

BUILDING INVESTEMENT, FINANCE AND AUDIT COMMITTEE MEETING AGENDA

PUBLIC SESSION

Date: July 20, 2021

Time: 11:25 a.m. – 12:10 p.m.

Location: Virtual (NOT in person)

Agenda

Time	Description	Action	Pre-read	Presenter	Page #
Public Agenda (Revised)					
11:25	1. Chair's Remarks	Information	Verbal Report <i>5 minutes</i>	Chair	-
11:30	2. 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 June 23, 2021	BIFAC Approval	Minutes	Chair	3
11:35	3. Business Arising from the Public Meeting Minutes and Action Items Update	Information	Action Item List <i>5 minutes</i>	Chair	17
11:40	4. Change Order: Project Management Services for the HoMES Project	Approval	BIFAC:2021-63 <i>10 minutes</i>	Vice President, Information Technology Services	18

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11:50	Change Order: Costs for Additional Consulting Services for Regent Park Phase 2 Site Servicing (Withdrawn)	Approval	BIFAC:2021-64 10 minutes	Acting Chief Development Officer	22
11:50	5. Change Order: Design Revisions and Extension to Contract Schedule for the Tenant Service Hubs Projects at Centennial Apartments, McClain Park Apartments and Kingston Road	Approval	BIFAC:2021-66 10 minutes	Vice President, Facilities Management	22

TERMINATION



Building Investment, Finance and Audit Committee

931 Yonge Street,
Toronto, M4W 2H2

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The Building Investment, Finance and Audit Committee (“BIFAC”) of the Toronto Community Housing Corporation (“TCHC”) held a virtual Public meeting on June 23, 2021, via WebEx, commencing at 9:53 a.m.

BIFAC Directors Present: Adele Imrie, Chair
Deputy Mayor Ana Bailão
Naram Mansour
Brian Smith

BIFAC Directors Absent: Nick Macrae

Management Present: Sheila Penny, Acting Chief Executive Officer (“CEO”)
John Angkaw, Acting Chief Operating Officer (“COO”)
Darragh Meagher, General Counsel & Corporate Secretary
Rose-Ann Lee, Chief Financial Officer & Treasurer
Vincent Tong, Chief Development Officer
Luisa Andrews, Vice President, Information Technology Services
Allen Murray, Vice President, Facilities Management
William Anderson, Senior Director, Community Safety Unit
Paula Knight, Vice President, Strategic Planning & Communications
Barbara Shulman, Interim Vice President, Human Resources
Jill Bada, General Manager, Seniors Housing Unit
Ceilidh Wilson, Assistant Corporate Secretary

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 is holding this BIFAC meeting virtually.

ITEM 2A APPROVAL OF PUBLIC MEETING AGENDA

Motion carried **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr. Mansour and carried, the BIFAC approved the Public meeting agenda as amended for the BIFAC's June 23, 2021 meeting.

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 MAY 18, 2021

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

ITEM 2D ANNUAL REVIEW OF BOARD, PRESIDENT AND CEO, AND EMPLOYEE EXPENSES FOR 2020 BIFAC:2021-52

Motion carried **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr. Mansour and carried, the BIFAC received for its information the Annual Review of Board, President and CEO, and Employee Expenses for 2020 as outlined in Attachments 1-6 to Report BIFAC:2021-52.

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

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC received the matters reported as Business Arising from the Public Meeting Minutes and Action Items Update as of May 18, 2021 for its information.

ITEM 4 APPOINTMENT OF BIFAC VICE-CHAIR BIFAC:2021-53

The above-captioned report (BIFAC:2021-53) was circulated to BIFAC members prior to the meeting.

The Chair noted that:

- Mr. Macrae is an excellent candidate given his professional experience, and his experience serving on BIFAC and as the Chair of the Investment Advisory Committee (“IAC”).
- Mr. Macrae has confirmed his willingness to serve as the Vice-Chair of BIFAC.

*Motion
carried*

ON MOTION DULY MADE by Mr. Smith, seconded by Deputy Mayor Bailão and carried, the BIFAC approved and recommended that the Board of Directors approve the following recommendation as outlined in Report BIFAC:2021-53:

1. The appointment of Nick Macrae as the Vice-Chair, Building Investment, Finance and Audit Committee, effective July 22, 2021 until a successor is appointed; and
2. Authorize the General Counsel and Corporate Secretary to take all actions to implement the above recommendation.

**DIRECT AWARD: IMPLEMENTATION AND
MAINTENANCE OF OPTIC NICHE
RECORDS MANAGEMENT SYSTEM,
COMPUTER AIDED DISPATCH SYSTEM
AND PROTECTED B CLOUD SOLUTION**

ITEM 5

BIFAC:2021-54

The above-captioned report (BIFAC:2021-54) was circulated to BIFAC members prior to the meeting.

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

- There are no changes to how CSU will handle the data collected and inputted into this new records management system (“RMS”), nor how CSU interacts with TCHC communities as a result of this award. This is simply a technology upgrade to CSU’s RMS to OPTIC Niche.
- CSU continues to work with the Confronting Anti-Black Racism (“CABR”) team at TCHC to review their processes. A number of issues have been addressed as a result of these reviews and how OPTIC Niche is used will be reviewed with a CABR lens.
- There will be restrictions on the information that can be accessed and by who in OPTIC Niche.
- Performing criminal reference checks is not within the scope of CSU’s mandate.
- A small portion of the Information Technology Services (“ITS”) budget

will cover some costs in 2021, however moving forward the CSU budget will pay for this contract.

- The contract costs cover the physical server implementation, cloud server hosting for OPTIC Niche, cloud server hosting for the intelligence database, and the OPTIC Niche membership.

Motion carried

ON MOTION DULY MADE by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC unanimously approved the following recommendations as outlined in Report BIFAC:2021-54:

1. Approve a direct award to FSET Information Technology Inc. ("FSET"), totaling \$3,801,949.10 (exclusive of taxes) as follows:
 - a. \$2,520,307.64 to implement, configure, maintain and support the OPTIC Niche Records Management System ("RMS"), Computer Aided Dispatch ("CAD") system, and provide a secure Protected B Cloud solution over a five year period;
 - b. \$44,953.54 to purchase three CAD servers, software licenses, accessories and 5 years' support that are required to implement the CAD System (one-time cost);
 - c. \$37,900.00 for set up and installation of the Niche RMS and CAD system (one-time cost);
 - d. \$501,000.00 to provide a secure Protected B Cloud Solution to host the Community Safety Unit's ("CSU") planned implementation of an Intelligence Database to be used as an Information database for sensitive data system (IBM i2) for a period of five years; and
 - e. Contingency amount of \$697,788.00 that covers growth over the next five years; and

2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation, while ensuring that appropriate contractual and procedural safeguards continue be in place in order to address the privacy impacts of this commitment and the implementation of the OPTIC Niche Records Management System.

ITEM 6A	ANNUAL CAPITAL PROJECT MANAGEMENT UPDATE – 2020 BIFAC APPROVED CONTRACTS	BIFAC:2021-55
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The above-captioned report (BIFAC:2021-55) was circulated to BIFAC members prior to the meeting.

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

- On average, the percentage of change orders for all capital projects is 8%, which is well within the industry average of 5-20%.
- All change order requests were reviewed to identify if there were any anomalies with a particular contractor, however none stood out. Staff were able to validate all requested change orders.
- As projects conclude, FM staff review change orders on a project by project basis. Change orders are also reviewed through this process to ensure there are no concerns.

Motion carried **ON MOTION DULY MADE** by Mr. Smith, seconded by Mr. Mansour and carried, the BIFAC received for its information the Annual Capital Project Management Update – 2020 BIFAC Approved Contracts as outlined in Report BIFAC:2021-55.

ITEM 6B	2020 FACILITY CONDITION INDEX (“FCI”) REPORT	BIFAC:2021-56
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The above-captioned report (BIFAC:2021-56) was circulated to BIFAC members prior to the meeting.

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

- The 2020 FCI was 15.7%, which is ahead of the original forecast of 18.4%, and we remain on track to meet our 10% FCI goal by 2026.
- Action item: For the 2021 FCI report, Management to provide FCI forecasting beyond 2026.

Motion carried **ON MOTION DULY MADE** by Mr. Smith, seconded by Deputy Mayor Bailão and carried, the BIFAC received for its information the 2020 Facility Condition Index (“FCI”) Report as outlined in Report BIFAC:2021-56.

**CONTRACTOR AWARD: ANNUAL
GROUNDS MAINTENANCE AND SNOW
CLEARING SERVICES FOR 24
DEVELOPMENTS IN THE FORMER OUW
(RFP 21006)**

ITEM 6C

BIFAC:2021-57

The above-captioned report (BIFAC:2021-57) was circulated to BIFAC members prior to the meeting.

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

- Humberview Maintenance Group Ltd. is a current vendor with TCHC and has a satisfactory performance rating.

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC unanimously approved the following recommendations as outlined in Report BIFAC:2021-57:

1. Award the work for annual grounds maintenance and snow clearing services at 24 developments in the former Operating Unit W (“OUW”) to Humberview Maintenance Group Ltd. for a term of 3 years and 7 months (19 months) with the option of two one-year extensions at TCHC’s discretion, at the rate of \$4,173,064.00 (\$1,164,576.00 annually) (exclusive of taxes); and

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

**CONTRACTOR AWARD: COMPREHENSIVE
RETROFIT CONSTRUCTION – ENVELOPE,
MECHANICAL AND ELECTRICAL AT 4100
& 4110 LAWRENCE AVENUE EAST (RFQ**

ITEM 6D 20317 PP)

BIFAC:2021-62

The above-captioned report (BIFAC:2021-62) was circulated to BIFAC members prior to the meeting.

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

- Tenants are notified of planned work in their buildings and once the award is approved, staff will provide tenants with the exact timing of the project.
- As COVID-19 restrictions ease, it will help staff to create more quiet spaces in the buildings for tenants to access during periods of work.
- Multiple entries into tenants' units will be required to complete this work. Tenants will be informed of the multiple entries and the rationale for entry, and 24-48 hours' notice will be provided in advance of any entry.
- If there are concerns with vendors entering their units, staff will work tenants to try and reschedule work, or make other arrangements for their comfort while the work takes place in their homes.

*Motion
carried*

ON MOTION DULY MADE by Mr. Smith, seconded by Deputy Mayor Bailão and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for approval the following recommendations as outlined in Report BIFAC:2021-62:

1. Approve the award for the work to Trinity Services Ltd. for \$7,725,060.00 (exclusive of taxes) for comprehensive retrofit construction to the building envelope, mechanical and electrical at 4100 Lawrence Avenue East;

2. Approve the award for the work to Trinity Services Ltd. for \$7,936,875.00 (exclusive of taxes) for comprehensive retrofit construction to the building envelope, mechanical and electrical at 4110 Lawrence Avenue East;
3. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**ITEM 7A CONTRACTOR AWARD: MOVE-OUT
TURNOVER PROGRAM (RFP 21008) BIFAC:2021-59**

The above-captioned report (BIFAC:2021-59) was circulated to BIFAC members prior to the meeting.

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

- TCHC turns over approximately 3,000-4,000 units per year through this program.
- Once unit turnover work is completed, the building Superintendent will do an inspection. If the work is not satisfactorily completed, the Superintendent will discuss the deficiencies that need to be remedied within a particular timeframe with the vendor, and the vendor is charged a daily fee until the deficiencies are rectified.
- If issues persist with the quality of work being performed, TCHC will look at bringing in another vendor to do the work.

*Motion
carried*

ON MOTION DULY MADE by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for approval the following recommendations as outlined in Report BIFAC:2021-59:

1. Approve the award of the work up to \$56.5M (exclusive of taxes) for move-out unit turnover services at the rates established based on the outcome of Request for Proposal (“RFP”) 21008:
 - a. Up to \$16.5M for one (1) year; and
 - b. Up to \$40M for two (2) additional one-year terms (\$20M annually) at TCHC management’s discretion;

2. Approve the award for the work to the following vendors:
 - a. Armico Services Inc.;
 - b. Joe Pace & Sons Contracting Inc.;
 - c. Burke's Restoration Pickering;
 - d. C2C Construction Ltd.;
 - e. SNL Techlink;
 - f. GH Renovations Inc.;
 - g. Greenline Renovations Plus Ltd.;
 - h. Bestway Renovations Inc.;
 - i. Pandora Professional Painting Ltd.;
 - j. Richview Renovations & Restorations Ltd.;
 - k. CCA Contracting Inc.;
 - l. Solid General Contractors Inc.;
 - m. Universal Cleaning & Painting Ltd.; and

3. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**CONTRACTOR AWARD: DEMAND
GENERAL REPAIRS PROGRAM (RFP**

ITEM 7B 21032)

BIFAC:2021-60

The above-captioned report (BIFAC:2021-60) was circulated to BIFAC members prior to the meeting.

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

- TCHC issues around 20,000 work orders for demand general repairs annually.
- Management recently have begun a process for tenants to provide feedback on the quality of work performed in their units, which will provide a direct line of sight into the quality of work being carried out.
- If there are issues with the quality of work being performed, staff will discuss with the vendor and set a timeframe within which they must rectify the problems. If they cannot resolve the issues, we would proceed with bringing in another vendor to perform the work.

-
- As part of the RFP evaluation process, staff looked at vendors' past related experience, qualifications of their direct staff and any sub-trades they use, their methodology of scoping and scheduling work, how they will interact with tenants, and quality control measures they have in place.

*Motion
carried*

ON MOTION DULY MADE by Deputy Mayor Bailão, seconded by Mr. Smith and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for approval the following recommendations as outlined in Report BIFAC:2021-60:

1. Approve the award of work for up to \$170.6M (exclusive of taxes) for demand general repair services at the rates established based on the outcome of Request for Proposal ("RFP") 21032:
 - a. Up to \$87.9M for three (3) years (Year 1: \$25.3M, Year 2: \$29.1M, and Year 3: \$33.5M); and
 - b. Up to \$82.7M for two (2) additional one-year terms (Year 1: \$38.5M and Year 2: \$44.2M) at TCHC management's discretion;
2. Approve the award for the work to the following vendors:
 - a. BiView Building Services Ltd.;
 - b. C2C Construction Ltd.;
 - c. Direct Construction Company Ltd.;
 - d. Joe Pace & Sons Contracting Inc.;
 - e. G&G Contracting;
 - f. Greenline Renovations Plus Ltd.;
 - g. GH Renovations Inc.;
 - h. Finecraft Group Inc.;
 - i. LYR Inc.;
 - j. Malomar Construction and Renovation;
 - k. Richview Renovation and Restorations Ltd.;
 - l. SNL Techlink;
 - m. Universal Cleaning & Painting; and
3. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

CONTRACTOR AWARD: COMMERCIAL
ITEM 7C LAUNDRY APPLIANCES (RFP 21010) BIFAC:2021-61

The above-captioned report (BIFAC:2021-61) was circulated to BIFAC members prior to the meeting.

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

- All existing appliances will be replaced with brand new appliances as part of this contract.
- The recommended vendor has two thirds of the required inventory in stock and the remaining inventory can be deployed within two weeks of being awarded the contract.
- Commercial laundry machines have a lifespan of approximately 5-7 years.
- The machines currently in place are owned by Sparkle and will be removed by Sparkle.
- This contract consists of licensing fees for machines, card readers, and Coinamatic's portion of the revenue share. TCHC retains 90% of revenue.
- As part of the contract, Coinamatic is responsible for all machine maintenance, repairs and upkeep.
- Tenants will be refunded the amounts they have remaining on their Sparkle laundry cards.
- Since Coinamatic will have the inventory to replace the existing Sparkle machines, the timelines in the change order for Sparkle awarded at the June 15, 2021 Board meeting will be shortened such that Sparkle's contract will likely conclude in February 2022 rather than June 2022.

*Motion
carried*

ON MOTION DULY MADE by Mr. Smith, seconded by Mr. Mansour and carried, the BIFAC unanimously approved and forwarded to the Board of Directors for approval the following recommendations as outlined in Report BIFAC:2021-61:

1. Approve the award for the work Coinamatic Canada Inc. for \$26,292,435.00 (exclusive of taxes) for the provision and maintenance of commercial laundry appliances based on the outcome of RFP 21010 for a term of ten (10) years as follows:
 - a. Up to \$12,746,873.00 for five (5) years including:
 - i. \$11,846,025.00 for license fees (\$2,369,205.00 annually);
 - ii. \$151,800.00 for card reader license fees (\$30,360.00 annually); and
 - iii. \$749,048.00 for revenue to Coinamatic (\$149,810.00 annually);
 - b. Up to \$13,545,562.00 for one additional five (5) year term at TCHC management's discretion including:
 - i. \$12,718,125.00 for license fees (\$2,543,625.00 annually);
 - ii. \$165,600.00 for card reader license fees (\$33,120.00 annually); and
 - iii. \$661,838.00 for revenue to Coinamatic (\$132,368.00 annually); and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

TERMINATION

The public meeting terminated at 10:38 a.m.

Building Investment, Finance and Audit Committee
Public Minutes
June 23, 2021

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Secretary

Chair, Building Investment,
Finance & Audit Committee



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

Report No. and Meeting Date	Description	Status	Target Date	Assigned To
1. BIFAC:2019-100 November 20 2019	HoMES Project Update 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
2. BIFAC:2019-102 November 20 2019	Seniors Housing Unit 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	September 2, 2021	General Manager, Seniors Housing Unit
3. BIFAC:2021-57 June 23, 2021	2021 Facility Condition Index ("FCI") Report For the 2021 FCI report, Management to provide FCI forecasting beyond 2026.	In progress	To be included in the 2021 annual FCI report	Vice President, Facilities Management



Change Order: Project Management Services for the HoMES Project

Item 4

July 20, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-63

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

From: Vice President, Information Technology Services

Date: June 29, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC's approval for a change order for project management services provided by 2431933 Ontario Inc. for TCHC's Business Transformation project now known as the HoMES project.

BIFAC approval is required for the recommended change order, as the cumulative amount of all change orders exceeds the \$2.5 million financial approval limit of Toronto Community Housing's ("TCHC") Procurement Award Committee ("PAC").

RECOMMENDATIONS:

It is recommended that BIFAC approve the following recommendations:

1. Approve a change order to 2431933 Ontario Inc. for \$171,600.00 (exclusive of taxes) for project management services for the Integrated Housing Management Solution project now known as the HoMES

project;

and

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

REASONS FOR RECOMMENDATIONS:

The HoMES Project was approved on February 27, 2019 by TCHC's Board of Directors and was launched in May 2019 to replace 30+ legacy applications with one integrated housing management solution (HoMES) over the next two years. This system is anticipated to replace 30% of TCHC's existing legacy operating systems and provide TCHC with an all-encompassing enterprise solution that provides operations and tenancy management, general ledger accounting, and procure-to-pay functionality. Current systems are fragmented with no integrated workflows. This initiative will take place concurrent with operational process improvements, organizational transformation, change management and technology transformation, and must be delivered on time, in scope and on budget.

Consulting and project management services from a project manager with subject matter expertise is required to oversee the implementation of an integrated housing management system ("IHMS"). The project manager requires experience in the area of project management for complex, large scale, multi-dimensional enterprise system implementation, and the ability to leverage existing best practices in research and resources.

During the fourth quarter of 2020, the HoMES Project Management Office met to review the status of the project and to determine the feasibility of launching the entire Track 2 scope as planned in May 2021.

Upon completion of this review and after discussions with key project resources, Yardi, KPMG, and the HoMES Project Management Office ("PMO") brought forward a proposal to the HoMES Steering Committee to consider decoupling the Track 2 launch to go live in two phases.

- Phase 1: The core tenancy management solution was recommended to go live as planned in late May 2021 and involved a smaller number of users. All activities such as testing and training for this portion of Track 2 remained on schedule.
- Phase 2: Complete all system configuration, enhancements and testing by early September 2021 for the remaining modules. Delay go

live of the remaining Yardi modules to the September-November timeframe to allow for training to be conducted outside of summer months

The proposal was approved by the HoMES Steering Committee and brought to the BIFAC for information in February 2021. As the current agreement for project management services expires prior to the end of the HoMES project, a change order is necessary to retain these services until the completion of the project.

PROCUREMENT PROCESS:

This change order is recommended under the following justification under section 4.3(a) of TCHC's Procurement Policy:

- v. To ensure compatibility with goods and services previously acquired where there are no reasonable alternatives or substitutes.

IMPLICATIONS AND RISKS:

2431933 Ontario Inc. has been providing project management services for the past 38 months and has developed an in-depth knowledge and understanding of TCHC's business operations, project plan, project risks and the organization's culture. This knowledge is critical to provide effective project management services in the final months of the project.

Additionally, for TCHC to issue a new procurement document to secure the additional services that are required would create delays in project timelines, and could potentially introduce a new project management team to the HoMES project, with whom TCHC, Yardi, PwC and KPMG would then have to work. This would, in itself, likely create communication/planning/scheduling complications and project delays.

The Vice-President, Information Technology Services has reviewed the pricing for this additional work and has determined it to be reasonable and acceptable. The hourly rates of the project management services for this change order are marginally below industry standards for an enterprise-wide transformational project.

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 Attachment 1: 2431933 Ontario Inc. Change Order Details

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.



Change Order: Design Revisions and an Extension to Contract Schedule for the Tenant Service Hub Projects at Centennial Apartments, McClain Park Apartments and Kingston Road

Item 5

July 20, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-66

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

From: Vice President, Facilities Management

Date: July 12, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC's approval for the change order to Century Group Inc. ("CGI") for design revisions and an extension to the contract schedule for three Tenant Service Hub projects at Centennial Apartments, McClain Park Apartments and Kingston Road.

RECOMMENDATIONS:

It is recommended that the BIFAC approve the following recommendations:

- (a) Approve the change order to Century Group Inc. for design revisions to the projects scope of work and contract schedule extensions for the following three Tenant Service Hubs:
- \$400,169.05 (exclusive of taxes) for the Centennial Apartments (5 Wakunda Place) Tenant Service Hub as follows;
 - \$103,846.15 for construction extension from the original substantial performance date of April 8, 2021 to the new substantial performance date of October 11, 2021 (27 weeks); and

- \$296,322.90 for additional scope of work to complete construction (includes construction contingency);
 - \$277,098.20 (exclusive of taxes) for the McClain Park Apartments (10 Glen Everest Road) Tenant Service Hub as follows;
 - \$111,538.46 for construction extension from the original substantial performance date of March 31, 2021 to a new substantial performance date of October 18, 2021 (29 weeks).
 - \$165,559.74 for additional scope of work to complete construction (includes construction contingency);
 - \$51,570.00 (exclusive of taxes) for the Kingston Road (520 Kingston Road) Tenant Service Hub as follows;
 - \$50,000.00 for construction extension from the original substantial performance date of March 24, 2021 to the new substantial performance date of June 2, 2021 (13 weeks);
 - \$1,570.00 for additional scope of work to complete construction (includes construction contingency); and
- (b) Authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

REASONS FOR RECOMMENDATIONS:

Background

To continually improve service levels for tenants, TCHC has restructured its on-site staff and operations model. Central to this restructuring is interior building improvements and the establishment of new Tenant Service Hub locations throughout the TCHC portfolio. These Tenant Service Hubs serve as important points of community interaction for tenants, a place to access complete services, and a highly functional work space for TCHC staff.

In September 2020, the following contracts were awarded to CGI for Tenant Service Hub construction based on the outcome of Request for Proposals (“RFP”) 20123-PP:

- \$576,449.57 (exclusive of taxes) for Centennial Apartments (5 Wakunda Place);

- \$425,295.88 (exclusive of taxes) for McClain Park Apartments (10 Glen Everest Road); and
- \$431,323.94 (exclusive of taxes) for Kingston Road (520 Kingston Road).

Per the RFP 20123-PP, the construction plans included a scope of work that included interior demolition, new partition walls, interior finishes, electrical, mechanical, IT, security related work, and the creation of a new laundry room.

Change Order Recommendation

This change order is recommended to cover the additional costs associated with design revisions to the projects scope of work and for costs associated with contract extensions. The change order has been broken-down into three categories:

1. *Updating of Documents (Additional Scope of Work):* Changes required to close the gap between the early, preliminary drawing set issued for pricing and the later “Issued for Construction” which captures the complete project scope (notably IT, security, mechanical and electrical work).
2. *Contract Extension:* Changes to the contract specifically related to the extension of the original project schedule. Mostly these are contractor General Requirement and Conditions that include items such as site mobilization, equipment rentals, in-house labor and administrative costs.
3. *Construction Contingency:* Changes due to unforeseen existing conditions, owner initiated revisions and other conventional changes that would be expected in the normal course of any construction project delivery.

Table 1: Change order breakdown

Tenant Service Hub	Change Order Category			Total
	Updating of Documents	Contract Extension	Construction Contingency	
Centennial Apartments	\$224,322.90	\$103,846.15	\$ 72,000	\$400,169.05
McClain Park Apartments	\$115,559.74	\$111,538.46	\$ 50,000	\$277,098.20
Kingston Road	\$155,236.62 <i>Already approved. Not included in this recommended change order. See Confidential Attachment 1.</i>	\$50,000.00	\$1,570.00	\$51,570.00

See Confidential Attachment 1 for a summary of change orders to date by project, including the recommended change order.

IMPLICATIONS AND RISKS:

The change order is recommended for the delivery of the three Tenant Service Hubs before the end of 2021, and to ensure that the additional work is completed within the extended time frame.

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

Confidential Attachment 1: Change Order Summary

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.

Confidential Attachment 2: Additional Information Regarding Recommended Change Order

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 CONTACT:

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