

**Contractor Award: Integrated Pest Management Services (RFP 24029)**

Item 8c

July 17, 2024

Building Investment, Finance and Audit Committee

Report: BIFAC:2024-62**To:** Building Investment, Finance and Audit Committee**From:** Acting Chief Operating Officer**Date:** June 17, 2024**PURPOSE**

This report seeks the Building Investment, Finance and Audit Committee's ("BIFAC") and the Board of Director's (the "Board") approval to establish a roster of prequalified vendors for the Integrated Pest Management Services program for the delivery of services to the Toronto Community Housing Corporation's (TCHC's) and Toronto Senior Housing Corporation's (TSHC's) portfolio at a cost up to \$19,620,686.02 (exclusive of taxes) based on the outcome of Request for Proposals (RFP) 24029.

BIFAC approval is required for the recommended Contractor Award, as the value of the award exceeds the spending authority of TCHC's Procurement Award Committee ("PAC"), and the Board's approval is required as it exceeds the \$10M financial approval limit of the BIFAC.

RECOMMENDATIONS

It is recommended that the Building Investment, Finance and Audit Committee approve the recommendations in this report and recommend that the Board of Directors:

1. Approve the award of work up to \$19,620,686.02 (exclusive of taxes) for the Integrated Pest Management Services program based on the outcome of RFP 24029 for a term of up to four (4) years, comprised of an initial two (2) year term and two additional one (1) year extensions, at TCHC's option:

- a. At a cost not to exceed \$9,425,769.42 (exclusive of taxes) for the initial two (2) years of the contract; and
 - b. At a total cost not to exceed \$10,194,916.61 (exclusive of taxes) for the two (2) one-year extensions at TCHC management's discretion;
2. Approve the establishment of a roster of six (6) vendors to perform the work, based on the outcomes of RFP 24029 as follows:
 - a. E-Safe Pest Control Inc.;
 - b. Helix Pest Control Inc.;
 - c. Metro King Pest Control Inc.;
 - d. Pest Control Plus Inc.;
 - e. Rentokil Canada Corporation; and
 - f. Safe Guard 24/7 Inc.; and
3. Authorize the appropriate staff to take all other necessary actions, to give effect to the above recommendations.

REASONS FOR RECOMMENDATIONS

Background

The provision of Integrated Pest Control Services is governed by municipal by-laws and federal regulations and is a key responsibility of the landlord as set out in the *Residential Tenancies Act*. The provision of pest control services is an essential component of a broader clean buildings and maintenance strategy, encompassing both demand-driven and planned preventative work.

As part of the pest control program, planned services refer to prescheduled pest control activities in common areas across all buildings. In contrast, demand general treatment involves unplanned work required as needed, often including treatments in residential units or common areas. The following services that fall outside of staff capabilities and must be provided by a certified vendor:

- Treatment for bedbugs, roaches, and mice;
- Treatment for seasonal occasional pests;
- Installation of monitors to track activity;
- Planned monthly common area treatment; and
- Exterior rodent exclusion.

PROCUREMENT PROCESS

TCHC issued RFP 24029 issued on March 1, 2024. The submission deadline for responses to the RFP was April 8, 2024. In total, eleven (11) vendors made submissions in response to the RFP. TCHC evaluated the submissions through a three-stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing. Vendor submissions were required to pass a first evaluation stage based on mandatory requirements. All submissions passed that stage. TCHC then evaluated vendor submissions against rated criteria. Vendor submissions were required to achieve a score of 70% to pass this second evaluation stage. Two (2) submissions failed the second stage of evaluation. Nine (9) submissions proceeded to the pricing score evaluation. An overall evaluation was applied in which 50 points were assigned to rated criteria and 50 points to pricing. As a result, the nine (9) proponents qualified for the roster. Six (6) vendors will be part of the main roster while three (3) vendors will act as backups.

The requested approval of up to \$19,620,686.02 (exclusive of taxes) for the establishment of a roster of prequalified vendors for the Integrated Pest Management Services program was informed by the following:

1. Contract Value: The current annual contract value of \$4,257,380 served as the basis for the new contract annual value; it includes base program funding for TCHC and TSHC, as well as additional funding allocated to TSHC.
2. Price Index: A 4% price adjustment factor was applied to the annual contract value for each year of the new contract, which includes the initial 2-year term and two additional 1-year extensions, at management's discretion.
3. TSHC Adjustment: An additional base program funding adjustment was applied in response to a request from TSHC to enable greater focus on pest control measures and practices suitable for their portfolio; and
4. Service Volume: The current service trends indicate a 25% increase which is primarily driven by the reset of the legacy contract-managed buildings that have been repatriated to the TCHC and forecasted service demand within the TSHC portfolio.

The contract is expected to start on September 1, 2024. Work will not commence until the award is approved, contracts executed, and purchase orders issued. Any significant delays in issuing the purchase order will impact on the schedule.

IMPLICATIONS AND RISKS

Pest issues within TCHC buildings can significantly impact the well-being and satisfaction of our residents, compromising their living conditions. Failing to implement a robust and sustainable pest management program puts at risk of facing various consequences associated with perceived mismanagement, including potential rent abatement rulings by the Landlord and Tenant Board, orders from the Municipal Licensing and Standards ("MLS") for failure to maintain a "pest-free" environment, and Health Protection orders issued by Toronto Public Health.

As a responsible landlord, TCHC is obligated to provide effective pest control services to its buildings, both through preventive measures and responsive scheduling.

By not allocating sufficient resources to adequately address pest management, TCHC faces the risk of prolonged pest issues, resident dissatisfaction, and potential legal ramifications. It is crucial to prioritize implementing a comprehensive pest management program to safeguard the comfort and well-being of our residents and to protect the reputation and compliance standing of TCHC.

SIGNATURE

"Nadia Gouveia"

Nadia Gouveia
Acting Chief Operating Officer

STAFF CONTACT

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**ATTACHMENT
Confidential
Attachment 1:
Reason for
Confidential
Attachment:**

Summary of Submissions

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.