



Q1 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts

Item 9G

June 23, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-56

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

From: Vice President, Facilities Management

Date: May 4, 2023

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the Q1 2023 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 Q1 2023. This report also includes details on the Demand General Repairs Program, managed and reconciled by the Operations division.

Q1 2023 PROGRAM RESULTS

As of March 31, 2023, 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 Q1 were within approved amounts and thus in compliance.

Additionally, preliminary financial review indicates that spends are within overall budgets.

There were four separate elevator contracts that, based on forecasting, may require additional funds prior to year end. The additional funding will be requested through change orders, which are within business unit authority for approval.

The automated reporting from HoMES to assist in the reconciliation is not yet available. It is anticipated that this reporting will be available in Q3 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) and/or ensure its buildings are properly maintained. Properly maintained buildings preserve TCHC's 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 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 – May 1, 2023

STAFF CONTACT:

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Item 9G - Q1 2023 Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts
 Public BIFAC Meeting – June 23, 2023
 Report #: BIFAC:2023-56
Attachment 1

Service	Start Date/ End Date	Total Approved Award by VAC	Year	Preventive Maintenance (PM)		Demand Repairs		2023 Q1 Reconciliation
				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	Programs Managed and Reconciled by FM
Roof Maintenance	Jul20/Jul-24	\$23,459,388 Orig VAC: \$23,567,295 C/O: (\$107,907)	2020-2022	\$604,408	\$526,151	\$13,500,000	\$8,575,613	Q1 2023 reconciliation completed. No action required.
			2023	\$177,490	\$0	\$4,500,000	\$952,395	
			2024	\$177,490		\$4,500,000		
Grounds & Snow Maintenance	May-20/Apr-25 Oct-21/Apr-25	\$67,655,937 Orig VAC: \$56,200,470 C/O's & DA: \$11,455,467	2021-2022	\$25,671,937	\$25,455,659	Not Applicable	Not Applicable	Q1 2023 reconciliation completed. No action required.
			2023	\$14,121,460	\$3,437,681			
			2024	\$13,931,270				
			2025	\$13,931,270				
Fire Life Safety	Apr-22 May-22/Dec-22 Jan-23/Dec-23	\$20,714,926 Original DA: \$847,335 CO1: \$8,427,591 CO2: \$11,440,000	2022	\$1,340,926	\$1,242,303	\$7,934,000	\$6,949,552	Q1 2023 reconciliation completed. No action required.
			2023	\$2,490,000	\$154,723	\$8,950,000	\$823,700	
Generator	July-22/Dec-24	\$2,932,073 Orig VAC: \$2,932,073	2022	\$106,813	\$77,383	\$440,000	\$156,930	Q1 2023 reconciliation completed. No action required.
			2023	\$211,611	\$65,178	\$880,000	\$288,785	
			2024	\$413,649		\$880,000		
Chillers	Jan-23/Dec-27	\$3,871,792 Orig VAC: \$3,871,792	2023	\$391,469	\$97,867	\$152,423	\$607	Q1 2023 reconciliation completed. No action required.
			2024	\$391,469		\$152,423		
			2025	\$391,469		\$152,423		
			2026	\$391,469		\$152,423		
			2027	\$391,469		\$152,423		
			2028	\$412,261		\$163,905		
			2029	\$412,261		\$163,905		
PTAC/Fan Coil	Jan-23/Dec-27	\$8,711,892 Orig VAC: \$8,711,892	2023	\$1,840,333	\$397,620	\$75,000	\$767	Q1 2023 reconciliation completed. No action required.
			2024	\$1,611,130		\$75,000		
			2025	\$1,611,130		\$75,000		
			2026	\$1,627,241		\$76,318		
			2027	\$1,644,422		\$76,318		

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				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	Programs Managed and Reconciled by FM
Elevator A/C	Jan-21/Dec-25	\$632,225	2021-2022	\$80,780	\$51,570	\$150,000	\$97,850	Q1 2023 reconciliation completed. No action required.
		Orig VAC: \$498,225	2023	\$57,140	\$6,983	\$75,000	\$10,040	
		C/O: \$134,000	2024	\$57,140		\$76,500		
			2025	\$57,140		\$78,525		

Service	Start Date/ End Date	Total Approved Award by VAC	Year	Preventive Maintenance (PM)		Demand Repairs		2023 Q1 Reconciliation Programs Managed and Reconciled by FM
				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	
Booster/Sump Pump	Jan-21/Dec-25	\$1,253,359 Orig VAC: \$1,046,084 C/O: \$207,275	2021-2022	\$262,177	\$262,177	\$195,000	\$101,589	Q1 2023 reconciliation completed. No action required.
			2023	\$155,394	\$35,491	\$110,000	\$8,045	
			2024	\$155,394		\$110,000		
			2025	\$155,394		\$110,000		
			2025	\$155,394		\$110,000		
Laundry Room Exhaust	Jan-23/Dec-27	\$402,500 Orig VAC: \$402,500	2023	\$30,200	\$7,400	\$50,000	\$0	Q1 2023 reconciliation completed. No action required.
			2024	\$30,200		\$50,000		
			2025	\$30,200		\$50,000		
			2026	\$30,200		\$50,750		
			2027	\$30,200		\$50,750		
Thermographs	Jan-23/Dec-25	\$2,338,800 Orig VAC: \$2,338,800	2023	\$289,800	\$0	\$100,000	\$0	Q1 2023 reconciliation completed. No action required.
			2024	\$289,800		\$100,000		
			2025	\$289,800		\$100,000		
			2026	\$289,800		\$100,000		
			2027	\$289,800		\$100,000		
			2028	\$289,800		\$100,000		
Duct cleaning	Jan-23/Dec-27	\$7,986,375 Orig VAC: \$7,986,375	2023	Not Applicable	Not Applicable	\$1,550,000	\$193,273	Q1 2023 reconciliation completed. No action required.
			2024			\$1,550,000		
			2025			\$1,550,000		
			2026			\$1,668,187		
			2027			\$1,668,188		
Chemical Treatment	Feb-21/Dec-25	\$576,772 Orig VAC: \$502,692 C/O: \$74,080	2021	\$88,285	\$88,285	\$12,420	\$9,786	Q1 2023 reconciliation completed. No action required.
			2022	\$101,605	\$93,138	\$12,420	\$8,738	
			2023	\$105,472	\$25,401	\$15,200	\$0	
			2024	\$105,472		\$15,200		
			2025	\$105,472		\$15,226		
Demand Plumbing	Feb-23/Jan-28	\$75,000,000 Orig VAC: \$75,000,000	2023	Not Applicable	Not Applicable	\$15,000,000	\$1,087,985	Q1 2023 reconciliation completed. No action required.
			2024			\$15,000,000		
			2025			\$15,000,000		
			2026			\$15,000,000		
			2027			\$15,000,000		

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Demand Heating	Feb-23/Jan-28	\$35,000,000 Orig VAC: \$35,000,000	2023	Not Applicable	Not Applicable	\$7,000,000	\$450,804	Q1 2023 reconciliation completed. No action required.
			2024			\$7,000,000		
			2025			\$7,000,000		
			2026			\$7,000,000		
			2027			\$7,000,000		
Air Conditioning and Ventilation (previously HVAC over and under)	Feb-23/Jan-28	\$30,000,000 Orig VAC: \$30,000,000	2023	Not Applicable	Not Applicable	\$6,000,000	\$50,366	Q1 2023 reconciliation completed. No action required.
			2024			\$6,000,000		
			2025			\$6,000,000		
			2026			\$6,000,000		
			2027			\$6,000,000		
Furnace PM	Jan-22/Dec-26	\$7,559,440 Orig VAC: \$6,909,440 C/O: \$650,000	2022	\$1,436,888	\$1,381,955	\$75,000	\$64,352	Q1 2023 reconciliation completed. No action required.
			2023	\$1,436,888	\$334,972	\$75,000		
			2024	\$1,436,888		\$75,000		
			2025	\$1,436,888		\$75,000		
			2026	\$1,436,888		\$75,000		
Furnace Replacements <small>(NOTE: Approved replacement spend/actuals shown in the PM columns)</small>	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	Q1 2023 reconciliation completed. No action required.
			2023	\$2,072,160	\$68,530	\$260,000		
			2024	\$1,771,720		\$135,000		
			2025	\$1,771,720		\$85,000		
			2026	\$1,771,720		\$85,000		
PTAC Replacements <small>(NOTE: Approved replacement spend/actuals shown in the PM columns)</small>	Apr-22/Mar-28	\$7,568,492 Orig VAC: \$7,568,492	2022	\$831,379	\$121,710	\$27,750	\$778	Q1 2023 reconciliation completed. No action required.
			2023	\$277,126	\$59,197	\$9,250		
			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		

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				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	
Backflow	July-20/June- 25	\$954,825 Orig VAC: \$904,539 C/O: \$50,286	2020-2022	\$112,540	\$112,540	\$257,802	\$137,974	Q1 2023 reconciliation completed. No action required.
			2023	\$60,520	\$15,130	\$166,727	\$8,471	
			2024	\$60,520		\$113,581		
			2025	\$60,520		\$122,615		

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				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	
Demand Pressure Vessels	Jan-21/Dec- 25	\$2,184,050 Orig VAC: \$1,960,450 C/O: \$223,600	2021-2022 2023 2024 2025	Not Applicable	Not Applicable	\$898,421 \$487,410 \$395,158 \$403,061	\$831,797 \$4,380	Q1 2023 reconciliation completed. No action required.
Elevators	Jun-17/May- 28	Orig VAC PM & Demand: \$31,784,170	Not Applicable Award based on total term	\$19,673,588	\$11,796,395	\$12,110,581	\$4,959,278	Q1 2023 reconciliation completed. Business unit will process change orders to 4 of the elevator programs as it is forecasted that additional funding may be required. These change orders are within business unit authority.
Kitchen Drains Treatment	Aug-22/Aug- 30	\$8,007,585 Orig VAC: \$8,007,585	2022 2023 2024 2025 2026 2027 2028 2029 2030	\$446,709 \$827,068 \$827,068 \$827,068 \$974,828 \$974,828 \$974,828 \$974,828 \$380,359	\$446,709 \$246,584	\$50,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$50,000	\$0 \$0	Q1 2023 reconciliation completed. No action required.
Electrical	Oct-22/Sept- 27	\$18,000,000 Orig VAC: \$18,000,000	2022-2023 2024 2025 2026 2027	Not Applicable	Not Applicable	\$3,600,000 \$3,600,000 \$3,600,000 \$3,600,000	\$803,147	\$803,147 spent for 2022. \$0 spent for Q1 2023. Q1 2023 reconciliation completed. No action required.

Service	Start Date/ End Date	Total Approved Award by VAC	Year	Preventive Maintenance (PM)		Demand Repairs		2023 Q1 Reconciliation
				PM Approved	PM Actual Spend	Demand Approved	Demand Actual Spend	Programs Managed and Reconciled by Operations
Demand General Repairs (DGR)*	Sep 21/Sep 26	Total - \$191,720,000	2021-2022	Not Applicable	Not Applicable	\$31,170,000	\$19,733,321	Q1 2023 reconciliation completed. TCHC has retendered the program.
		Orig VAC: \$170,600,000	2023			\$44,350,000	\$11,731,887	
		C/O \$11,740,000	2024			\$33,500,000		
		C/O \$9,380,000	2025			\$38,500,000		
			2026			\$44,200,000		

*The original Demand General Repairs (DGR) contract is a three (3) year term plus two (2) one-year optional terms (September 5, 2021, to September 4, 2026). On January 10, 2023, at the Executive Leadership Team meeting, a decision was made to go out to the market. Consequently, on January 27, 2023, Strategic Procurement issued a termination letter to all vendors with the contract end date of August 31, 2023. Currently, the new RFP 23013 is already issued and is in the evaluation phase. The effective date would be September 1, 2023.