



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 September 8, 2023, via Webex and in-person at City Hall, Committee Room 1, 100 Queen Street West, commencing at 10:30 a.m.

BIFAC Directors Present: Nick Macrae (Chair)
John Campbell (*10:30 a.m. – 11:05 a.m.*)
Naram Mansour
Brian Smith

BIFAC Directors Absent: Councillor Perruzza

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
Karim Jessani, Director, Internal Audit
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 and welcomed Councillor Perruzza as the newest member of the BIFAC. The Chair also noted the Acknowledgement of the Land and provided an overview of the reports on today's public agenda.

DEPUTATIONS

The Chair polled for any deputations to be heard at the meeting. The following verbal deputation was presented:

- Item 8 – Tenant Involvement in In-Unit Repairs (*Catherine Wilkinson*)

The following written deputation was received:

- Item 8 – Tenant Involvement in In-Unit Repairs (*Jacqueline Yu*)

ITEM 2 APPROVAL OF PUBLIC MEETING AGENDA

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

1. the Agenda for its Public meeting of September 8, 2023; and
2. all matters on the Agenda with the exception of items:
 - Item 5 – Business Arising from the Public Meeting Minutes and Action Items Update;
 - Item 7A – Facility Condition Index's ("FCI") Role in Project Prioritization;
 - Item 7C – Q2 2023 Facilities Management Quarterly Capital Budget Update;
 - Item 8 – Tenant Involvement in In-Unit Repairs;
 - Item 12A – Internal Audit Update: Q2 2023; and
 - Item 12B – Status Update on Audit Recommendations from Internal Audit Reports as of June 30, 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 JULY 17, 2023

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, 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

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

- Action item #1 speaks to a request made by the Governance, Communications and Human Resources Committee, which was referred to the BIFAC, to report back on opportunities to employ vendors from a variety of backgrounds to expand TCHC’s list of vendors while still ensuring value for money.
- The intent is to make vendors from a variety of backgrounds aware of procurement opportunities at TCHC; the intention is not to compromise TCHC’s interests in acquiring goods and services.
- The focus will be on outreach and engagement with a broader range of vendors who may not typically bid on TCHC’s work.
- Any survey conducted with vendors would be on a voluntary basis.

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

**ITEM 6 **VENDOR AWARD: PROVISION OF
SECURITY AND FIRE WATCH SERVICES** BIFAC:2023-91R**

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

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

1. Approve the award of work to Star Security Inc. for up to \$39,146,170.75 (exclusive of taxes) for security services and fire picket services at various TCHC and TSHC locations for a term of up to five years (three years with the option of two 1-year contract extensions TCHC's discretion) based on the outcome of Request for Proposal ("RFP") 23062; and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**ITEM 7A **FACILITY CONDITION INDEX'S ("FCI")
ROLE IN PROJECT PRIORITIZATION** BIFAC:2023-101**

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

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

- Executive summary;
- TCHC's annual capital plan;
- Project prioritization and selection;
- Building Condition Assessments ("BCA"); and
- Facilities Condition Index ("FCI").

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

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- FCI is an industry standard. Management believe that private landlord companies take a more linear approach to determining their buildings' FCI through a lifecycle analysis to know when to replace certain building components (e.g. roof, boiler, etc.).
- TCHC's process to determine FCI is very rigorous and consultive.
- Action item: Management to provide, offline, the facility condition index targets of private landlords based on consultation with the Toronto Apartment Association.
- While there has been a marked improvement in TCHC's FCI since 2017, the same calculation has been used throughout that time with the same third party vendor, Ameresco Canada Inc. ("Ameresco"). Ameresco's contract renewal was recently approved by the BIFAC and it will be important to continue working with them through to the end of the ten-year capital plan to ensure consistency.
- The BIFAC congratulated TCHC on the FCI improvements that have been realized.
- Other municipal non-profit housing providers also use FCI and aim for around 10% as their target.
- Now that Swansea Mews has closed, it is no longer counted towards the FCI calculation. When it was part of the calculation, Swansea Mews had a negative impact on FCI, however it was not material to the overall calculation.
- There are certain factors that will have an impact on TCHC's ability to reach the 10% FCI target, such as inflation, however the modelling indicates that we are still on track to meet the 10% goal as planned.
- There is an increase in demand capital repairs, not all of which have an impact on FCI.
- Any repairs costing more than \$1,500 are considered capital repairs. Management have looked at increasing the threshold for the cost of repairs that are capitalized, however doing so would place further strain on the operating budget. Management continue to monitor this.

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Mansour and carried, the BIFAC received Report BIFAC:2023-101, being the Facility Condition Index's ("FCI") Role in Project Prioritization report and its attached presentation, for its information.

**Q2 2023 RECONCILIATION OF
PREVENTIVE MAINTENANCE/DEMAND
REPAIR PROGRAMS AND ELEVATOR
ITEM 7B CONTRACTS** BIFAC:2023-100

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

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2023-100, being the Reconciliation of Preventive Maintenance/Demand Repair Programs and Elevator Contracts for the second quarter of 2023, for its information.

**Q2 2023 FACILITIES MANAGEMENT
ITEM 7C QUARTERLY CAPITAL BUDGET UPDATE** BIFAC:2023-99

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:

- Local move-outs are repairs, both minor and major, that are completed when a tenant vacates a unit and it needs to be turned over for a new tenant. This program is managed by Operations who have a defined process in place to bring units to the necessary standard to be rented.
- Action item: Management to provide, offline, details of the number of units that are turned over annually through the Move-Out Unit Turnover program, as well as the breakdown of costs associated with this program (e.g. the types of repairs that occur).
- There are often repairs that are needed in a unit that are not captured through the Annual Unit Inspection process or that a tenant may not want completed while they are residing in the unit.
- There are certain standard actions completed as part of the unit turnover process such as painting, replacing damaged flooring, etc. that are not standard repairs completed while the unit is tenanted.

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Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Campbell and carried, the BIFAC unanimously approved and recommended that the Board of Directors approve, the reallocation of funds within the capital repair budget as follows:

Envelope Name	Reallocation Amount
RCHH - Heritage Houses	\$53,630
CI01 - Risk Management and insurance Claims	\$700,000
COXX - Demand Capital	\$12,131,260
LC - Local Demand & Residential Appliances	\$500,000
LM - Local Moveouts	\$10,000,000
AIP1 - Social Housing Apartment Improvement Program - 10 Buildings	\$305,870

**VENDOR AWARD: KEY HOLDER SERVICES
ITEM 7D FOR TORONTO COMMUNITY HOUSING BIFAC:2023-98**

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

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

1. Approve the award of work to Universal Protection Service of Canada Corporation o/a Allied Universal Security Services of Canada for up to \$10,175,104.59 (exclusive of taxes) for key holder services at various TCHC locations for a term of up to five years (three years with the option of two one-year contract extensions at TCHC's discretion) as follows:
 - a. up to \$5,805,131.72 for the initial three-year term;
 - b. up to \$4,369,972.88 for two additional one-year terms at TCHC management's discretion; and
2. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

ITEM 7E VENDOR AWARD: REHABILITATION OF 17 VACANT UNITS AT 50 TORBOLTON DRIVE BIFAC:2023-97

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

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

1. Approve the award of work to Martinway Contracting Ltd. for \$6,737,810.00 (exclusive of taxes) for rehabilitation of 17 vacant units at 50 Torbolton Drive (Torbolton Drive, Dev. 18) based on the outcome of Request for Proposal ("RFP") 23040-PP; and
2. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendation.

ITEM 7F CHANGE ORDER: PREVENTIVE MAINTENANCE SERVICES AND DEMAND REPAIRS FOR FIRE ALARM/SUPPRESSION SYSTEMS BIFAC:2023-96

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

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

1. Approve a change order to Eurotech Safety Inc. for \$1,200,000.00 (exclusive of taxes) for preventive maintenance and demand repairs for fire alarm/suppression system from January 1, 2023 to December 31, 2023; and
2. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**VENDOR AWARD: COMMON AREA
ACCESSIBILITY UPGRADES AT 3847**

ITEM 7G LAWRENCE AVENUE EAST

BIFAC:2023-92

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

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

1. Approved the award of work to Green Leaf Contracting Inc. for \$2,724,060.00 (exclusive of taxes) for common area accessibility upgrades at 3847 Lawrence Avenue East (Lawrence Susan, Dev. 81) based on the outcome of Request for Quotations (“RFQ”) 23104-PP; and
2. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**VENDOR AWARD: UNDERGROUND
GARAGE REPAIRS PHASE 2, 3 AND 4 AT 6
ITEM 7H GLAMORGAN AVENUE BIFAC:2023-93**

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

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

1. Approve the award of work to Riviera Restoration Services Ltd. for \$2,749,014.00 (exclusive of taxes) for underground garage repairs for Phases 2, 3 and 4 at 6 Glamorgan Avenue (Kennedy Glamorgan, Dev. 9); and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**CHANGE ORDER: ARCHITECTURAL FEES
DUE TO PERCENTAGE-BASED FEE
ADJUSTMENT AND CONTRACT
ADMINISTRATION FOR MULTIPLE
ITEM 7I LOCATIONS BIFAC:2023-94**

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

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

1. Approved a change order to Architecture Counsel Inc. for \$537,625.55 (exclusive of taxes) for architectural fees for Phases 1-4 due to percentage-based fee adjustment and contract administration fees for 6 Glamorgan Avenue (Kennedy Glamorgan, Dev 009), 2180 Ellesmere Road and 2190 Ellesmere Road (Ellesmere/Markham, Dev 072), and 2821 Birchmount Road (Finch Birchmount, Dev 076) as follows:

- a. \$155,935.00 for 6 Glamorgan Avenue (fm-442555);
 - b. \$127,787.76 for 2180 Ellesmere Road (fm-442559);
 - c. \$152,039.42 for 2190 Ellesmere Road (fm-442560);
 - d. \$101,863.37 for 2821 Birchmount Road (fm-442558);
2. Authorized the Vice President, Facilities Management to execute a contract amendment with the recommended vendor; and
 3. Authorized the appropriate staff to take all other necessary actions to give effect to the above recommendations.

ITEM 7J CHANGE ORDER: ADDITIONAL FUNDS BIFAC:2023-95
FOR ELEVATOR DEMAND REPAIRS

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

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

1. Approved a change order to Elcan Elevator Inc. for \$140,000.00 (exclusive of taxes) for the addition of demand repair services, on as needed basis, to the elevator maintenance contract for thirty-four (34) elevators located in fifteen (15) buildings; and
2. Authorized the appropriate staff to take the necessary actions to give effect to the above recommendation.

ITEM 8 TENANT INVOLVEMENT IN IN-UNIT BIFAC:2023-102
REPAIRS

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

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A written deputation was received from Jacqueline Yu with respect to this item and was circulated to the BIFAC.

A verbal deputation was received from Catherine Wilkinson with respect to this item.

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

- This year, automated work orders were generated based on work identified through the Annual Unit Inspection Process, however staff are reexamining how to appropriately triage work within the existing budgetary constraints.
- Facilities Management takes into consideration information gathered through the Annual Unit Inspection process to help determine which buildings are included in the State of Good Repair (“SOGR”) program.
- The SOGR program is the only capital program that performs repairs on the interiors of tenant units.
- 90% of tenants who participated in the SOGR program were satisfied and would recommend the program.

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC received Report BIFAC:2023-102, being the Tenant Involvement in In-Unit Repairs report, for its information.

ITEM 9 Q2 2023 DELEGATED REAL ESTATE BIFAC:2023-103
PROPERTY TRANSACTIONS

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

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2023-103, being the Delegated Real Estate Property Transactions for the second quarter of 2023, for its information.

**ITEM 10 Q2 2023 PROCUREMENT AWARD
COMMITTEE (“PAC”) AWARDS AND
REVENUE CONTRACTS BIFAC:2023-104**

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

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2023-104, being the Procurement Award Committee (“PAC”) Awards and Revenue Contracts for the second quarter of 2023, for its information.

**ITEM 11 Q2 2023 INFORMATION TECHNOLOGY
SERVICES DIVISIONAL UPDATE BIFAC:2023-105**

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

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Campbell and carried, the BIFAC received Report BIFAC:2023-105, being the Information Technology Services Divisional Update for the second quarter of 2023, for its information.

ITEM 12A INTERNAL AUDIT UPDATE: Q2 2023 BIFAC:2023-106

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’s review of the change order process is almost complete and will come to the BIFAC’s in-camera meeting of November 2, 2023.

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC received Report BIFAC:2023-106, being the Internal Audit Update report for the second quarter of 2023, for its information.

**STATUS UPDATE ON AUDIT
RECOMMENDATIONS FROM INTERNAL
ITEM 12B AUDIT AS OF JUNE 30, 2023** BIFAC:2023-107

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:

- The next iteration of this report will come to BIFAC in March 2024. Any changes to the target completion dates will be reflected in that report.

Motion carried **ON MOTION DULY MADE** by Mr. Mansour, seconded by Mr. Smith and carried, the BIFAC received Report BIFAC:2023-107, being the Status Update report on Audit Recommendations from Internal Audit Reports as of June 30, 2023, for its information.

TERMINATION

A motion to adjourn the meeting was moved by Mr. Mansour and seconded by Mr. Smith. The BIFAC resolved to terminate the public meeting at 11:16 a.m.

Secretary

Chair, Building Investment,
Finance and Audit Committee