



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 hybrid Public meeting on March 18, 2024, via Webex and in-person at City Hall, Committee Room 1, 100 Queen Street West, commencing at 9:53 a.m.

BIFAC Directors Present: Nick Macrae (Chair)
John Campbell
Councillor Parthi Kandavel
Councillor Perruzza

BIFAC Directors Absent: Naram Mansour
Brian Smith

Management Present: Tom Hunter, Interim Chief Executive Officer (“CEO”)
Nadia Gouveia, Acting Chief Operating Officer (“COO”)
Darragh Meagher, General Counsel & Corporate Secretary
Lily Chen, Chief Financial Officer (“CFO”)
Jessica Hawes, Acting Chief Development Officer (“CDO”)
Barbara Shulman, Chief People & Culture Officer
Allen Murray, Vice President, Facilities Management
Luisa Andrews, Vice President, Information Technology Services
Ada Wong, Acting Vice President, Strategic Planning & Communications
John Angkaw, Senior Director, Operations
Ceilidh Wilson, Assistant Corporate Secretary

A quorum being present, Mr. Macrae, 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 provided an overview of the reports on today’s public agenda.

ITEM 2 APPROVAL OF PUBLIC MEETING AGENDA

*Motion
carried*

ON MOTION DULY MADE by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC unanimously approved:

1. the Agenda for its Public meeting of March 18, 2024; and
2. all matters on the Agenda with the exception of:
 - Item 6B – Vendor Award: Comprehensive Envelope, Mechanical and Electrical Retrofit at 840 Eglinton Avenue West;
 - Item 6C – Vendor Award: Preventive Maintenance/Demand Services for Fire/Alarm Suppression Systems and Fire Hydrant Testing, Inspection and Maintenance Services (Group 5 – Seniors West);
 - Item 7 – Change Order: Demand General Repairs Program;
 - Item 9 – Q4 2023 Delegated Real Estate Property Transactions; and
 - Item 12A – Internal Audit Departmental Annual Report for 2023.

ITEM 3 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 4 CONFIRMATION OF BIFAC PUBLIC MEETING MINUTES OF FEBRUARY 9, 2024

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

ITEM 5 BUSINESS ARISING FROM THE PUBLIC MEETING MINUTES AND ACTION ITEMS UPDATE

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received the updates provided as Business Arising from the Public Meeting Minutes and Action Items Update.

ITEM 6A VENDOR AWARD: PROGRAM ROSTER FOR THE WATER EFFICIENCY RETROFITS PROGRAM AT VARIOUS TCHC AND TSHC LOCATIONS BIFAC:2024-25

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC unanimously approved, and recommended that the Board of Directors:

1. Approve the establishment of a roster of pre-qualified vendors for the provision of the water efficiency retrofits program at TCHC and TSHC locations for up to \$40,000,000.00 (exclusive of taxes) based on the outcome of Request for Proposal (“RFP”) 23154 for a term of five years with the following vendors:

- a. Greenline Renovations Plus Ltd.
 - b. Joe Pace and Sons Contracting Inc.
 - c. Solid General Contractors Inc.
 - d. Summit Building Solutions; and
2. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**VENDOR AWARD: COMPREHENSIVE
ENVELOPE, MECHANICAL AND
ELECTRICAL RETROFIT AT 840 EGLINTON
AVENUE WEST**

ITEM 6B

BIFAC:2024-27

The above-captioned report was circulated to BIFAC members prior to the meeting.

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

- \$1.8M of the \$7.6M project costs will be funded through grant funding from Natural Resources Canada's Green Infrastructure Program.
- This is an extensive retrofit project that will include mechanical, electrical, and envelope (e.g. windows, cladding, etc.) repairs.
- Management will provide Director Campbell with more details of the energy savings to be realized through this project via email.
- This project is not necessarily driven only by energy savings. The building requires extensive retrofits to bring it back into a good state of repair and to ensure that it remains part of TCHC's housing stock.
- To qualify for the Green Infrastructure Grant, an energy retrofit would have been required.
- It was requested that where there are capital retrofits that are expected to result in energy savings, that that information be included in future reports related to vendor awards.

*Motion
carried*

ON MOTION DULY MADE by Mr. Campbell, seconded by Councillor Kandavel and carried, the BIFAC unanimously:

1. Approved the award of work to Brook Restoration Ltd. for

\$7,616,942.60 (exclusive of taxes) for comprehensive envelope, mechanical and electrical retrofit at 840 Eglinton Avenue West (Bathurst Eglinton, Dev. 405) based on the outcome of Request for Quotations (“RFQ”) 23228 PP; and

2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**VENDOR AWARD: PREVENTIVE
MAINTENANCE/DEMAND SERVICES FOR
FIRE/ALARM SUPPRESSION SYSTEMS
AND FIRE HYDRANT TESTING,
INSPECTION AND MAINTENANCE**

ITEM 6C SERVICES (GROUP 5 – SENIORS WEST) BIFAC:2024-27

The above-captioned report was circulated to BIFAC members prior to the meeting.

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

- Greater Toronto Fire Protection Services (“GTFPS”) was initially the recommended vendor to conduct this work, however they withdrew their bid. Following contract negotiations, GTFPS notified TCHC in writing that they were withdrawing their bid based on a misunderstanding related to pricing.
- The Request for Proposal (“RFP”) stated that vendors would only be compensated for their time on-site for demand work and pricing would need to incorporate administrative and travel costs in proponents’ submissions. GTFPS’s submission did not include these costs, resulting in it becoming uneconomical for them to conduct the work at the pricing they submitted.
- GTFPS has been awarded work from TCHC in the past.
- There is a small pool of vendors who bid when TCHC puts this work out to tender.
- There is a large scope of services required as part of this RFP based on the nature of TCHC’s business. TCHC also has more stringent fire life safety standards than a private landlord is likely to require.

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- As part of the procurement process, staff perform outreach in an attempt to attract as many vendors as possible to bid on the work.
- There are some challenges with attracting vendors to perform work in TCHC's portfolio when compared to private facilities or locations where there are operators on-site, such as a long-term care facility.
- Action item: Staff to consult with the City of Toronto, including Fire Prevention and Long-Term Care, and comparable social housing providers in relation to their procurement strategies for fire prevention services to determine what actions TCHC might take in order to expand its vendor pool.
- Strategic Procurement staff meet monthly with the City's procurement department to learn from their practices and leverage their vendors of record and vendor pools when undergoing TCHC-led procurements.
- A social procurement policy is in development and is part of the scope of work for external counsel who are reviewing TCHC's procurement policies and procedures. Once developed, this will be presented to the Board.
- TCHC has a community economic development program in place.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Councillor Kandavel and carried, the BIFAC unanimously:

1. Approved the award of work to Oak Ridge Building Solutions Inc. for up to \$7,355,383.30 (exclusive of taxes) for fire/alarm suppression systems and fire hydrant testing, inspection, and maintenance services in the TSHC Seniors North West and South West Regions (Group 5, Operating Units O and Q) at the rates established for a four year and nine-month term based on the outcome of Request for Proposal ("RFP") 23059 as follows:
 - \$1,245,045.34 (exclusive of taxes) for preventive maintenance as follows:
 - \$693,153.07 for two years and nine months of the initial contract
 - including Hydrostatic Testing in year two for \$27,300.00; and

- including Sprinkler Obstruction Testing in year three for \$27,300.00;
- \$551,871.27 for two additional one-year terms at TCHC management's discretion, including Hydrostatic Testing in year five for \$27,600.00;
- Up to \$6,110,358.96 (exclusive of taxes) for demand repairs not in scope as follows:
 - \$3,510,358.96 for two years and nine months of the initial contract; and
 - \$2,600,000.00 for two additional optional one-year terms at TCHC management's discretion;

Note: the award value has been prorated to include the awarded value of up to \$500,000.00 awarded as part of Direct Award 23568 for January 1, 2024, to March 31, 2024

2. Authorized the appropriate staff to take the necessary actions to give effect to the above recommendations.

**CONTRACT ASSIGNMENT: OPERATIONS
AND MAINTENANCE CONTRACT FOR
COMBINED HEAT AND POWER AND
EMERGENCY GENERATOR SYSTEMS**

ITEM 6D (GROUP 2)

BIFAC:2024-28

The above-captioned report 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 'Purpose' section of the report describes the upset limit for the contract value differently than the upset limit included in the 'Recommendations' section. The dollar value in the 'Purpose' section is correct and will be reflected in the motion for this award.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC unanimously:

1. Approved the contract assignment for operations and maintenance approved funding to Tecogen Inc. for up to \$9,455,594.55 (exclusive of taxes) for operations and maintenance of the combined heat and power and emergency generator systems in Group 2 as follows:
 - a. \$2,064,849.43 from May 1, 2024 to May 14, 2028, for the balance of the first seven years of the operations and maintenance term. This value is an upset estimate and may change once reconciled with Ecosystem Energy Services Inc.;
 - b. \$3,781,869.36 for an additional seven years of operations and maintenance, commencing May 15, 2028, at TCHC management's discretion;
 - c. \$3,608,875.76 for an additional six years of operations and maintenance, commencing May 15, 2035, at TCHC management's discretion; and
2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**CONTRACT ASSIGNMENT: OPERATIONS
AND MAINTENANCE CONTRACT FOR
COMBINED HEAT AND POWER AND
EMERGENCY GENERATOR SYSTEMS**

ITEM 6E (GROUP 4)

BIFAC:2024-29

The above-captioned report 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 'Purpose' section of the report describes the upset limit for the contract value differently that the upset limit included in the

'Recommendations' section. The dollar value in the 'Purpose' section is correct and will be reflected in the motion for this award.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC unanimously:

1. Approved the contract assignment for operations and maintenance approved funding to Tecogen Inc. for up to \$8,907,240.84 (exclusive of taxes) for operations and maintenance of the combined heat and power and emergency generator systems in Group 4 as follows:
 - a. 1,793,898.80 from May 1, 2024 to May 14, 2028, for the balance of the first seven years of the operations and maintenance term. This value is an upset estimate and may change once reconciled with Ecosystem Energy Services Inc.;
 - b. \$3,504,330.46 for an additional seven years of operations and maintenance, commencing May 15, 2028 at TCHC management's discretion;
 - c. \$3,609,011.58 for an additional six years of operations and maintenance, commencing May 15, 2035 at TCHC management's discretion; and
2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**CONTRACT ASSIGNMENT: OPERATIONS
AND MAINTENANCE CONTRACT FOR
COMBINED HEAT AND POWER AND
EMERGENCY GENERATOR SYSTEMS**

ITEM 6F (GROUP 5)

BIFAC:2024-30

The above-captioned report was circulated to BIFAC members prior to the meeting.

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

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- The 'Purpose' section of the report describes the upset limit for the contract value differently than the upset limit included in the 'Recommendations' section. The dollar value in the 'Purpose' section is correct and will be reflected in the motion for this award.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC unanimously:

1. Approved the contract assignment for operations and maintenance approved funding to Tecogen Inc. for up to \$8,930,525.21 (exclusive of taxes) for operations and maintenance of the combined heat and power and emergency generator systems in Group 5 as follows:
 - a. \$1,769,521.42 from May 1, 2024 to May 14, 2028, for the balance of the first 7 seven, years of the operations and maintenance term. This value is an upset estimate and may change once reconciled with Ecosystem Energy Services Inc.;
 - b. \$3,529,076.20 for an additional seven years of operations and maintenance, commencing May 15, 2028, at TCHC management's discretion;
 - c. \$3,631,927.59 for an additional six years of operations and maintenance, commencing May 15, 2035, at TCHC management's discretion; and
2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**Q4 2023 RECONCILIATION OF PREVENTIVE
MAINTENANCE/DEMAND REPAIR**

ITEM 6G PROGRAMS AND ELEVATOR CONTRACTS BIFAC:2024-31

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-31, being the Q4 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts, for its information.

CHANGE ORDER: DEMAND GENERAL
ITEM 7 REPAIRS PROGRAM BIFAC:2024-37

The above-captioned report was circulated to BIFAC members prior to the meeting.

Ms. Gouveia and Mr. Angkaw were available to answer questions of the BIFAC. Highlights of the discussion include:

- This report seeks retroactive approval for a change order in the amount of \$1.45M for money spent as part of the demand general repairs program last year.
- This issue was identified when conducting the reconciliation of financial figures at year-end and results from an oversight and timing issue. To prevent this from reoccurring, the local teams have moved from a quarterly review to a biweekly review of spends against budget, and management are developing an enterprise-wide approach with support from Finance and ITS to better track budgets in HoMES and Bonfire moving forward.
- Management are in the process of establishing a system control framework to track multi-year, multi-vendor awards, including a business process to tie work orders that are initiated to a purchase order and budget. HoMES will be employed as part of this process.
- Staff currently employ a procure to pay process as well as a partially manual process to track spends against budgets.
- There is a clear line of sight on the fiscal budget, which is managed with quarterly reports. Part of the challenge arises where the award amount is not tied to the fiscal year, thus while staff are managing the work within the approved fiscal budget, this may not necessarily align with the awarded contract amount.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Councillor Kandavel, the BIFAC unanimously:

1. Approved a change order of up to **\$1,450,000** (exclusive of taxes) for the Demand General Repairs Program and demand general repairs services rendered within the September 1, 2022 to August 31, 2023 contract year; and
2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**2023 YEAR-END INFORMATION
TECHNOLOGY SERVICES DIVISIONAL
ITEM 8 UPDATE BIFAC:2024-32**

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-32, being the 2023 Year-End Information Technology Services Divisional Update, for its information.

**Q4 2023 DELEGATED REAL ESTATE
ITEM 9 PROPERTY TRANSACTIONS BIFAC:2024-33**

The above-captioned report was circulated to BIFAC members prior to the meeting.

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

- The authority to manage certain real estate property transactions was delegated to management by the Board to prevent the need to seek the Board's approval in relation to each transaction. This report complies with the requirement to report back to the Board on a quarterly basis regarding those transactions and provide the Board with oversight of the work being done in those areas.

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- These are not typically financially significant transactions and are generally permission to enter agreements for adjoining property owners who require access to TCHC property. The agreement will outline the terms that govern their access to TCHC property, provide an indemnification of claims, and provide the necessary permission to access the property to perform the work that they require.
- Permission to enter agreements may arise for a variety of reasons, for example Metrolinx investigating for potential expropriation opportunities, work being done on a retaining wall that borders a TCHC property, work being done to the adjacent building's envelope and scaffolding is required on TCHC property, etc.

*Motion
carried*

ON MOTION DULY MADE by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-33, being the Delegated Real Estate Property Transactions report for the fourth quarter of 2023, for its information.

Q4 2023 PROCUREMENT AWARD COMMITTEE ("PAC") AWARDS AND REVENUE CONTRACTS

ITEM 10

BIFAC:2024-34

The above-captioned report was circulated to BIFAC members prior to the meeting.

*Motion
carried*

ON MOTION DULY MADE by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-34, being the Procurement Award Committee ("PAC") Awards and Revenue Contracts report for the fourth quarter of 2023, for its information.

BI-ANNUAL ENTERPRISE RISK MANAGEMENT UPDATE

ITEM 11

BIFAC:2024-22

The above-captioned report was circulated to BIFAC members prior to the meeting.

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Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-22, being the Bi-Annual Enterprise Risk Management Update, for its information.

INTERNAL AUDIT DEPARTMENTAL ITEM 12A ANNUAL REPORT FOR 2023

BIFAC:2024-35

The above-captioned report was circulated to BIFAC members prior to the meeting.

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

- Internal Audit are the eyes and ears on matters of the corporation and provide an important oversight role to support the work of the BIFAC. The Committee thanked the Internal Audit team for their hard work.
- Internal Audit provided oversight to a rent-geared-to-income (“RGI”) arrears management project over a two-year timeframe, identifying potential areas of non-compliance for Operations to review and address.
- Internal Audit identified some signals that a tenant could be committing RGI fraud such as submitting a fabricated Notice of Assessment document or declaring a household composition of only one adult, but securing two or three parking spots, which may indicate that the unit is a sublet or has an illegal occupant.
- Internal Audit will perform a spot check on RGI files, but it is the responsibility of Operations staff to determine RGI eligibility.
- There are 150 Tenant Services Coordinators (“TSC”) across the portfolio who are responsible for rent calculations. TSCs perform the annual rent review, verify the number of household members, verify income sources, as well as identify any potential issues and work with the fraud department to determine how to proceed.
- The Internal Audit department has existed in its current iteration for the past five years as part of the Finance division. At other times, the department was part of the Legal Services division and the former Asset Management division.
- Internal Audit acts as a check and balance on behalf of the BIFAC and reviews various parts of the organization including staff. Part of

the BIFAC's responsibility is to monitor the Internal Audit reports to ensure that management action items are being addressed and investigating where they are not.

- Internal Audit provides insight into the organization outside of the reporting that the BIFAC receives from senior level management.

Motion carried **ON MOTION DULY MADE** by Councillor Kandavel, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2024-35, being the Internal Audit Departmental Annual Report for 2023, for its information.

**STATUS UPDATE ON AUDIT
RECOMMENDATIONS FROM INTERNAL
AUDIT REPORTS AS OF DECEMBER 31,**

ITEM 12B 2023

BIFAC:2024-36

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Councillor Kandavel and carried, the BIFAC received Report BIFAC:2024-36, being the Status Update on Audit Recommendations from Internal Audit Reports as of December 31, 2023, for its information.

OTHER BUSINESS

Mr. Meagher noted that a request was made during today's In-Camera discussion to put forward a motion to approve an award, in the Public session of today's meeting, to KPMG LLP that arises out of a non-competitive procurement process.

Motion carried **ON MOTION DULY MADE** by Mr. Macrae, seconded by Councillor Kandavel and carried, the BIFAC:

1. Approved a non-competitive award to KPMG LLP in an amount not to exceed \$2,562,000.00 to support work being undertaken by TCHC's Information Technology Services Division; and

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

Opposed: Mr. Campbell

TERMINATION

A motion to adjourn the meeting was moved by Mr. Campbell and seconded by Councillor Kandavel. The BIFAC resolved to terminate the public meeting at 10:38 a.m.

Secretary

Chair, Building Investment,
Finance and Audit Committee