



Q4 2022 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 9B

March 6, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-30

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

From: Vice President, Facilities Management

Date: February 6, 2023

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q4 2022 results of the Preventive Maintenance/Demand Repair Programs and Elevator Contracts managed by Facilities Management.

RECOMMENDATION:

It is recommended that the BIFAC receive this report for information.

BACKGROUND

At the November 3, 2021 BIFAC meeting, Facilities Management committed to completing a quarterly reconciliation of the Preventive Maintenance/Demand Repair programs and Elevator contracts to ensure the programs were in compliance with the approved awards and to take corrective action, when required, to ensure ongoing compliance.

These programs ensure that TCHC's grounds, elevators, fire life safety, mechanical, electrical, and heating ventilation and air conditioning ("HVAC") equipment are properly maintained through best in class preventive maintenance programs and ensure that demand repairs are completed, when required, to maintain buildings in a state of good repair and ensure tenant comfort. Facilities Management, Client Care,

Maintenance Dispatch, Building Staff and Risk and Insurance utilize the programs.

This review details findings of the reconciliation completed as of the end of Q4 2022.

Q4 2022 PROGRAM RESULTS

In accordance with the detailed information provided in Report BIFAC:2022-153 “Q2 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts”, Facilities Management completed a detailed review of Preventive Maintenance/Demand Repair programs and Elevator contracts owned by Facilities Management.

As of December 31, 2022, all Preventive Maintenance/Demand Repair programs and Elevators contracts have been reconciled using a manual reconciliation process. The results of the reconciliation found that all program spends for Q4 were within approved amounts and thus in compliance.

At the time of report completion, audited 2022 year-end financial close was in progress, however preliminary financial review indicates spends are within overall budgets.

The automated reporting from HoMES to assist in the reconciliation is not yet available. It is anticipated that this reporting will be available in Q1 2023.

IMPLICATIONS AND RISKS:

TCHC is obligated to complete this work to either ensure compliance with various code requirements (e.g. Ontario Fire Code, Technical Standards and Safety Authority (“TSSA”)) and/or ensure its buildings are properly maintained. Properly maintained buildings preserve TCHC assets, help achieve a state of good repair for the portfolio, and help provide a healthy, comfortable and safe home for our tenants.

Preventive maintenance is regularly occurring work that has a set cost determined during the procurement and award process.

Demand repairs are completed on an as needed basis and can vary from year to year. This can present challenges when determining the required approval amounts. Historic data, industry knowledge, plus current market conditions are used to try to predict future spends.

As with any work performed, there is a risk that the work may not be performed satisfactorily or represent value for money. To mitigate these risks, these programs are procured through a public procurement process and once awarded, any work arising from the preventive maintenance activities must be authorized by Facilities Management staff. Facilities Management staff also perform random reviews of completed work to ensure the work was completed satisfactorily. For work generated from demand requests, site staff must confirm that the work was performed satisfactorily before approving the invoice for payment by Finance staff.

The inspection process that is in place is consistent with recommendations made by the Auditor General to ensure work is being performed satisfactorily and that there is value for money.

Facilities Management will continue to provide quarterly reconciliation of the programs to ensure that they are closely monitored and that any additional approvals required can be obtained in a timely manner to ensure there is no interruption with the completion of this required work.

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

ATTACHMENT:

1. Preventive Maintenance/Demand Repairs Programs Summary
February 1, 2023

STAFF CONTACT:

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2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023				Preventive Maintenance (PM)		Demand Repairs		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	2022 Q4 Reconciliation Comments
Roof Maintenance	Jul-20/Jul-24	\$23,459,388	2020-2021	\$426,918	\$373,882	\$9,000,000	\$6,191,295	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$23,567,295	2022	\$177,490	\$152,269	\$4,500,000	\$2,384,318	
		C/O: (\$107,907)	2023	\$177,490		\$4,500,000		
			2024	\$177,490		\$4,500,000		
Grounds & Snow Maintenance	May-20/Apr-25, Oct-21/Apr-25	\$67,655,937	2021	\$11,435,094	\$11,435,094	Not Applicable	Not Applicable	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$56,200,470	2022	\$14,236,843	\$14,020,565			
		C/O's & DA: \$11,455,467	2023	\$14,121,460				
			2024	\$13,931,270				
			2025	\$13,931,270				
Fire Life Safety	April-22 May 22/Dec 22	\$9,274,926	2022	\$1,340,926	\$705,018	\$7,934,000	\$5,472,304	Q4 2022 reconciliation completed. No action required.
		Orig VAC (DA): \$847,335 C/O: \$8,427,591						
Generator	July-22/Jun-24	Orig VAC: \$2,932,073	2022-2024	\$732,073	\$73,998	\$2,200,000	\$156,930	Q4 2022 reconciliation completed. No action required.
Chillers	Jan-16/Dec-22	\$2,369,513	2016-2021	\$1,363,464	\$1,363,464	\$407,808	\$385,936	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$1,924,697	2022	\$337,926	\$337,926	\$260,315	\$147,367	
		C/O: \$444,816						
PTAC/Fan Coil	Jan-17/Dec-22	\$6,533,769	2017-2021	\$4,956,341	\$4,956,341	\$215,000	\$195,785	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$4,264,220	2022	\$1,310,757	\$1,310,757	\$51,671	\$18,904	
		C/O: \$2,269,549						
Elevator A/C	Jan-21/Dec-25	\$632,225	2021	\$23,640	\$23,640	\$75,000	\$53,050	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$498,225	2022	\$57,140	\$27,930	\$75,000	\$44,800	
		C/O: \$134,000	2023	\$57,140		\$75,000		
			2024	\$57,140		\$76,500		
			2025	\$57,140		\$78,525		

2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023				Preventive Maintenance (PM)		Demand Repairs		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	2022 Q4 Reconciliation Comments
Booster/Sump Pump	Jan-21/Dec-25	\$1,253,359	2021	\$123,017	\$123,017	\$85,000	\$76,378	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$1,046,084	2022	\$139,160	\$139,160	\$110,000	\$25,212	
		C/O: \$207,275	2023	\$155,394		\$110,000		
			2024	\$155,394		\$110,000		
			2025	\$155,394		\$110,000		
Laundry Room Exhaust	Jan-18/Dec-22	\$1,020,158	2018-2021	\$462,960	\$453,650	\$350,000	\$324,913	Q4 2022 reconciliation No action required.
		Orig VAC: \$941,286 C/O: \$78,872	2022	\$126,947	\$57,246	\$80,251	\$43,583	
Thermographs	Jan-17/Dec-22	\$1,836,180	2017-2021	\$1,107,320	\$1,107,319	\$380,000	\$291,468	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$1,448,840 C/O: \$387,340	2022	\$298,860	\$298,000	\$50,000	\$46,135	
Garage CO PM	Jan-18/Dec-23	\$419,278	2018-2021	\$121,456	\$121,456	\$172,000	\$109,985	Q4 2022 reconciliation completed. No action Required. VAC approved for 6 yrs. TCHC elected not to extend year 6.
		Orig VAC: \$409,278 C/O: \$10,000	2022	\$46,213	\$39,782	\$42,000	\$18,825	
Duct cleaning	Jan-20/Dec-24	\$5,463,226	2020-2021	Not Applicable	Not Applicable	\$2,245,761	\$2,227,548	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$5,000,000	2022			\$1,217,464	\$1,071,164	
		C/O: \$463,226	2023			\$1,000,000		
			2024			\$1,000,000		
Chemical Treatment	Feb-21/Dec-26	\$576,772	2021-2022	\$88,285	\$88,285	\$12,420	\$9,786	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$502,692	2023	\$101,605	\$93,138	\$12,420	\$8,738	
		C/O: \$74,080	2024	\$105,472		\$15,200		
			2025	\$105,472		\$15,200		
			2026	\$105,472		\$15,226		

2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023				Preventive Maintenance (PM)		Demand Repairs		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	2022 Q4 Reconciliation Comments
Demand Plumbing	Jan-20/Dec-24	\$50,405,427	2020-2021	Not Applicable	Not Applicable	\$23,205,427	\$10,079,897	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$26,500,000	2022			\$16,600,000	\$15,159,837	
		C/O: \$23,905,427	2023			\$5,300,000		
			2024			\$5,300,000		
Demand Heating	Feb-20/Dec-24	\$30,550,000	2020-2021	Not Applicable	Not Applicable	\$12,550,000	\$8,665,016	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$30,000,000	2022			\$6,000,000	\$4,370,475	
		C/O: \$550,000	2023			\$6,000,000		
			2024			\$6,000,000		
HVAC Over 5 Ton	Feb-20/Dec-24	\$2,430,000	2020-2021	Not Applicable	Not Applicable	\$990,000	\$866,254	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$2,400,000	2022			\$480,000	\$408,613	
		C/O: \$30,000	2023			\$480,000		
			2024			\$480,000		
HVAC Under 5 Ton	Feb-20/Dec-24	\$22,620,000	2020-2021	Not Applicable	Not Applicable	\$9,120,000	\$5,221,324	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$22,500,000	2022			\$4,500,000	\$2,325,556	
		C/O: \$120,000	2023			\$4,500,000		
			2024			\$4,500,000		
Electrical	Feb-20/Dec-24	\$10,200,000	2020-2021	Not Applicable	Not Applicable	\$4,200,000	\$4,162,906	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$10,000,000	2022			\$2,000,000	\$1,617,402	
		C/O: \$200,000	2023			\$2,000,000		
			2024			\$2,000,000		
Furnace PM	Jan-22/Dec-26	\$7,559,440	2022	\$1,436,888	\$1,381,955	\$75,000	\$64,352	Q4 2022 reconciliation completed. No action required.
		Orig VAC: \$6,909,440	2023	\$1,436,888		\$75,000		
		C/O: \$650,000	2024	\$1,436,888		\$75,000		
			2025	\$1,436,888		\$75,000		
			2026	\$1,436,888		\$75,000		

2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023				Preventive Maintenance (PM)		Demand Repairs		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	2022 Q4 Reconciliation Comments
Furnace Replacements (NOTE: Approved replacement spend/actuals shown in the PM columns)	Jan-22/Dec-26	\$10,284,480 Orig VAC \$9,533,600 C/O: \$750,880	2022	\$2,072,160	\$2,033,450	\$260,000	\$242,123	Q4 2022 reconciliation completed. No action required.
			2023	\$2,072,160		\$260,000		
			2024	\$1,771,720		\$135,000		
			2025	\$1,771,720		\$85,000		
			2026	\$1,771,720		\$85,000		
PTAC Replacements (NOTE: Approved replacement spend/actuals shown in the PM columns)	Apr-22/Mar-28	\$7,568,492	2022-2023	\$1,108,505	\$180,907	\$37,000	\$778	Q4 2022 reconciliation completed. No action required. Q4 2022 reconciliation completed. No action required.
			2024	\$1,108,505		\$37,000		
			2025	\$1,108,505		\$37,000		
			2026	\$1,274,781		\$37,370		
			2027	\$1,338,520		\$37,931		
			2028	\$1,405,446		\$37,931		
Backflow	July-20/June-25	\$954,825 Orig VAC: \$904,539 C/O: \$50,286	2020-2021	\$55,420	\$55,420	\$120,541	\$59,973	Q4 2022 reconciliation completed. No action required.
			2022	\$57,120		\$137,261		
			2023	\$60,520		\$166,727		
			2024	\$60,520		\$113,581		
			2025	\$60,520		\$122,615		

2022 Q4 PM/Demand Repairs Programs Summary to February 1, 2023				Preventive Maintenance (PM)		Demand Repairs		
Service	Start Date/ End Date	Total Approved Award by VAC	Year	PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	2022 Q4 Reconciliation Comments
Demand Pressure Vessels	Jan-21/Dec-25	\$2,184,050 Orig VAC: \$1,960,450 C/O: \$223,600	2021	Not Applicable	Not Applicable	\$411,011	\$411,011	Q4 2022 reconciliation completed. No action required.
			2022					
			2023					
			2024					
			2025					
Elevators	Jun-17/May-27	Orig VAC PM/Demand: \$31,427,470	N/A: Award based on total term	\$19,536,888	\$10,882,697	\$11,890,581	\$4,722,889	Q4 2022 reconciliation completed. No action required.
			Kitchen Drains Treatment	Aug-22/Aug-30	\$8,007,585	2022-2023	\$827,068	\$446,709
2024	\$827,068	\$100,000						
2025	\$827,068	\$100,000						
2026	\$827,068	\$100,000						
2027	\$974,828	\$100,000						
2028	\$974,828	\$100,000						
2029	\$974,828	\$100,000						
Electrical	Oct-22/Sept-27	\$18,000,000	2022-2023	Not Applicable	Not Applicable	\$3,600,000	\$803,147	Q4 2022 reconciliation completed. No action required.
			2024			\$3,600,000		
			2025			\$3,600,000		
			2026			\$3,600,000		
			2027			\$3,600,000		