



## Vendor Award: Supply, Delivery, and Installation of New Appliances

Item 4

October 24, 2023

Building Investment, Finance and Audit Committee

**Report: BIFAC:2023-125**

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

From: Chief Operating Officer (Acting)

Date: October 3, 2023

### PURPOSE:

The purpose of this report is to seek the BIFAC's and the Board of Directors' approval to award work to HD Supply Canada Inc. and Canadian Appliance Recycling Enterprise ("CARE") with a value up to \$20,157,766.90 (exclusive of taxes) to supply, deliver and install new appliances as well as remove and dispose of old appliances for all TCHC and Toronto Seniors Housing Corporation ("TSHC") units west of Yonge Street.

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

### RECOMMENDATIONS:

It is recommended that the BIFAC approve and recommend that the Board:

1. approve the award of work up to \$20,157,766.90 (excluding HST) for the supply, delivery and installation of new appliances as well as the removal and disposal of old appliances for all TCHC units west of Yonge Street at the rates established from the outcome of Request for Proposals (RFP) 22278, and the subsequent second stage Request for Quotations ("RFQ") 23145 for a term of up to five years as follows:
  - a. \$12,094,660.20 for the initial 3-year term; and

- b. \$8,063,106.79 for two additional 1-year terms at TCHC management's discretion;
2. approve the award of the work to the following two vendors based on the outcome of RFP 22278 and RFQ 23145 as follows:
  - a. Canadian Appliance Recycling Enterprise ("CARE") for the supply, delivery and installation of new appliances and the removal and disposal of old appliances if and when required for Group 2 (OUC, OUE, OUJ, and OUZ) of the West Portfolio (half of all TCHC units west of Yonge Street), as well as a backup supplier for West Portfolio Group 1 (OUD, OUF, OUO, and OUQ);
  - b. HD Supply Canada Inc. for the supply, delivery, and installation of new appliances and the removal and disposal of old appliances if and when required for Group 1 (OUC, OUE, OUJ, and OUZ) of the West Portfolio (half of all TCHC units west of Yonge Street), as well as a backup supplier for West Portfolio Group 2 (OUC, OUE, OUJ, and OUZ); and
3. authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**REASONS FOR RECOMMENDATIONS:**

TCHC and TSHC provide tenants with appliances as part of the tenancy agreement. When appliances break down and cannot be repaired economically, replacements are ordered.

The Appliance Program is designed to efficiently supply, deliver, and install new appliances as well as remove old appliances. This is work that must be performed, without delay, in order to ensure that TCHC and TSHC tenants are provided with a safe living environment.

Establishing a program for this scope of work ensures a formalized process to efficiently and effectively deliver the Appliance Program. This includes consistency in pricing, and accordance with standard specifications and accountabilities and performance expectations.

This award will provide service to all buildings located west of Yonge Street in the TCHC and TSHC portfolio. The West Portfolio is broken into two groups:

- West Portfolio Group 1 includes OUD, OUF, OUO, and OUQ; and
- West Portfolio Group 2 includes OUC, OUE, OUJ, and OUZ.

**PROCUREMENT PROCESS:**

RFP 22278 was issued on January 18, 2023 and closed on February 24, 2023. Three submissions were received. The submissions were evaluated through a six-stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing. Two submissions met the requirements of the first two stages. Following the fourth stage, the qualified proponents were invited to a second stage RFQ to obtain pricing. Pricing was accepted for products from the approved list without exception. The RFQ was conducted in two stages to evaluate mandatory items such as inventory of specific appliances, energy star rating, and pricing. The two successful proponents provided compliant bids.

The proponent who submitted the lowest total price was granted the priority to select their preferred service location from Group 1 (OUD, OUF, OUO, OUQ) and Group 2 (OUC, OUE, OUJ, and OUZ) of the West Portfolio. The remaining group was offered to the proponent who submitted the second lowest total price.

The program will be in effect for a three-year term (with two optional one-year extensions), with a start date of November 1, 2023. Work will not commence until this award has been approved and a contract has been executed.

Confidential Attachment 1 provides details on pricing and rated criteria.

**IMPLICATIONS AND RISKS:**

A public RFP and a subsequent second stage RFQ were issued and the recommendation 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.

The Manager, Operations Compliance in consultation with other Operations staff, confirms that the pricing is reasonable and acceptable for the work. At TCHC's sole and absolute discretion, the pricing line items for years 2, 3, 4 and 5 may be adjusted by TCHC on an annualized basis to reflect inflation based on the change (increase or decrease) in the Consumer Price Index ("CPI") in Ontario, provided that in no event shall

any such price adjustment exceed five percent.

This work requires entry into tenant units. Timely and appropriate notification will be provided to tenants to notify them of planned work in their units. There is no anticipated disruption to staff.

Performance will be evaluated in accordance with TCHC's Vendor Compliance Evaluation System. Results gathered through 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 program budget of the 2023 Operating Budget. Funding for future years budgets will be requested within the 2024-2028 Operating Budgets.

**SIGNATURE:**

*"Nadia Gouveia"*

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Nadia Gouveia  
Acting Chief Operating Officer

**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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