



Vendor Award: All Inclusive Preventive Maintenance Services and Demand Repairs for Fan Coil Units and Packaged Terminal Air Conditioner (PTAC) Units (VAC 22305/RFP 22007)

Item 7B

July 27, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-101

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

From: Vice President, Facilities Management

Date: July 4, 2022

PURPOSE:

The purpose of this report is to seek the BIFAC's and the Board's approval to award work to Midsteel Mechanical Ltd. (Midsteel) for up to \$8,711,892.01 (exclusive of taxes) for all-inclusive preventive maintenance services and demand repairs for fan coil and PTAC units at the rates established based on the outcome of Request for Proposal (RFP) 22007. The contract is for a five (5) year term to commence January 1, 2023.

BIFAC approval is required for this award as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC"), and Board of Directors (the "Board") approval is required as it exceeds the \$5 million financial approval limit of the BIFAC.

RECOMMENDATIONS:

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

- (a) approve the award of work to Midsteel Mechanical Ltd. for up to \$8,711,892.01 (exclusive of taxes) for all inclusive preventative maintenance services demand repairs for fan coil and PTAC units at the rates established based on the outcome of Request for Proposal (RFP 22007) for a term five (5) years as follows:
 - (i) \$8,334,255.76 (exclusive of taxes) for preventive maintenance as follows:
 - \$5,062,592.25 for three (3) years of initial contract; and
 - \$3,271,663.51 for two (2) additional one-year terms at TCHC management's discretion;
 - (ii) Up to \$377,636.25 (exclusive of taxes) for demand services (services of work outside of scope of work) as follows:
 - Up to \$225,000 for three (3) years of the initial contract; and
 - Up to an additional \$152,636.25 for two (2) additional one-year terms at TCHC management's discretion; and
- (b) authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

BACKGROUND

Fan coil units and packaged terminal air conditioner (PTAC) units provide heating and cooling in various buildings across the portfolio. The fan coil units and PTAC units are located within tenant units. Preventive maintenance services and demand repairs are required to maintain this equipment in working order and to ensure they are operating properly and efficiently.

Preventive maintenance services include annual cleaning, inspections and demand service calls in accordance with the Heating, Refrigeration and Air Conditioning Institute (HRAI) guidelines. Preventive maintenance services are prescheduled between Facilities Management (FM), Operations and Toronto Senior's Housing Corporation. Demand service calls are assigned through Client Care using the Yardi Maintenance WO system.

Preventive maintenance services and demand repairs are essential to the health, safety and comfort of our tenants.

REASONS FOR RECOMMENDATIONS

This maintenance and repair work is critical to the safe and healthy occupancy of our buildings. Midsteel Mechanical Ltd. is currently performing these services. A public RFP was issued and the recommendation is based on awarding the contract as per the RFP requirements.

PROCUREMENT PROCESS

An RFP was issued on March 14, 2022 and closed on April 13, 2022. A courtesy email notification of this opportunity was sent on February 9, 2022 to all potential proponents who have either worked with TCHC are shown interest to work with TCHC. Two submissions were received. The submissions were evaluated through a three stage process to determine qualified vendors based on rated criteria and pricing.

The recommendation is to award the work to Midsteel Mechanical Ltd. for up to \$8,711,892.01 (excluding taxes) as the qualified and lowest priced submission.

See **Confidential Attachment 1: VAC22305/RFP 22007 Summary of Submissions** for details on pricing and rated criteria.

IMPLICATIONS AND RISKS:

There will be minimal disruption to tenants at the time of preventive maintenance service. Vendor will provide 24-Hour notice of entry to tenants for scheduled work.

A public RFP was issued thus, the risk of a proponent challenging the awarding of the contract is minimized.

FM Construction and Preservation Plumbing staff shall monitor the expenditures and spend on a quarterly basis to ensure the program is

within the approved budget. Any use of the allowance will be reviewed and reconciled by FM Construction and Preservation Plumbing staff.

FM Construction and Preservation Plumbing staff will continuously and rigorously monitor the performance of the recommended proponent during the course of the program. Periodic inspections will be conducted, and FM Construction and Preservation Plumbing staff will perform random site inspections.

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 for this award is within the 2022 Preventive Maintenance, Operating and Capital Budgets as appropriate.

SIGNATURE:

“Allen Murray”

Allen Murray

Vice President, Facilities Management

ATTACHMENT:

Confidential Summary of Submissions

Attachment 1:

Reason for Confidential Attachment: Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

STAFF CONTACT:

Allen Murray, Vice President Facilities Management

416-981- 6955

Allen.Murray@torontohousing.ca