



Change Order: Additional Funds for the Transition of OUX and OUY into the All-Inclusive Preventive Maintenance Services and Demand Repairs for Residential Furnaces, Domestic Hot Water (DHW), Tankless, and Combo Water Heaters at Various TCHC locations (RFP 21096)

Item 2K

December 9, 2021

Board of Directors

Report: TCHC:2021-68

To: Board of Directors (the “Board”)

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

Date: November 15, 2021

PURPOSE:

The purpose of this report is to seek the Board’s approval for a change order to Firenza Plumbing & Heating Ltd. (Firenza) for up to \$650,000.00 (exclusive of taxes) for the addition of Operating Units OUX and OUY starting on January 18, 2022. These funds are in addition to the current RFP 21096 for all-inclusive preventive maintenance services and demand repairs for residential furnaces, domestic hot water (DHW), tankless, and combo water heaters at various TCHC locations

Board approval is required for the recommended change order, as the cumulative amount exceeds the financial approval limit of Toronto Community Housing’s Procurement Award Committee (“PAC”) and the Building Investment, Finance and Audit Committee (“BIFAC”).

RECOMMENDATIONS:

It is recommended that the Board approve the following recommendations to:

1. Approve a change order to Firenza for up to \$650,000.00 (exclusive of taxes) for the addition of Operating Units OUX and OUY starting on January 18, 2022 to the current RFP 21096 all-inclusive preventive maintenance services and demand repairs for residential furnaces, domestic hot water (DHW), tankless, and combo water heaters at various TCHC locations:
 - a) Up to \$525,000 for the preventive and demand services for the addition of OUX and OUY starting on January 18, 2022 as follows:
 - i. \$315,000 for three years of the initial contract (\$105,000 annually); and
 - ii. \$210,000 for an addition of two optional one-year terms (\$105,000 annually) at TCHC's management discretion;
 - b) Up to \$125,000 for demand services for OUX and OUY for work not included in the scope services as follows:
 - iii. \$75,000 for three years of initial contract (\$25,000 annually); and
 - iv. \$50,000 for two additional two-one year options (\$25,000 annually) at TCHC management's discretion;
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

BIFAC:

This report was received by the BIFAC on November 3, 2021.

BACKGROUND:

The current five year contract for preventative maintenance and demand repairs will end at year's end 2021.

In May 2021, RFP 21096 was issued to procure services for preventive maintenance and demand repair services of furnaces and DHW heaters only for locations directly managed by TCHC (6,276 townhouses). OUX and OUY were not included in the original RFP as they continued to be managed through contract management companies at the time that the

RFP was issued. This change order is being issued to include these properties (652 townhouses) within the new contract set to commence in January 2022.

REASONS FOR RECOMMENDATIONS:

Preventive Maintenance services and demand repairs are required to maintain furnaces and domestic hot water (DHW) heaters in working order and to ensure they are operating properly and efficiently.

Preventive Maintenance services include annual cleaning and inspections of furnaces and DHW heaters. Furnaces are maintained in accordance with the requirements of the Technical Safety & Standards Authority (TSSA). These services relate to the safe and healthy occupancy of TCHC buildings and are often tied to regulatory requirements. Demand Repairs are unplanned and drawn from an allowance.

Under advisement from Strategic Procurement and Legal, the additional scope is being put forward as a change order to this award, submitted separately for approval. The inclusion of the townhouses from OUX and OUY represents a 9.4% increase in scope.

Expanded Scope of Work

This change order seeks to expand the scope of work awarded to Firenza to include the additions of the townhouses in OUX and OUY to the recent award for preventative maintenance services and demand repairs.

As such, FM-Construction and Preservation Plumbing staff are requesting a change order to include for an allowance of up to \$650,000.00 for work in order to perform preventative and demand repair services for furnaces and DWH tanks at 652 townhouses from OUX and OUY for a term of up to five years. To date, no change orders have been incurred for this program.

Table 1: Change order summary

CO No.	VAC #	Approval Date	Description	Reason	Individual CO Amount
1		Pending		Addition of : Preventative Maintenance OUX and OUY- \$525,000.00 Demand Repair OUX and OUY - \$125,000.00	\$650,000.00
Cumulative approved change orders to date					\$ 0
Change order as requested in this report					\$650,000.00
Total Cumulative change orders					\$650,000.00
Original contract awarded (VAC pending)					\$6,909,440.00
Revised total contract amount					\$7,559,440.00
Cumulative CO % of contract award					8.59%

IMPLICATIONS AND RISKS:

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 Board.

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

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

SIGNATURE:

"Allen Murray"

Allen Murray
Vice President, Facilities Management

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