



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 November 4, 2024, via Webex and in-person in the Main Floor Conference Room, 931 Yonge Street, commencing at 9:20 a.m.

BIFAC Directors Present: Nick Macrae (Chair)
Brian Smith
Councillor Anthony Perruzza
Councillor Parthi Kandavel
John Campbell
Naram Mansour
Vinita Jajware-Beatty
John Campbell

BIFAC Directors Absent: n/a

Management Present: Sean Baird, Chief Executive Officer (“CEO”)
Luisa Andrews, Vice President, Information & Technology Services
Lily Chen, Chief Financial Officer (“CFO”)
John Angkaw, Senior Director, Operations
Jessica Hawes, Acting Chief Development Officer (“CDO”)
Darragh Meagher, General Counsel & Corporate Secretary
Barbara Shulman, Chief People & Culture Officer
Hanan Barakat, Senior Director, Strategic Procurement

Ada Wong, Acting Vice President, Strategic Planning & Communications
Karim Jessani, Director, Internal Audit
Brian Turpin, Director, Information & Technology Services
Catarina Pires, Senior Director and Design Strategy, Facilities Management
Daisy Wong, Acting Vice President, Facilities Management
Ted Millward, Senior Legal Counsel
Sonia Chaabane, Acting Assistant Corporate Secretary
Sonia Fung, Committee Secretary

A quorum being present, Mr. Macrae, serving as Chair, called the meeting to order, and Ms. Fung 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 Ms. Jajware-Beatty and carried, the BIFAC unanimously approved:

1. The Agenda for its Public meeting of November 4, 2024; and
2. All matters on the Agenda with the exception of:
 - Item 6 - Alexandra Park Phase 1 Closeout Report
 - Item -7A - Facilities Management Budget Envelope Reallocations to September 30, 2024
 - Item 7B -Q3 2024 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts
 - Item 9 - Procurement Transformation Implementation Milestones

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- Item 10 - Strategic Procurement Update: Co-Operative Purchasing (Buying Groups)

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 SEPTEMBER 23, 2024

Motion carried **ON MOTION DULY MADE** by Ms. Beatty-Jajware, 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 Ms. Beatty-Jajware and carried, the BIFAC received the updates provided as Business Arising from the Public Meeting Minutes and Action Items Update.

ITEM 6 ALEXANDRA PARK PHASE 1 CLOSEOUT REPORT BIFAC:2024-71

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

Ms. Hawes provided the BIFAC with a presentation in relation to this matter, highlights of which include:

- An overview of Alexandra Park
- Revitalization schedule
- Guiding Principles
- Deliverables for Phases 1A and 1B
- Opportunities provided.
- Community Revitalization and Community Excellence

A discussion and questions followed the presentation, with the highlights as follows:

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- The Atkinson Co-op collects rent, pays operating expenses, supports tenants; remits the surplus to TCHC (revenue less expenses)
- The Atkinson Co-Op is paid a management fee for their services.
- Any unit defined under the Atkinson coop are managed by Atkinson; a small number of the market units delivered in phase 1 and 2 have been transferred to the Co-op.
- In the short term, the revitalization has improved the state of good repair, eliminated maintenance costs, and increased property taxes.
- TCHC continues to review the long-term impacts of revitalization projects including building efficiency, maintenance costs and impact of the additional units.
- Future close-out reports will be presented to the committee closer to the completion date.

Action Item:

Future close-out reports to evaluate the long-term financial and operational impacts of large capital projects, including impact on CAPEX, OPEX, property taxes, subsidy, building efficiency, maintenance costs and community safety statistics, comparing pre- and post- revitalization data.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell and carried, the BIFAC received the Alexandra Park Phase1 Closeout Report.

**FACILITIES MANAGEMENT BUDGET
ENVELOPE REALLOCATIONS TO**

ITEM 7A SEPTEMBER 30, 2024

BIFAC:2024-89

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

Mr. Angkaw was available for questions. Highlights of the discussion included:

- The significant drop from COXX Demand Capital of \$158M at the end of 2023 to \$90M as of Sept 2024 is a result of triaging system for work orders including categorizing items as urgent and necessary and non-urgent.

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- To maximize the funds available a secondary review is being completed on non-urgent work orders to determine which ones will be completed in 2024.
- Some of the decrease in spending is attributable to deferring the work orders, and some is attributable to a reduction in spending.

Action Item

Management to confirm the extent to which the reduction the demand general repair program work orders reflect actual cost savings versus a deferment of the work.

Motion carried **ON MOTION DULY MADE** by Mr. Smith, and carried, the BIFAC received the Facilities Management Budget Envelope Reallocations to September 30, 2024.

**Q3 2024 RECONCILIATION OF
PREVENTIVE MAINTENANCE/DEMAND
REPAIR PROGRAMS AND ELEVATOR
CONTRACTS**

ITEM 7B

BIFAC:2024-90

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

Ms. Pires and Ms. Wong were available for questions. Highlights of the discussion included:

- FM and Finance are collaborating to create automated reports for reconciliation.
- The automated reconciliation of the capital budget should be a high priority.

Action Item

To report back on the progress to utilize HoMES to automate the reconciliation of multi-year contracts.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, and carried, the BIFAC received the Q3 2024 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts.

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Item 4 - Public Minutes of November 4, 2024 BIFAC Meeting

**WRITE OFF OF COMMERCIAL TENANT
ARREARS DUE TO COVID-19 AND COVID
ITEM 7C FUNDING FROM THE CITY** BIFAC:2024-91

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty and carried, the BIFAC approved, and recommended that the Board of Directors:

1. Approve the proposed write-off of commercial rental arrears related to the COVID-19 pandemic in the amount of \$2,118,101.10. This figure represents COVID related arrears accumulated between April 2020 and December 2021. Included in this amount is \$373K from 12 commercial tenants whose leases were terminated;
2. Approve the reallocation of the remaining \$1.4 million in funding provided by the City of Toronto to offset operational pressures as part of the 2025 budget process; and
3. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**VENDOR AWARD: PREVENTIVE
MAINTENANCE AND DEMAND REPAIRS
FOR LIFE SAFETY GENERATORS (RFP
ITEM 7D 24073)** BIFAC:2024-93

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty, and carried, the BIFAC:

1. Approved the award of work up to \$6,113,034.99 (exclusive of taxes) for preventive maintenance services and demand repairs for life safety generators across the TCHC and TSHC portfolios based on the outcome of Request for Proposals ("RFP") 24073 for a term of up to five years as follows:

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- a. \$1,413,034.99 for preventive maintenance services including:
 - i. \$907,416.48 for the first three years of the initial contract
 - ii. \$505,618.51 for two optional one-year extensions at TCHC Management’s discretion including five-year inspections in year five;
- b. \$4,700,000.00 for demand repairs:
 - i. \$2,820,000.00 for the first three years of the initial contract
 - ii. \$1,880,000.00 for two optional one-year extensions at TCHC Management’s discretion;
2. Authorized the Vice President, Facilities Management to execute an agreement with the recommended proponents; and
3. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**DIRECT AWARD: SUITESPOT INC.
APPLICATION SUPPORT AND
MAINTENANCE RENEWAL**

ITEM 8

BIFAC:2024-100

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty and carried, the BIFAC:

1. Approved a direct award to SuiteSpot Inc for \$1,625,330 (exclusive of taxes) for a term of up to four years as follows:
 - a. \$270,200, from January 1, 2025 to December 31, 2025 (Year 1);
 - b. \$430,200 from January 1, 2026 to December 31, 2026 (Year 2);
 - c. \$451,710.00 from January 1, 2027 to December 31, 2027 (Optional Year 1);

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- d. \$473,220.00 from January 1, 2028 to December 31, 2028 (Optional Year 2);
2. Authorized the Vice President, Information Technology Services to execute an agreement with the recommended vendor; and
3. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

PROCUREMENT TRANSFORMATION

ITEM 9 IMPLEMENTATION MILESTONES

BIFAC:2024-94

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

Ms. Chen was available to answer questions of the Committee. Highlights of the discussion include:

- The estimated net cost-benefit over the three years of implementation of ~\$21M with a 4.5x return on investment (“ROI”) was calculated by EY.
- The key learnings from the financial sustainability report that were implemented are the sustainability of our funding formulas to determine the funding from cost to deliver services as opposed to the revenue driven (75% of AMR) and internal and external efficiencies.
- EY recommended as part of the financial sustainability report for Toronto Water to forgive \$50M a year to TCHC.
- As part of EY’s recommendations TCHC is working to implement a data strategy that optimizes the existing system enabling data driven decision making and KPI reporting as well as the procurement transformation
- The final phase of the procurement transformation implementation is scheduled for completion in Q4 2027
- The risk of competitively procuring a consultant for this work relates to the confidentiality restrictions from the agreement with EY, and the additional time to complete a competitive procurement.
- The agreement with EY aligns with the agreement in place between EY and the City for their procurement plan.

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- Mr. Campbell did not agree that the outcomes of the EY financial sustainability report were strong in terms of what EY was able to provide. It was noted that the time to procure a consultant through a competitive process should not have been a factor in awarding the work to EY as a sole procurement for the implementation of the plan.
- There was a confidential agreement with EY, placing restrictions on TCHC's ability to competitively procure.
- In 2023, TCHC engaged EY's financial transformation team to complete a financial sustainability study. As part of the recommendations from that study, TCHC competitively procured a consultant to complete a fulsome procurement assessment and roadmap; EY was the successful proponent of that award.
- In the contract with EY, TCHC must seek EY's consent to disclose information provided by EY.
- Over the three years, TCHC is expected to achieve a net \$16M to \$18M return on investment through proposed improvements to the procurement process including, vendor accountability.
- The \$3M upset is structured based on phases completed and \$1.6M is based on performance and savings realized.
- Mr. Campbell called for a recorded vote.

Motion carried **ON MOTION DULY MADE** by Mr. Macrae and carried, the BIFAC voted as follows:

In Favour

Nick Macrae

Brian Smith

Councillor Anthony Perruzza

Councillor Parthi Kandavel

Naram Mansour

Vinita Jajware-Beatty

Against

John Campbell

The BIFAC:

1. Approved the engagement of Ernst & Young LLP ("EY"), through a direct award, to support the implementation of Phases 0, 1, 2 and 3 of TCHC's Procurement Transformation

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Plan, as more particularly described in this Report, subject to an upset limit of \$3,000,000(exclusive of taxes); and

2. Authorized the Chief Financial Officer or her designate to take such all-necessary actions, to give effect to the above recommendation.

STRATEGIC PROCUREMENT UPDATE: CO-OPERATIVE PURCHASING (BUYING GROUPS)

ITEM 10

|BIFAC:2024-94

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

Ms. Barakat was available to answer questions of the Committee. Highlights of the discussion include:

- Organizations such as OECM, Kinetic GPO and Supply Ontario are required to conduct fair and transparent procurement as governed by the CETA and CFTA
- Organizations which TCHC is piggy backing on benefit from greater resources.
- The change being proposed in the report in relation to how these awards are treated satisfies the Trade requirements.

Motion carried **ON MOTION DULY MADE** by Mr. Smith and carried, the BIFAC received the Strategic Procurement Update: Co-Operative Purchasing (Buying Groups).

ITEM 11 FEBRUARY 2025 MORTGAGE RENEWAL

|BIFAC:2024-88

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty and carried, the BIFAC approved and recommend that the Board:

1. Approve the transaction in the amount of \$4,726,747.29 with a leader selected by the Ministry of Municipal Affairs and Housing, in connection with the mortgage due for renewal on

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February 1, 2025 at the location identified in Confidential Attachment 1 to this report; and

2. Authorize the Chief Financial Officer to take all necessary actions, including negotiation and execution of such documentation as maybe required, in order to give effect to the above recommendation.

ITEM 12 Q3 2024 INTERNAL AUDIT UPDATE |BIFAC:2024-96

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty, and carried, the BIFAC received the Q3 2024 Internal Audit Update.

ITEM 13 Q3 2024 DELEGATED REAL ESTATE PROPERTY TRANSACTIONS |BIFAC:2024-94

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty and carried, the BIFAC received the Q3 2024 Delegated Real Estate Property Transactions.

ITEM 14 Q3 2024 PROCUREMENT AWARD COMMITTEE (“PAC”) AWARDS AND REVENUE CONTRACTS |BIFAC:2024-98

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

Motion carried **ON MOTION DULY MADE** by Ms. Jajware-Beatty, and carried, the BIFAC received the Q3 2024 Procurement Award Committee (“PAC”) Awards and Revenue Contracts.

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TERMINATION

A motion to adjourn the meeting was moved by Ms. Jajware-Beatty and seconded by Mr. Campbell. The BIFAC resolved to terminate the public meeting at 10:14 p.m.

Secretary

Chair, Building Investment,
Finance and Audit Committee