



## **Contract Award: Kitchen Sanitary Drain Treatment and Cleaning Program (VAC 22240/RFP 21312)**

Item 10A

June 17, 2022

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2022-74

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

**From:** Vice President, Facilities Management

**Date:** May 11, 2022

### **PURPOSE:**

The purpose of this report is to seek the BIFAC's and the Board of Directors' ("the Board") approval to award work totaling up to \$8,007,584.95 (exclusive of taxes) to 1799541 Ontario Inc. o/a Climate Works ("Climate Works") for kitchen sanitary drain treatment and cleaning program at various locations of the TCHC portfolio. The work applies to all high-rise apartment building locations 7 stories tall or more, across TCHC's portfolio (187 buildings). The contract is for an eight (8) year term based on the outcome of Request for Proposals (RFP) 21312.

BIFAC approval is required for this contractor award as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC"), and Board of Directors (the "Board") approval is required as it exceeds the \$5 million financial approval limit of the BIFAC.

### **RECOMMENDATIONS:**

It is recommended that the BIFAC approve and recommend that the Board approve the following recommendations to:

1. approve the award of work to Climate Works for up to \$8,007,584.95 (exclusive of taxes) for a kitchen sanitary drain treatment and cleaning program as follows:
  - I. \$7,207,584.95 (exclusive of taxes) for preventative maintenance as follows:
    - a. \$3,308,272.00 for four (4) years of the initial contract; and
    - b. Up to an additional \$3,899,312.95 for four (4) additional one-year terms at TCHC management's discretion (based on an estimated CPI 3% increase for each additional year); and
  - II. Up to \$800,000 (exclusive of taxes) for demand repair services (services of work outside of preventive maintenance scope of work) as follows:
    - a. Up to \$400,000.00 for four (4) years of the initial contract; and
    - b. Up to an additional \$400,000.00 for four (4) additional one-year terms at TCHC management's discretion; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**PROJECT BACKGROUND:**

Due to a history of flooding and backing up of kitchen drains from issues of excessive grease, food, and grime build-up inside the kitchen drains, a preventative drain cleaning program is required. The same vendor will also provide demand repair services for kitchen sanitary drains for work not covered in the scope of the preventive maintenance work.

This award is for an 8 year term due to the work being dispatched on a two year cycle. The program is to commence on August 15, 2022 and end on August 15, 2026, with the possibility of four (4) additional one-year extensions at TCHC's management's discretion.

**REASONS FOR RECOMMENDATIONS:**

Currently, issues with kitchen sanitary drains are dealt with on a reactive basis through the demand plumbing program. The purpose of the kitchen drain preventative maintenance program is to reduce blockages and flooding, and therefore reduce demand maintenance costs, mitigate risk of damage to the buildings, as well as minimize service disruption to tenants.

The Plumbing Manager, FM-Construction and Preservation in consultation with the Program Manager, Plumbing and Facilities Managers have determined that the recommended proponent has the capability and capacity to deliver the work within the timeline. The recommended proponent, has performed similar services for TCHC with satisfactory results.

### **PROCUREMENT PROCESS:**

An RFP was issued on December 9, 2021 and closed on January 27, 2022. Two submissions were received. The submissions were evaluated through a three stage process to determine qualified vendors based on rated criteria and pricing.

- **Stage 1** – Mandatory requirements: Strategic Procurement staff reviewed the submissions for mandatory requirements. 2 proponents met the mandatory requirements.
- **Stage 2** – Rated Criteria: On February 17, 2022, an evaluation team (Construction and Preservation, Design and Engineering and Seniors Housing Unit) evaluated submissions based on the Rated Criteria in the RFP documents. Only those proponents who received a minimum score of 70 points were considered for further evaluation. Only Climate Works received the minimum score
- **Stage 3** – Pricing: Submitted pricing was evaluated to determine the lowest price.

See **Confidential Attachment 1: VAC 22240/RFP 21312 Summary of Submissions** for details on pricing and rated criteria.

The recommendation is to award the work to the Climate Works as the lowest priced qualified bid submitted.

### **IMPLICATIONS AND RISKS:**

A public RFP was issued and the recommendation is based on awarding the work as per the RFP requirements. Thus, the risk of a proponent challenging the awarding of the contract is minimized.

Entry into tenant units is required. Timely and appropriate notification will be provided to tenants to notify them of planned disruptions and restrictions. Key holder services will be engaged.

The work will not commence until this award has been approved and the contract has been executed. A purchase order will be issued to the vendor after execution of the contract. Demand repair services is to be awarded only after the proposed commencement of the program, and is subject to TCHC review and approval prior to any demand work being conducted.

FM Construction and Preservation Plumbing staff shall monitor the expenditure on a quarterly basis to ensure the program is within the approved budget.

To mitigate risks and ensure contractor compliance, FM Construction and Preservation staff will conduct random inspections on completed work as well obtain feedback on work completed from site staff and tenants as applicable.

Funding for this award is within the 2022 FM Construction and Preservation Operating budget SLA 5282 and the TCHC Operating budget 5282. Funding for future years will be requested in the respective years' operating budgets.

**SIGNATURE:**

*“Allen Murray”*

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Allen Murray  
Vice President, Facilities Management

**ATTACHMENT:**

**Confidential      Summary of Submissions**

**Attachment 1:**

**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.

**STAFF CONTACT:**

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