration testing with the City of Toronto's new waitlist solution.

Completion of all system configuration, enhancements and testing related to Track 2B is planned to conclude by early September 2021 and this component is planned to Go Live in late October. Track 2B includes the solutions to support TCHC's Client Care, demand maintenance and inspections.

Approximately 1000 TCHC employees will benefit from the implementation of Track 2B, the greatest number of users as compared to all subsequent rollouts. Future reports will track the progress of Track 2A and Track 2B separately.

### **Track 3 (Onboarding Contract Managed Providers)**

Track 3 is scheduled to start after Track 2B goes live. Project activities related to Track 3 have not yet commenced. Reporting on the progress of Track 3 will occur once project activities have started.

Track 3 will not involve the implementation of any new modules of Yardi. The scope of this track involves onboarding Contract Managed Providers onto the HoMES solution only. The HoMES solution will be fully implemented at the end of Track 2B.

### **Stage of Completion**

The HoMES project had been in progress for twenty months, with ten months remaining until Go Live for Track 2B. The Integrated Project Plan is being updated to reflect the additional tasks and dependencies resulting from the decoupling of Track 2. Therefore, the HoMES project will not be reporting stage of completion in this update.

### **Budget Status Update**

The total spend to date on the HoMES project is shown in Table 1.

*Table 1: Total Project Budget Spend Summary as of December 31, 2020*

| <b>Total Spend as of Dec. 31, 2020<br/>(Amounts in \$000s)</b> |               |
|--|---------------|
| External Contracts   | 20,246        |
| Internal Resources/Expenses                                    | 8,126         |
| <b>Total HoMES spend as of<br/>December 31, 2020</b>           | <b>28,371</b> |

Detailed budget information including contract awards and change orders is provided in Confidential Attachment 1.

### **Impact to Total HoMES Spend due to Decoupled Rollout**

The HoMES PMO has completed the calculation of the estimated total spend for the HoMES project resulting from the decision to decouple the Track 2 rollout into Track 2A and Track 2B. The decoupling of the final track of the project has resulted in the need to extend internal and external resources assigned to the project. External vendors, including Yardi, have provided



change order details to the HoMES PMO. Further negotiation of these change orders are required and therefore, the estimated spend reflects an upper limit estimate only. BIFAC will be provided with the details of the final change orders during the next reporting period.

The total additional estimated spend to decouple the launch is \$3.55M. The HoMES estimated spend to completion for the October Go Live is \$53.02M and remains within the approved budget amount of \$55.30M.

Details are provided in Confidential Attachment 2.

**IMPLICATIONS AND RISKS:**

There are no new risks identified during this reporting period.

The HoMES project continues to monitor and mitigate the risks due to the COVID-19 pandemic.

**SIGNATURE:**

*“Luisa Andrews”*

---

Luisa Andrews  
Vice President, Information Technology Services

**STAFF CONTACT:**

Luisa Andrews, Vice President, Information Technology Services  
416-981-5012  
Luisa.Andrews@torontohousing.ca

**CONFIDENTIAL ATTACHMENTS:**

- Confidential Attachment 1:** Detailed HoMES Budget Report
- Reason for Confidential Attachment:** Matters that are not required to be disclosed under the *Municipal Freedom of Information and Protection of Privacy Act*, including financial information belonging to TCHC that has monetary or potential monetary value.
- Confidential Attachment 2:** Comparison May 2021 Go Live to October 2021 Go Live
- Reason for Confidential Attachment** Matters that are not required to be disclosed under the *Municipal Freedom of Information and Protection of Privacy Act*, including financial information belonging to TCHC that has monetary or potential monetary value.



**Change Order: Additional Compliance Measures for Constructor Role and Unforeseen Conditions to the Envelope Repairs and Structural Rehabilitation Project at Mornelle Ellesmere**

Item 6A

February 5, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-13**

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

**From:** Vice President, Facilities Management

**Date:** January 5, 2021

**PURPOSE:**

The purpose of this report is to seek the BIFAC's approval for the change order to Tritan Inc. ("Tritan") for constructor role services and unforeseen conditions to the recladding project at Mornelle Ellesmere (110 Mornelle Court).

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 forward to the Board for approval the following recommendations:

- (a) Approve the change order of the work up to \$478,607.79 (exclusive of taxes) to Tritan Inc. for envelope repairs and structural rehabilitation at Mornelle Ellesmere (110 Mornelle Court) as follows;

- \$50,000.00 for ongoing constructor role requirements on-site; and
  - \$428,607.79 to address unforeseen site conditions; and
- (b) Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

## **REASONS FOR RECOMMENDATIONS:**

### Background

The contract award to Tritan for \$2,440,960.00 (exclusive of taxes) for envelope repairs and structural rehabilitation at Mornelle Ellesmere was approved by the Procurement Award Committee (“PAC”) on October 29, 2019.

Mornelle Ellesmere is a 15-storey residential building built in 1971 and consists of 145 units.

The scope of work for this award included:

- Structural rehabilitation, envelope repairs and waterproofing of the building;
- Installation of new over cladding systems to the exterior of the building;
- Replacement of exterior balcony guard rails;
- Removal and replacement of ground floor doors; and
- Hazardous material (“HAZMAT”) abatement.

### Change Order Recommendation

A change order of up to \$478,607.79 (exclusive of taxes) is recommended for the constructor services and additional costs associated with unforeseen site conditions.

For an additional 10 months of constructor services, \$50,000 is recommended as a result of changes in project timelines. Constructor services are a unit rate, which was obtained as part of the public tender. As identified during construction, an additional \$428,607.79 is recommended for increased scopes of work, including:

- Closure plates to close the gap between the balcony slab and the balcony guard rail, an additional safety compliance requirement by the City of Toronto;

- An increase in pricing for the relocation of Rogers Telecommunication equipment; and
- Additional costs for work and materials for structural reinforcement at the balcony slabs and waterproofing around building windows.

Attachment 1 provides site photos. Table 1 provides a summary of change orders to date, including the recommended change order.

*Table 1: Change order summary*

| Scope of Work                         |   | Reason for Change                       | Value                 |
|---------------------------------------|---|---|-----------------------|
| 1                                     | Constructor Role  | TCHC-Directed                           | \$60,000.00           |
| 2                                     | Extra cost to cover the labor, material, and other associated construction cost increases with the use of Exterior Insulation and Finish Systems (“EIFS”) for re-cladding per additional compliance measures identified through collaboration with TCHC and TFS | TCHC-Directed (mandated by TFS)         | \$189,150.00          |
| 3                                     | A. Constructor Role<br>B. Unforeseen site conditions for balcony guard safety compliance, telecommunication relocation costs, structural reinforcement at balcony slabs, and window waterproofing   | TCHC-Directed and Unforeseen Conditions | \$478,607.79          |
| <b>Approved Change Orders to Date</b> |   |   | <b>\$249,150.00</b>   |
| Recommended Change Order              |   |   | \$478,607.79          |
| <b>Total Change Orders</b>            |   |   | <b>\$727,757.79</b>   |
| <b>Original contract award</b>        |   |   | <b>\$2,440,960.00</b> |
| <b>Cumulative Change Order %</b>      |   |   | <b>29.81%</b>         |

**IMPLICATIONS AND RISKS:**

The change order is recommended for the delivery of the project, addressing unforeseen site conditions at the building. It is also recommended for risk management by extending constructor services, as multiple contractors will be onsite for the duration of the project.

The recommended change order is in accordance with TCHC's current Procurement Policy. The Procurement Award Committee has reviewed and recommends that the change order be approved by the BIFAC.

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 Board (TCHC:2020-88).

**SIGNATURE:**

*"Allen Murray"*

---

Allen Murray  
Vice President, Facilities Management

**ATTACHMENT:**

1. Site Photos

**STAFF CONTACT:**

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

## ATTACHMENT 1 – SITE PHOTOS

Image 1: Example of the current conditions of the structural reinforcement at the balcony slabs. Once uncovered, it was revealed that portions of the steel reinforcement required replacement, as well as a coating to prevent continued deterioration and rusting.

**Reason for change** – Unforeseen site condition



Image 2: The gap between the balcony slab and balcony guard rail that requires a closure plate per City of Toronto safety compliance measures.

**Reason for change** - Unforeseen site condition







## Direct Award: Integrated Project Delivery (Design and Construction) of an Energy Retrofit at Leslie Finch

Item 6B

February 5, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2021-14

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

**From:** Vice President, Facilities Management

**Date:** January 8, 2021

### PURPOSE:

The purpose of this report is to seek BIFAC approval for the direct award to The Atmospheric Fund ("TAF") for integrated project delivery (design and construction) of an energy retrofit at Leslie/Finch (1-15 Field Sparroway & 2-10 Tree Sparroway).

BIFAC approval is required for this contract award as it exceeds the \$500,000 financial approval limit of TCHC's President and CEO, and the contract award does not arise from a competitive procurement call.

### RECOMMENDATIONS:

It is recommended that BIFAC approve and forward to the Board for approval the following recommendations :

- (a) Approve the direct award to The Atmospheric Fund for an upset limit of \$7,821,068.00 (exclusive of taxes) for the integrated project delivery of an energy retrofit at Leslie/Finch as follows:
  - \$3,236,200.00 of TCHC capital funding;
  - \$2,841,800.00 loan from The Atmospheric Fund; and
  - \$1,743,068.00 of interest for the loan based on 5% per annum over a 20 year term (the effective interest rate is 2.58%); and

- (b) Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

## **REASONS FOR RECOMMENDATIONS:**

### Partnership with TAF

TAF is a City of Toronto agency that finances and supports initiatives that reduce greenhouse gas emissions and improve air quality in Toronto and across the Greater Toronto and Hamilton area.

TCHC has partnered with TAF on a number of projects to utilize expertise and funding opportunities to implement a range of energy retrofit programs and projects. Facilities Management will be looking to establish a broader relationship with TAF around other future funding and service opportunities to help achieve TCHC's energy goals.

TAF is recommended to deliver the energy retrofit project as they have the project management resources and technical expertise to deliver the work. With additional funding from TAF, TCHC can complete a building retrofit with comprehensive energy conservation measures for increased energy and utility savings at this site.

TAF will provide project management services, including procurement of the designer and construction contractor, and provide contract administration services, with oversight and approval from TCHC.

### Energy Retrofit Project

Leslie/Finch was built 1973 and is a townhouse development that consists of 175 three and four bedroom units.

The heating and ventilation systems at Leslie/Finch are in need of replacement and/or upgrades. When constructed, little attention was paid to energy-efficient design, and the heating and ventilation system upgrades represent an opportunity to implement comprehensive energy conservation measures and a full energy retrofit at this site. Additional energy conservation measures for this project include window replacement, lighting retrofits, and installation of high-efficiency toilets and low-flow showerheads/aerators.

An engineering firm was retained to conduct a feasibility study, outlining options and recommendations for heating and ventilation system upgrades.

A subsequent engineering firm conducted an energy audit to identify energy conservation measures for increased energy and utility savings.

TAF is recommended to execute the design and construction of the energy retrofit at Leslie/Finch, per the recommendations outlined in the feasibility study and energy audit.

The estimated construction cost of the project is \$6,600,000.00. In partnering with TAF, TCHC is able to leverage \$522,000.00 in incentives and grants, and \$2,841,800.00 in loans. TCHC will finance \$3,236,200.00 in planned capital funding.

With the \$522,000.00 in incentives and grants, the effective interest rate of the loan is 2.58%, which is comparable to other funding opportunities available to TCHC. The loan repayment and interest on the loan will be paid through \$5,773,169.00 in projected energy savings over 20 years, upon completion of the project.

The partnership with TAF is the most efficient option to deliver the energy retrofit project at Leslie/Finch, when compared to other available funding opportunities. It also aligns with the initiative to enhance TCHC's strategic relationship with TAF to secure future funding opportunities over and above the capital plan. This will allow TCHC to further implement energy conservation measures to achieve corporate energy goals and meet CMHC energy targets.

The financing of the project is outlined in Table 1 and the details of the loan are provided in Table 2.

*Table 1: Funding Table*

| <b>Funding Source</b>              | <b>Amount</b>         |
|------------------------------------|-----------------------|
| <b>Construction Costs</b>          | <b>\$6,600,000.00</b> |
| Non-repayable Incentives/Grants    | \$522,000.00          |
| Loan from TAF                      | \$2,841,800.00        |
| TCHC Capital Including Contingency | \$3,236,200.00        |
| <b>Total Funding Sources</b>       | <b>\$6,600,000.00</b> |

Table 2: Loan Details

| Item   | Details        |
|--|----------------|
| Principal Loan                               | \$2,841,800.00 |
| Term   | 20 years       |
| Interest Rate                                | 5%             |
| Annual Payment*                              | \$229,243.00   |
| Total Interest Over 20 years                 | \$1,743,068.00 |
| Total Projected Energy Savings Over 20 years | \$5,773,169.00 |

\*The annual payment is calculated based on the assumption that the loan interest starts at the beginning of 2022 and an annual payment is to be made at the end of each year.

### **PROCUREMENT PROCESS:**

The direct award is recommended under the following justification under section 4.3(a) of TCHC's Procurement Policy:

- i. For the purchase of goods or services where there is a sound business case the details of which may include:
  - a) the purchase of goods under exceptionally advantageous financial circumstances, including but not limited to bankruptcy or receivership, but not for routine purchases.

By partnering with TAF, TCHC is able to leverage additional funding through a combination of grants and loans. With additional funding, TCHC can implement higher performing systems and additional energy conservation measures that would otherwise not have been included in the project.

The \$2,841,800.00 loan was secured by TAF through the Federation of Canadian Municipalities – Municipal Greenfund. The \$522,000.00 grant was secured through a combination of sources available to TAF, from various incentives and funds.

TAF will procure the design consultant and construction contractors in keeping with the City of Toronto's procurement guidelines, and with oversight and approval from TCHC.

The Procurement Award Committee approved the recommendation to award the work to TAF at its meeting on January 21, 2020, subject to BIFAC and Board approval. At that time, the Committee took note of the following considerations:

- The award is within reasonable and acceptable range for the scope of work;
- The recommended proponent has performed similar work for TCHC with satisfactory results;
- The recommended proponent has confirmed they have the capability and capacity to deliver the scope of work; and
- The pricing is reasonable and acceptable for the work, and is comparable to similar scopes of work.

### **IMPLICATIONS AND RISKS:**

The scope of work will replace the heating and ventilation systems that have reached the end of their life-cycle and require significant upgrades. This scope of work will improve the quality of building systems, provide opportunities for energy savings and support TCHC's overall energy efficiency goals, including achieving National Co-Investment Fund energy reduction targets.

To mitigate risks, staff will continuously and rigorously monitor the performance of the contractor during the course of the project. Performance will be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through project reviews can be used to support decisions to partner with TAF for future projects.

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

### **SIGNATURE:**

*"Allen Murray"*

---

Allen Murray  
Vice President, Facilities Management

### **STAFF CONTACT:**

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

Toronto Community Housing



**2021 Public BIFAC Work Plan**

Item 7

February 5, 2021

Building Investment, Finance and Audit Committee

**Report: BIFAC:2021-15**

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

**From:** General Counsel & Corporate Secretary

**Date:** January 5, 2021

**PURPOSE:**

The purpose of this report is to establish a 2021 Public Work Plan for BIFAC.

**RECOMMENDATION:**

It is recommended that BIFAC review and consider the draft 2021 Public Work Plan provided as Attachment 1 to this report.

The draft 2021 Public BIFAC Work Plan includes the meeting dates approved by the Board at its meeting of December 15, 2020.

**SIGNATURE:**

*"Darragh Meagher"*

---

Darragh Meagher  
General Counsel & Corporate Secretary

**ATTACHMENT:**

1. Draft 2021 Public BIFAC Work Plan

**STAFF CONTACTS:**

Darragh Meagher, General Counsel & Corporate Secretary  
416-981-4241  
Darragh.Meagher@torontohousing.ca

Ceilidh Wilson, Assistant Corporate Secretary  
416-981-4348  
Ceilidh.Wilson@torontohousing.ca

**2021 Public BIFAC Work Plan**

| Q1<br>February 5, 2021                            | Q1<br>March 11, 2021   |
|---|--|
| <b>REGULAR ITEMS</b>                              | <b>REGULAR ITEMS</b>   |
| Q4 2020 – HoMES Update                            | Internal Audit Annual Report for 2020                          |
| Q4 2020 – ITS Update                              | Status Update on Audit Recommendations as of December 31, 2020 |
| Q4 2020 – Internal Audit Update and Annual Report |  |
| 2021 Internal Audit Work Plan                     |  |
| Q4 2020 – PAC Awards and Revenue Contracts        |  |
| 2021 BIFAC Work Plan                              |  |
| <b>SPECIAL ITEMS</b>                              | <b>SPECIAL ITEMS</b>   |
| Q4 2020 Tenants’ First Update                     |  |
| 2 Murray Street Mortgage Renewal                  |  |

| Q2<br>April 27, 2021  | Q2<br>May 18, 2021                         |
|---|--|
| <b>REGULAR ITEMS</b>  | <b>REGULAR ITEMS</b>                       |
| Annual Information Return   | Q1 2021 – HoMES Update                     |
| 2020 Annual Report and Letter to the Shareholder                    | Q1 2021 – ITS Update                       |
|   | Q1 2021 – Internal Audit Update            |
|   | Q1 2021 – PAC Awards and Revenue Contracts |
| <b>SPECIAL ITEMS</b>  | <b>SPECIAL ITEMS</b>                       |
| Review of BIFAC, IAC and PAC Charters                               | Q1 2021 Tenants First Update               |
| Alexandra Park: Transfer of Site 1 and Charge for Construction Loan | 2020 FCI Report                            |
|   | Green Fleet Plan Update                    |
|   | Seniors Housing Unit Presentation          |
|   | Alexandra Park Servicing Budget Update     |



| <b>Q2</b>  | <b>Q3</b>  |
|--|--|
| <b>June 23, 2021</b>   | <b>September 2, 2021</b>   |
| <b>REGULAR ITEMS</b>   |  |
| Q2 2021 – HoMES Update   | 2021-2022 Insurance Renewal of TCHC Core Insurance Group Program |
| Q2 2021 – ITS Update   | Procurement Policies and Procedures                              |
| Q2 2021 – PAC Awards and Revenue Contracts                               |  |
| Review of Board, President and CEO Expenses – Annual                     |  |
| <b>SPECIAL ITEMS</b>   |  |
| Annual Capital Project Management Update – 2020 BIFAC Approved Contracts | Q2 2021 Tenants First Update                                     |
| Alexandra Park: Predevelopment Spending for Phase 2B                     | The Kempford Mortgage Renewal                                    |
| Regent Park Block 16N Budget Update                                      | Alexandra Park: Sites 2, 3 and 16 Construction Budget            |
|  | Parkland Transfer for Don Summerville                            |

| <b>Q3</b>                  | <b>Q4</b>  |
|----------------------------|--|
| <b>September TBD, 2021</b> | <b>November 3, 2021</b>  |
| <b>REGULAR ITEMS</b>       |  |
|                            | Q3 2021 – HoMES Update   |
|                            | Q3 2021 – IT Update  |
|                            | Q3 2021 – Internal Audit Update                                      |
|                            | Q3 2021 – PAC Awards and Revenue Contracts                           |
| <b>SPECIAL ITEMS</b>       |  |
|                            | Q3 2021 Tenants First Update   |
|                            | Annual schedule of Development funds for all revitalization projects |
|                            | Alexandra Park Refurbishment of 91 Augusta                           |
|                            | Regent Park Phase 2 Update/Close Out                                 |