



## Vendor Award: Demand Maintenance Services – Plumbing (VAC 22459/RFP 22037)

Item 6B

December 8, 2022

Board of Directors

**Report:** TCHC:2022-71R

**To:** Board of Directors (“Board”)

**From:** Vice President, Facilities Management

**Date:** November 30, 2022

### PURPOSE:

The purpose of this report is to seek the BIFAC’s approval to award work totaling up to \$75,000,000.00 (exclusive of taxes) to multiple vendors for plumbing demand maintenance services at the rates established, based on the outcome of Request for Proposal (“RFP”) 22037 for a term of five (5) years.

BIFAC approval is required for this 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. This report has been amended from the version of the Report that was considered by BIFAC.

### RECOMMENDATIONS:

It is recommended that the Board approve the following recommendations:

1. approve the award of work up to \$75,000,000.00 (exclusive of taxes) for plumbing demand maintenance services for a term of five (5) years as follows:
  - a. up to \$45,00,000.00 for the first three (3) years of the contract; and

- b. up to and additional \$30,00,000.00 for two (2) additional one-year terms at TCHC management's discretion; and
2. approve the award of work to the following vendors:
  - Bomben Plumbing & Heating Ltd.
  - Capital PH Ltd.
  - Carmar Mechanical Inc.
  - Firenza Plumbing & Heating Ltd.
  - Midsteel Mechanical Ltd.; and
3. authorize the appropriate staff to take the necessary actions to give effect to the above recommendations.

**BIFAC:**

This report was approved by the BIFAC via unanimous written resolution on November 10, 2022. This report has been amended from the version that was approved by the BIFAC, at that time to reflect the removal of one of the vendors recommended for participation in this Program.

**REASONS FOR RECOMMENDATIONS:**

The scope of work for demand maintenance services for plumbing includes unplanned plumbing repairs on an as-needed basis. This scope of work is often outside of typical building staff skill levels and responsibilities.

Establishing a roster for the work ensures a formalized process to efficiently dispatch and deliver unplanned demand maintenance repairs. This includes consistency in pricing, and accordance with both standard specifications and accountabilities and performance expectations. A roster for this scope of work will allow TCHC to respond effectively to current and emerging needs, ensuring equipment is operational and working as intended.

On November 10, 2022, the Building Investment, Finance and Audit Committee ("BIFAC") recommended a contract award to Ocean Mechanical Inc. ("Ocean Mechanical") as part of the program roster for demand maintenance plumbing services.

On November 29, 2022 Ocean Mechanical informed TCHC that they would not be able to fulfill the contract. Ocean Mechanical is not able to staff up to

meet the requirements of the contract due to an on-going labour shortage and has withdrawn their bid. Ocean Mechanical is currently a vendor of record with TCHC and has performed other work for TCHC with satisfactory results.

Upon receiving notice from Ocean Mechanical, Procurement and FM Staff have developed a process for contacting the remaining program vendors to assess their interest and capacity to successfully service the operating units in Group 2. The operating units that were to be covered by Ocean Mechanical will be divided amongst remaining proponents. TCHC staff are confident that the remaining 5 proponents have the capacity to manage the entire portfolio. The removal of Ocean Mechanical from the program roster will have no impact on program pricing or the overall value of the award.

This program is scheduled to commence on February 1, 2023.

#### **PROJECT BACKGROUND:**

Plumbing demand maintenance service are defined as unplanned work that is required on an as-needed basis in plumbing repairs, installation of fixtures, toilets, faucet and taps. The services and scope of work can include the following:

- Building riser repair (domestic cold water, domestic hot water);
- Building re-circulation line repair;
- Building domestic hot water main repair;
- Building valves (domestic cold water and domestic hot water isolation/zone/balancing/source/premise/heating);
- Replacement and repair all of hydronic radiators (building and in-suite);
- Building system pumps (booster/re-circulation);
- Backflow valves;
- Building system tanks (storage/expansion);
- Building kitchen/bathroom renovations (sinks/taps/tubs/toilets);
- Building irrigation systems;
- Building sanitary riser repair;
- Building sanitary main repair;
- Sanitary, which contains and is not limited to: clean outs, interceptors, p-traps, trap seal primers, backwater valves, vacuum breaker, soil and waste vents, soil and waste piping/branches;
- Building storm riser repairs;

- Building storm main repairs; and
- Storm, which contains and is not limited to: roof drains/water mains, floor drains/water mains, rain water leaders, conductors and gutters.

This scope of work is often outside of typical building staff skill levels and responsibilities.

### **PROCUREMENT PROCESS:**

An RFP was issued on March 1, 2022 and closed on April 12, 2022. Eight submissions were received with six vendors successfully meeting the requirements of the RFP. The submissions were evaluated through a five stage process to determine qualified vendors based on rated criteria and pricing.

The highest ranked proponent was offered their choice as primary vendor for one group, back-up vendor for a second group and second back-up for a third group. The next highest ranked proponent was then offered their choice as primary vendor in one of the remaining groups, back-up vendor for a second group and second back-up for a third group in one of the remaining groups. This process continued until all five groups were assigned.

Work will not commence until this award has been approved and a contract has been executed. The recommendation is to award the work to the above proponents as per their qualified submissions.

*Table 1: Recommended Contracts*

<b>Group</b>	<b>Operating Units</b>	<b>Primary Vendor</b>	<b>Back up Vendor</b>	<b>2<sup>nd</sup> Back up Vendor</b>
1	OUC, OUD, OOU	Firenza Plumbing & Heating Ltd.	Ocean Mechanical (withdrawn)	Midsteel Mechanical Ltd.
2	OUE, OUF, OUJ	Ocean Mechanical (withdrawn)	Firenza Plumbing & Heating Ltd.	Bomben Plumbing & Heating Ltd.
3	OUK, OUM	Carmar Mechanical Inc.	Midsteel Mechanical Ltd.	Ocean Mechanical (withdrawn)

Group	Operating Units	Primary Vendor	Back up Vendor	2 <sup>nd</sup> Back up Vendor
4	OUG, OUL	Capital PH Ltd.	Carmar Mechanical Inc.	Firenza Plumbing & Heating Ltd.
5	OUH, OUI	Bomben Plumbing & Heating Ltd.	Capital PH Ltd.	Carmar Mechanical Inc.
6	OUN, OUP, OUQ	Midsteel Mechanical Inc.	Bomben Plumbing & Heating Ltd.	Capital PH Ltd.

See Confidential Attachment 1 for details on pricing and rated criteria.

#### **IMPLICATIONS AND RISKS:**

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

The FM Construction and Preservation team, as well as Operations staff will continuously and rigorously monitor the performance of the recommended proponents during the course of the program. Performance will be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through program reviews will be used to support decisions to remove underperforming vendors from TCHC's programs and/or future bidding opportunities.

This program will be reconciled on a regular basis to ensure the expenditures and forecasts do not exceed the approved spend.

Funding for this award will be requested within the 2023 Capital and Operating Budgets. Funding for future years will be requested in each consecutive year of the term from the Capital and Operating Budgets.

**SIGNATURE:**

*“Allen Murray”*

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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

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**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.