



## REPORT FOR ACTION

# Purchase Contract Value Adjustment

**Date:** June 27, 2019

**To:** Toronto Atmospheric Board of Directors

**From:** Chief Executive Officer

## SUMMARY

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This report recommends increasing the contract TAF awarded to Ecosystem Energy Inc. in 2015 to design and implement the retrofit of seven Toronto Community Housing (TCH) buildings to a total value of \$8M net of reimbursable HST. The purpose is to install additional energy-saving measures in three (of the original seven) buildings which will further reduce energy consumption and carbon emissions. TAF will incur no financial costs as TCH will be fully funding the additional work.

## RECOMMENDATIONS

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The Chief Executive Officer recommends that the TAF Board of Directors:

1. Approve increasing the total value of the contract awarded to Ecosystem Energy Inc. to \$8 million (net of reimbursable HST) to cover the installation of additional energy efficiency measures at three Toronto Community Housing buildings.

## FINANCIAL IMPACT

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There is no financial impact resulting from the adoption of the recommendation in this report.

## DECISION HISTORY

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At its meeting on September 27, 2012, the TAF Board of Directors approved financing, structured as an Energy Savings Performance Agreement (ESPA), of up to \$1.5M for the energy efficiency retrofit seven Toronto Community Housing (TCH) buildings, conditional on TAF securing \$1.5 million in co-financing

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.TA10.9>

At its meeting on December 6, 2012, the TAF Board of directors approved a change to the TCH transaction approved September 27, increasing the maximum financing

envelope to \$3M plus taxes, with TAF limited to providing \$2M plus taxes and co-investors providing at least \$1M plus taxes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.TA11.8>

On February 27, 2015, the TAF Board approved the selection of Ecosystem Energy Inc. as the successful proponent in RFP 9118-14-7206 Integrated Project Delivery of a Multi-Site Toronto Community Housing Resource Conservation and IEQ Improvement Project, and authorized TAF staff to negotiate and enter into agreements for the energy efficiency retrofits of seven TCH buildings.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TA2.5>

On September 29, 2016, the TAF Board approved increasing the total value of the contract awarded to Ecosystem by \$1.3 million to cover additional measures relating to the retrofit of seven Toronto Community Housing buildings on condition that such costs will be reimbursed by Toronto Community Housing within 15 days of payment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.TA12.5>

## **COMMENTS**

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TAF, TCH, and Ecosystem completed the retrofit of seven (7) TCHC buildings as part of TAF's TowerWise program. By mutual agreement, the parties have approved a new phase of work at three of the buildings which will reduce carbon emissions and further improve Indoor Environmental Quality for residents. The possibility of additional project work at any time during the ten (10) year performance period was contemplated from the beginning of the project and reflected in both TAF's ESPA with TCH and our Integrated Project Delivery (IPD) agreement with Ecosystem. There is no financial cost to TAF as all the new work will be funded fully by TCH, and TAF will receive a share of the additional savings resulting from this new work.

The TAF Board approved a contract award for Ecosystem for up to \$5.1M in 2015. Board approval was given for an increase of \$1.3M in 2016, which was fully funded by TCHC. As the new phase of work will take the total beyond \$6.4M, Board approval is requested to increase the total contract amount to \$8M net of reimbursable HST.

As per section 6.5.6 of TAF's Relationship Framework with the City of Toronto (approved by Council May 2013) TAF's procurement of consulting and other goods and services is conducted in accordance with City of Toronto's purchasing policies. These require contracts valued at over \$500,000 to be submitted to the Bid Committee for recommendation to City of Toronto Council. TAF's Purchasing Policy requires that any purchase that would normally require City of Toronto Council approval must receive TAF Board approval instead. This contract value increase is above \$500,000, Board approval is requested.

## **CONTACT**

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Bryan Purcell, VP Policy and Programs

**SIGNATURE**

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Julia Langer  
Chief Executive Officer