



Vendor Award: Elevator Modernization and Maintenance of 31 Elevators in 15 TCHC Buildings

Item 9A

May 28, 2024

Building Investment, Finance and Audit Committee

Report: BIFAC:2024-47

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

From: Vice President, Facilities Management

Date: April 24, 2024

PURPOSE:

This report seeks the Building Investment, Finance and Audit Committee's ("BIFAC") approval to award elevator modernization and maintenance work at fifteen TCHC buildings to 965046 Ontario Inc. o/a Quality Allied Elevator ("Quality Allied Elevator") and Trident Elevator Company Ltd. at a cost of up to \$8,081,381.85 (exclusive of taxes) and for a term of five years based on the outcome of Request for Proposal (RFP) 24016.

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

RECOMMENDATIONS:

It is recommended that the Building Investment, Finance and Audit Committee:

1. approve the award of elevator modernization and maintenance work related to thirty-one (31) elevators in fifteen (15) TCHC buildings at a cost not to exceed \$8,081,381.85 (exclusive of taxes) and for a term of five years to the following vendors based on the outcome of Request for Proposal (RFP) 24016:
 - (1) up to \$4,895,831.76 (exclusive of taxes) for nineteen (19) elevators in ten (10) TCHC buildings to Quality Allied Elevator as follows:
 - (a) Construction costs

- i. up to \$3,590,899.50 (exclusive of taxes) for elevator modernization;
 - (b) Maintenance and demand repairs
 - i. up to \$1,304,932.26 (exclusive of taxes) for:
 - A. elevator maintenance services for a term of up to 60 months commencing August 1, 2024, and expiring on July 31, 2029;
 - B. parts replacement based on historical estimated volume of services and unit rates submitted by the proponent;
 - C. contingency demand maintenance on and repairs (services outside of the modernization and maintenance) as further described in Confidential Attachment 2 to this report;
 - (2) up to \$ 3,185,550.09 (exclusive of taxes) for twelve (12) elevators in five (5) TCHC buildings to Trident Elevator Company Ltd. as follows:
 - (a) Construction costs
 - i. up to \$2,415,568.00 (exclusive of taxes) for elevator modernization;
 - (b) Maintenance and demand repairs
 - i. up to \$769,982.09 (exclusive of taxes) for:
 - A. elevator maintenance services for a term of up to 60 months commencing August 1, 2024, and expiring on July 31, 2029;
 - B. parts replacement based on historical estimated volume of services and unit rates submitted by the proponent;
 - C. contingency demand maintenance on and repairs (services outside of the modernization and maintenance) as further described in Confidential Attachment 2 to this report;
- 2. authorize the Vice President, Facilities Management or his designate to execute an agreement with the recommended proponents; and
 - 3. authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

REASONS FOR RECOMMENDATIONS:

Project Background

Elevator Services staff working in the Facilities Management Division evaluate TCHC elevators, weighing the cost of modernization versus repair, based on factors that include age, service and repair history, availability of parts, changes in technology and legislative requirements. During this evaluation, staff identified thirty-one (31) TCHC elevators as needing modernization or replacement.

The elevators are currently maintained by Selco Elevators Ltd. and TK Elevator (CANADA) pursuant to contracts that will expire on July 31, 2024.

Pursuant to the *Technical Standards and Safety Act, 2000*, SO 2000, c 16, as amended, and regulations under the Act, the use or operation of an elevating devices is prohibited unless the device is maintained by a registered contractor in accordance with the requirements set out in O. Reg. 209/01, s. 32 (1). The Technical Standards and Safety Authority (TSSA) enforces this requirement.

Procurement Process

TCHC issued a public RFP (RFP 24016) on January 31, 2024. It closed on February 26, 2024. Five submissions were received. Submissions were evaluated through a six-stage process to determine qualified vendors and pricing.

The RFP invited submissions for the provision of elevator modernization and maintenance work at 15 locations. Proponents were invited to submit proposals on one or all locations and were asked, in the RFP, to submit a proposal and pricing for each location. TCHC evaluated proposals submitted for all 15 locations independently. This approach was taken due to the unique configurations of each elevator in every building, considering system design, size, capacity, and date of installation.

This RFP was conducted as a “negotiable RFP.” Proponents were shortlisted to allow TCHC to address additional questions and to discuss and confirm the reliability and reasonableness of final pricing in relation to the work and the proponent’s capacity required to complete the work.

The Manager, Elevator Services, in consultation with other Facilities Management staff, has determined that the recommended proponents have the capability and capacity to deliver the work within the timeline. Trident

Elevator Company Ltd. and Quality Allied Elevator have both confirmed their understanding of the scope of work, capacity and pricing.

The recommendation is to award the work as follows:

1. award the work to Quality Allied Elevator for up to \$4,895,831.76 including up to \$1,304,932.36 for parts replacement and demand maintenance as noted in the recommendations, at 10 TCHC locations; and
2. award the work to Trident Elevator Company Ltd for up to \$3,185,550.09 including up to \$769,982.09 for parts replacement and demand maintenance as noted in the recommendations, at 5 TCHC locations.

Confidential Attachment 1 provides details on pricing and rated criteria.

IMPLICATIONS AND RISKS:

As this report recommends an award to proponents secured through a public RFP based on the RFP requirements, the risk of a proponent challenging the awarding of the contract is minimized.

Upon approval of the award, Strategic Procurement will pursue execution of a Main Supply and Install Agreement for elevator modernization and a Main Services Agreement for maintenance and demand repairs services.

Entry into tenant units is not required in order to perform the work. Timely and appropriate notification will be provided to tenants and staff to notify them of planned disruptions and restrictions related to the performance of the work. Two buildings in which work will be performed possess a single elevator. Facilities Management staff will work with building management staff and the site Superintendent to arrange a tenant meeting explaining the scope of work, cab finishes selection and to address any required tenant accommodation or relocation during the construction work.

A third-party health and safety monitoring agent will be retained to conduct health and safety site inspections during construction.

Vendor 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.

This award is funded through the program budget envelope, within the 2024 and 2025 Capital Budgets, for elevator replacement and 2024 Operating Budget under Elevator Service Level Agreement (SLA.5251) for maintenance services. The funding for future years maintenance services will be requested within the applicable years' Operating Budgets.

Confidential Attachment 2 provides information on the Source and Use of Funds.

SIGNATURE:

"Allen Murray"

Allen Murray
Vice President, Facilities Management

ATTACHMENTS:

Confidential Attachment 1: Summary of Submissions

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: Source and Use of Funds and Contract Allocations

Reason for Confidential Attachment: Confidential financial 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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