

Toronto Community
Housing Corporation
931 Yonge Street
Toronto, ON
M4W 2H2



December 8, 2014



Mr. Jeff Griffiths
Auditor General
Metro Hall
55 John Street, 9th Floor
Toronto, ON M9N 1J6

Dear Mr. Griffiths,

We would like to thank you for the recommendations you have made to Toronto Community Housing Corporation (TCHC) over the last few years.

Implementation of your recommendations has resulted in significant avoided and actual cost savings. Here are the savings we are now seeing in 2014:

- **Avoided cost savings of approximately \$20 million for the nine months ended September 30, 2014, from new procurement processes and procedures on requests for proposals (RFPs) and bids, predominantly in relation to our capital deployment program.**
- **Annual cost savings of an estimated \$4 million achieved through new unit price contracts for similar volume/nature of work for demand, bulk and emergency repairs.**
- **Avoided cost savings of about \$350,000 after six months from economies of scale realized as a result of the transfer of the TCHC vehicle fleet to the City of Toronto.**

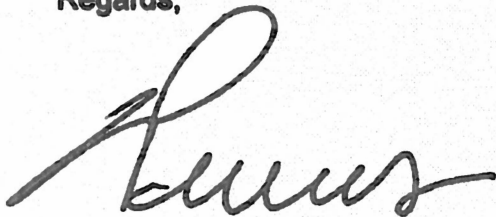
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Furthermore, the estimated annual cost of operating a safe, well-maintained vehicle fleet will be roughly the same in 2014 when compared with the actual cost in 2012 prior to transfer of our fleet, with all vehicles in our current fleet meeting safety standards.

We would like to invite both you and the incoming Auditor General of the City of Toronto to our Board of Director meeting on December 16, 2014 at 9:30am at 931 Yonge Street. Please let us know if you can attend.

We thank you for the efforts of your office in these endeavours.

Regards,

A handwritten signature in dark ink, appearing to read 'Bud Purves', with a large, stylized initial 'B'.

Norman W. (Bud) Purves
Chair, Board of Directors

cc: Zhair R. C. Bhaidani, Chair, Corporate Affairs and Audit Committee
Greg Spearn, President and Chief Executive Officer (Interim)
Jason Gorel, Chief Executive Officer and Treasurer
Pamela Spencer, General Counsel & Corporate Secretary
Ken Scott, Senior Director, Procurement
Valesa Faria, Senior Manager, Commercial & Business Development