



Vendor Award: Move-Out Unit Turnover Program

Item 7E

July 26, 2023

Board of Directors

Report: TCHC:2023-47

To: Board of Directors (the “Board”)

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

Date: July 10, 2023

PURPOSE:

The purpose of this report is to seek the Board of Directors’ (the “Board”) approval for up to \$171,294,568.75 (exclusive of taxes) for the establishment of a roster of prequalified vendors for the Move-Out Unit Turnover Program for a term of up to five years.

Board approval is required for this contract award as it exceeds the \$5M financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the Board:

1. Approve the award of work up to \$171,294,568.75 (exclusive of taxes) for the Move-Out Unit Turnover Program at the rates established based on the outcome of Request for Proposal (“RFP”) 23012 for a term of five (5) years as follows:
 - i. up to \$31,000,000.00 for the first year of initial contract; and
 - ii. up to \$140,294,568.75 for four (4) additional one-year terms at TCHC management’s discretion;
2. Approve the award of the work to the following fifteen (15) vendors based on the outcome of Request for Proposal (“RFP”) 23012 as follows:
 - i. Bestway Renovations Inc.;
 - ii. C2C Construction Ltd.;

- iii. DHI Renovations Inc.;
- iv. GH Renovations Inc.;
- v. LYR Inc.;
- vi. Pandora General Contracting Inc.;
- vii. SCL Property Maintenance Ltd. (2089377 Ontario);
- viii. Universal Cleaning & Painting Ltd. ;
- ix. Bi-Views Building Service Ltd.;
- x. CCA Contracting Inc.;
- xi. G&G Contracting (1762550 Ont. Inc.);
- xii. Joe Pace & Sons Contracting Inc.;
- xiii. Malomar Construction & Renovation Inc.;
- xiv. Richview Renovations & Restorations Ltd.;
- xv. SNL Techlink (2450419 Ontario Inc.); and

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

BIFAC:

This report was approved by the BIFAC on July 17, 2023.

PROJECT BACKGROUND:

The Move-Out Unit Turnover Program prepares vacated units for new tenancies on an as-needed basis. The program addresses an average of 3,000 to 4,000 vacant units annually. Since 2009, TCHC has developed a structured process under the program to complete renovations and to prepare vacant units for new tenants within defined turnaround times and at pre-determined prices.

REASONS FOR RECOMMENDATIONS:

The Move-Out Unit Turnover Program's repair and renovations services vary by unit and may include painting, flooring, and general unit repairs, as well as partial or total kitchen and bathroom renovations.

The current program consists of fifteen (15) vendors and will expire on August 31, 2023. The intent of the RFP is to establish new contracts, and have a fair market price and adequate number of vendors for this program.

The award amount is based on the final pricing in RFP 23012, which used the trends and approved scope of work between 2021 and 2022 which is the first contractual term of current contract. The increase in the projected budget is due to the new standard flooring finishes (luxury vinyl tile, waterproof vinyl

plank and engineered wood), which are more durable, aesthetically pleasing, incur less maintenance costs and have a stable supply chain in Canada. The volume of work orders is projected to be over 3,000 units.

The existing contract for the Move Out Unit Program (RFP 21008) was approved by the Board of Directors at its July 22, 2021 meeting in the amount of \$56.5M (exclusive of taxes), and started on September 6, 2021, with a one year term and two additional one-year extensions at TCHC management's discretion and an original termination date of September 5, 2024 (Report TCHC:2021-44). The current contract will be terminated on August 31, 2023: Annual breakdown of RFP 21008:

- up to \$16.5M for one year; and
- up to \$40M for two additional one-year terms (\$20M annually)

Two change orders were approved by the Board of Directors for additional funding for the current contract for the Move-Out Unit Turnover Program, which totaled \$16.10M, resulting from inflationary impacts caused by the COVID pandemic. The approved change order details are as follows:

1. [Report TCHC:2022-31](#) – on June 28, 2022, the Board of Directors approved a change order in the amount of \$6.6M in additional funding for the Move-Out Unit Turnover Program for the period from July 1, 2022 to December 31, 2022; and
2. [Report TCHC:2022-85](#) – on December 8, 2022, the Board of Directors approved a change order in the amount of \$9.5M in additional funding for the Move-Out Unit Turnover Program for the period from January 1, 2023 to August 31, 2023.

Table 2: September 2021 – August 2023 Contract Amount

| | Amount | Balance |
|--|----------------|----------------|
| Allocated budget – Original Budget | \$36.5M | |
| Amount of change order VAC #22304 | \$6.6M | |
| Amount of change order VAC #22636 | \$9.5M | |
| Total available funds | \$52.6M | |
| Actual spend, projected spend until August 31, 2023 | \$48.6M | \$4.0M |

The \$4M balance will cover upcoming unit turnovers until the completion of the current contractual term on August 31, 2023. A total of 400 units are expected to be scoped (with the move-out date up to July 31), with an average unit cost of \$10K. This will result in a total expenditure of \$52.6M.

PROCUREMENT PROCESS:

RFP 23012 was issued on February 7, 2023 and closed on May 4, 2023. Forty (40) submissions were received. The submissions were evaluated through a three-stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing. Twenty-four (24) submissions met the requirements of the first two stages. Ranking was based on the total score from the Rated Criteria score (out of 60 points) and pricing scores (out of 40 points). The top fifteen (15) ranking proponents qualified for the roster. Confidential Attachment 1 provides the summary of submissions

The overall ranking of the top fifteen (15) proponents will be used for the purpose of determining the order in which proponents will be offered and awarded project agreements.

The roster will be in effect for one year with four additional one-year terms at TCHC management's discretion. The approximate start date of the contract will be September 1, 2023. Work will not commence until this award has been approved, a contract has been executed and the purchase order issued. Any significant delays in issuing the purchase order will impact the schedule.

IMPLICATIONS AND RISKS:

A public RFP was issued and the recommendation in this report is based on awarding the work as per the RFP requirements, thus the risk of a proponent challenging the awarding of the contract is minimized.

A Performance Bond as well as Labour and Material Bond in the amount of \$50,000.00 each is required for this award. Proponents can also submit an alternate form of security such as an irrevocable letter of credit, a bank draft, or a certified cheque in the amount of \$25,000.00.

At TCHC's sole and absolute discretion, the unit rate price list for the four option years may be adjusted by TCHC on an annualized basis to reflect inflation based on the change (increase or decrease) in the Consumer Price Index, provided that in no event shall any such price adjustment exceed five percent. Unit rate adjustments would continue to be managed within the limits of the expenditure limit approved by the Board. Should that not prove possible, authority to increase that limit would be required.

The Business Operations program manager in consultation with other regional and Toronto Seniors Housing Corporation ("TSHC") staff have determined that the recommended proponents have the capability and

capacity to deliver the work within the timeline. Eleven (11) of the recommended proponents are on the current move-out unit turnover program roster. Bi-Views Building Service Ltd. and LYR Inc. have performed similar work for TCHC with satisfactory results. DHI Renovations Inc. and SCL Property Maintenance Ltd. (2089377 Ontario) are new vendors to TCHC and staff have checked their references.

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 remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

Services will be delivered in vacant units. However, any delays will affect TCHC's ability to provide units for new tenants in an expedient manner.

Funding for this award is within the program budget of the 2023 Capital Budget and will be included in future capital budget submissions.

SIGNATURE:

"Nadia Gouveia"

Nadia Gouveia
Chief Operating Officer (Acting)

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:

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