

Award of Request for Proposal (RFP) No. 9121-19-7090 Integrated Project Delivery of a Social Housing Deep Energy Retrofit

Date: April 29, 2019
To: Toronto Atmospheric Board of Directors
From: Vice President, Programs and Policy

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report involves the security of property belonging to the Toronto Atmospheric Fund.

SUMMARY

This report conveys the results of the Request for Proposal No. 9121-19-7090 Integrated Project Delivery of a Social Housing Deep Energy Retrofit, and requests Board authority to enter into agreements with the recommended provider.

RECOMMENDATIONS

The Vice President, Programs and Policy recommends that the Toronto Atmospheric Fund Board of Directors:

1. Approve the selection of the proponent listed in the Confidential Attachment 1, being the highest overall scoring proponent meeting the requirements of Request for Proposal 9121-19-7090.
2. Grant authority to award the contract to the recommended proponent, subject to: City of Toronto Purchasing and Materials Management Division's confirmation of satisfaction with the evaluation process; Toronto Community Housing's approval of the contract award; and, Toronto Atmospheric Fund's solicitor's satisfaction with the final form of contract.
3. Authorize the public release of Confidential Attachment 1 following confirmation of the contract award by City of Toronto Purchasing and Materials Management Division and Toronto Community Housing.

FINANCIAL IMPACT

The expected contract value based on pricing submitted by the recommended proponent is outlined in the confidential attachment. Costs are inline with TAF's existing budget for the project and are already factored into the operating budget for 2019.

The majority of costs will be fully reimbursed by Toronto Community Housing (TCH) under the terms of the Project Management Agreement between TAF and TCH for the project. The balance of costs are expected to be covered by utility incentives, federal and provincial grants secured to support the project, and internal program funding already approved for the TowerWise program.

DECISION HISTORY

In April 2017 the TAF Board of Directors approved an internal program allocation of up to \$90,000 over nine months to initiate the TowerWise Deep Retrofit Demonstration Program, which aims to accelerate deep energy retrofits ($\geq 40\%$ energy reductions) across the residential building sector.

<https://www.toronto.ca/legdocs/mmis/2017/ta/bgrd/backgroundfile-102770.pdf>

In April 2018, the TAF Board of Directors approved a loan of \$5 million, complemented by a \$750k grant for the next phase of TAF's TowerWise program to demonstrate and de-risk the technical and economic feasibility of deep retrofits. (

<https://www.toronto.ca/legdocs/mmis/2018/ta/bgrd/backgroundfile-114141.pdf>)

In November 2018 the TAF Board of Directors approved an internal program allocation of \$183,500 over one year for TowerWise: Accelerating Deep Energy Retrofits (ADER) to accelerate deep energy retrofits (over 40 percent energy and emissions reductions) across the multi-residential building sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TA22.10>

In February 2019, the TAF Board of Directors approved the 2019 Business Plan and Budget including TowerWise as a key project with a goal to achieve substantial completion on at least one of the new deep retrofit projects in order to demonstrate the feasibility and co-benefits of achieving 40% carbon reduction.

<https://www.toronto.ca/legdocs/mmis/2019/ta/bgrd/backgroundfile-126575.pdf>)

COMMENTS

As part of the TowerWise program, TAF is undertaking deep retrofit demonstration projects in partnership with four multi-residential building operators in the GTHA. This RFP was issued to select an Integrated Project Delivery Partner to complete design and

construction on the first of those four sites. The site (66 Walpole Ave) is a 120 unit stacked townhome complex operated by TCH. The RFP also included an option to extend the contract with the winning proponent to a second TowerWise site on the same terms and conditions, at TAF's sole and absolute discretion.

In March 2019, Purchasing and Materials Management Division (PMMD) issued Request for Proposal (RFP) No. 9121-19-7090 to select a qualified vendor to design, construct, and commission a deep energy retrofit at 66 Walpole. In April 2019, an evaluation committee of two TAF and two TCH staff evaluated the competitive proposals from two proponents bidding for the work involved in performing the energy efficiency retrofits.

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 through PMMD and in accordance with the City of Toronto's purchasing policies. Further, any policy that would normally require City of Toronto Council approval requires TAF Board approval instead. Since the City's purchasing policies require contracts with a value over \$500,000 be submitted to Bid Committee for recommendation to City of Toronto Council, and since the estimated contract value for RFP No. 9121-19-7090 is over \$500,000, authorization to negotiate a contract for this project with this proponent requires TAF Board approval.

Due to tight timelines for the approval process, PMMD and TCH have not yet had the opportunity to review and approve the evaluation committee's recommendation. The contract award decision will therefore remain provisional until approved by PMMD and TCH. As such, the proponent scores and names are included in Confidential Attachment 1.

For the recommended contract award, the following requirements have been met:

- a. The firm recommended for award is the highest scoring proponent based on the evaluation criteria included in the call and meeting the requirements of the call;
- b. Staff have reviewed submissions and found the price to be reasonable, within available budget, and concurs with the recommendation;
- c. The total contract value is less than \$20 million dollars (excluding applicable taxes) and the expected contract term is less than 5 years including an option years.

Being within the authority of the Toronto Atmospheric Fund Board of Directors;

- d. There are no material written objections to the award
- e. The call document was advertised on the City's internet website and bids or proposals were opened publicly; and
- f. The Fair wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above call is on file in the Purchasing and Materials Management Division

CONTACT

Bryan Purcell, Vice President, Programs and Policy, bpurcell@taf.ca

Shakila Ebrahimi, Buyer, Purchasing and Materials Management Division,
shakila.ebrahimi@toronto.ca

SIGNATURE

Bryan Purcell
Vice President, Programs and Policy

ATTACHMENTS

Confidential Attachment 1 – Award of RFP 9121-19-7090