



## Change Order: Preventive Maintenance and Demand Repairs for Fire Alarm/Suppression Systems (Central Region and Seniors West)

Item 6E

December 8, 2022

Board of Directors

**Report:** TCHC:2022-74

**To:** Board of Directors (the “Board”)

**From:** Building Investment, Finance and Audit Committee (“BIFAC”)

**Date:** November 10, 2022

### PURPOSE:

The purpose of this report is to seek the Board’s approval of a change order of \$3,950,000.00 (exclusive of taxes) to Eurotech Safety Inc. (“Eurotech”) for preventive maintenance and demand repairs for fire alarm/suppression system from January 1, 2023 to December 31, 2023 at TCHC buildings in the Central Region (OUJ, OUK, OUL and OUM) and Seniors West Region (OUO and OUQ).

BIFAC approval is required for this change order as the cumulative amount of all change orders is both greater than \$250K and greater than 20% of the original contract amounts. The Board’s approval is required as the revised contract amount exceeds the \$5M financial approval limit of the BIFAC.

### RECOMMENDATIONS:

It is recommended that the Board approve the following recommendations:

1. approve a change order to Eurotech Safety Inc. for \$3,950,000.00 (exclusive of taxes) for preventive maintenance and demand repairs

for fire alarm/suppression system from January 1, 2023 to December 31, 2023 as follows:

- (a) \$1,050,000.00 for preventive maintenance;
- (b) \$2,900,000.00 for demand repairs; and

2. authorize the appropriate staff to take all other necessary actions to give effect to the above recommendation.

**BIFAC:**

This report was approved by the BIFAC via unanimous written resolution on November 10, 2022.

**REASONS FOR RECOMMENDATIONS:**

In 2021, RFP 21125 was issued to prequalify vendors for a new Preventive Maintenance Services and Demand Repairs for Fire Alarm/Suppression Systems Program. RFQ 21247 was subsequently issued to the prequalified vendors to obtain pricing. The new program was scheduled to commence January 1, 2022. However, the awards were deferred resulting in an extension of the former roster from January 1, 2022 to March 31, 2022.

Approval of the awards for the new roster was further deferred for another month (April 1, 2022 to April 30, 2022). As such, a Direct Award to the new roster vendors (RFP 21125/RFQ 21247) was approved.

At the direction of the TCHC Board, the awards were deferred again, resulting in a further extension to the direct award by approving a change order for the remainder of the year (May 1, 2022 to December 31, 2022). As no decision has been made to date, a further extension is required, resulting in this change order for a further year (January 1, 2023 to December 31, 2023).

To date, \$3,239,161.94 in change orders have been issued to Eurotech. With approval of this request, total cumulative change orders equals \$7,189,161.94 and is equivalent to 2322.94% of the original purchase order issued, as shown in the table below. The revised total contract amount is \$7,512,569.94.

**PROGRAM BACKGROUND:**

TCHC is required to perform preventive maintenance (specific inspections and tests) on fire alarm and suppressions systems as per the Ontario Fire Code. Annual and bi-annual inspections and tests are performed by both site staff and contracted services. Monthly inspections and tests will be performed by site staff.

On an annual basis, contracted services are required by code to inspect and test the following:

- Fire alarm, voice communication and interconnected systems;
- Suppression and sprinkler system, including fire hose cabinet, hoses and valve, and hydrostatic testing (three years);
- Portable fire extinguishers;
- Fire pumps including jockey pumps and air compressors;
- Emergency generators;
- Audible pull stations;
- Smoke control systems;
- Integration of HVAC, maglocks, smoke controls, elevator systems integration with the fire alarm/suppression systems;
- Emergency lighting and fire exits signage; and
- Monthly test and inspections while performing the annual test and inspection.

On a semi-annual basis, contracted services are required by code to inspect and test the following:

- Mechanical water flow alarm main supply and pressure switches, low pressure alarms, alarm signals at the fire alarm panel;
- Drip drums;
- Valves, system risers, and pressure; and
- Monthly test and inspections while performing the semi-annual test and inspection.

Contracted services are also required to perform demand repairs, which are repairs on an as-needed basis when there is equipment failure and/or based on the results of inspections.

Table 1: Change Order Summary

<b>Description</b>	<b>Reason for Change</b>	<b>Value</b>
Direct Award – April 1, 2022 to April 30, 2022	TCHC Directed	\$323,408.00
Change Order – May 1, 2022 to December 31, 2022	TCHC Directed	\$3,239,161.94
Change Order – January 1, 2023 to December 31, 2023	TCHC Directed	\$3,950,000.00
<b>Approved Change Orders to Date</b>		\$3,239,161.94
Change order as requested in this report		\$3,950,000.00
<b>Total Cumulative change orders</b>		<b>\$7,189,161.94</b>
Original contract awarded (VAC 22168)		\$323,408.00
Revised total contract amount		\$7,512,569.94
<b>Cumulative CO % of contract award/purchase order</b>		<b>2322.94%</b>

**IMPLICATIONS AND RISKS:**

This work is required to maintain fire safety and fire suppression systems, and ensure all codes are met to ensure the health and safety of our tenants. The extension of the direct award will support the program and ensure the on-going safety of tenants.

The recommended change order is in accordance with TCHC's current Procurement Policy.

To mitigate risks, staff continuously and rigorously monitor the performance of the vendor during the course of the program. Prior to demand repairs being completed, the work must be authorized by TCHC and then is subject to random inspections to ensure the work was completed satisfactorily.

Funding for this award is within the program budget of the 2023 Operating Budget.

**SIGNATURE:**

*“Allen Murray”*

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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

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