



Board of Directors

931 Yonge Street
Toronto M4W 2H2

SECRETARY'S CERTIFICATE

I **HEREBY CERTIFY** that the foregoing is a true copy of a Resolution passed by the Board of Directors of the Toronto Community Housing Corporation during its *public virtual* meeting held on the 9th day of December, 2021, which Resolution was duly enacted in the manner authorized by law and in conformity with the constating documents of the Corporation and that this Resolution has not been amended and continues to be in full force and effect.

REPORT: Toronto Community Housing Corporation – Embedding Accountability into Service Delivery: Lessons Learned from Contracted Property Management Services TCHC:2021-92

The Board of Directors resolved to:

1. Request the Chief Executive Officer, Toronto Community Housing Corporation, to:
 - a. review property management service delivery expectations for the maintenance, operation and repair of buildings and identify where minimum mandatory standards, specifications, and requirements vary from building to building.
 - b. clarify to its service providers (be it internal TCHC staff, TCHC vendors, or contracted property managers and their subtrades) any additional expectations and requirements not captured in existing contracts and service-level agreements to ensure performance requirements are consistently defined for the entire TCHC portfolio.
 - c. implement a process to ensure updated versions of relevant TCHC standards, specifications, and requirements are applied to all service providers whenever TCHC revises its requirements to support consistent service delivery across all TCHC buildings.
2. Request the Chief Executive Officer, Toronto Community Housing Corporation, to review and update how TCHC measures and evaluates performance against its objectives, expectations and/or priorities for day-to-day property management across its entire portfolio. In doing so, TCHC should:

- a. develop additional methods of measuring performance, including additional key performance indicators to monitor and measure performance against TCHC's desired outcomes. Such methods and measures should address, among other things, quality of completed property management work (e.g. preventative maintenance, routine repairs and maintenance work orders, cleaning, etc.).
 - b. develop ways to measure tenant satisfaction in order to decipher who is responsible for improving their performance (be it TCHC internal staff, TCHC vendors, or contracted service providers and their subtrades).
3. Request the Chief Executive Officer, Toronto Community Housing Corporation, to ensure data used to assess, compare, and report on performance and outcomes is collected in a consistent manner across the TCHC portfolio, and that the data collected is accurate, complete and reliable.
4. Request the Chief Executive Officer, Toronto Community Housing Corporation, to:
 - a. obtain and retain key supporting documents, including site sign-in/sign-out logs, service tickets, preventative maintenance reports, and other records to support expenditures charged to TCHC by its service providers.
 - b. verify the services are delivered in accordance with the RFP/contracts before payment is made.
 - c. implement a process for periodic internal audits or other independent reviews to confirm that internal controls to ensure expenses are valid and work has been completed, are consistently implemented in practice.
5. Request the Chief Executive Officer, Toronto Community Housing Corporation, to review third-party contracts for the maintenance, operation and repair of buildings across TCHC's entire portfolio to:
 - a. ensure they do not exceed the costs of similar contracts for residential properties of a similar type, age and condition.
 - b. identify opportunities to achieve better value for money through economies of scale, by procuring and awarding contracts that enable all vendors to provide services to all its buildings regardless of whether they are directly managed or managed by contracted property managers.
6. Request the Chief Executive Officer, Toronto Community Housing Corporation, to implement robust monitoring processes to verify that property management (including operations and maintenance) service providers are meeting

performance requirements, including the quality of workmanship and conformity to specifications and requirements. Such processes should include:

- a. conducting, with sufficient frequency, site visits, inspections or reviews and documenting the results.
 - b. reviewing tenant complaints to identify trends in concerns with the conformity of specific categories of work.
 - c. enhanced monitoring in areas where there is a higher prevalence of tenant complaints, lower tenant satisfaction ratings, and potential for health and safety risks.
 - d. documenting concerns raised and responses from service providers on any remedial action that has been taken.
7. Request the Chief Executive Officer, Toronto Community Housing Corporation, to strengthen how TCHC oversees the quality of subcontractors engaged to perform work in its buildings by:
- a. verifying that subcontractors engaged meet TCHC's qualification requirements for its own vendors.
 - b. ensuring TCHC has an up-to-date list of all the subcontractors engaged to work in its buildings.
8. Request the Chief Executive Officer, Toronto Community Housing Corporation, to implement a process for documenting, escalating, and following up on service provider performance issues to ensure corrections are made in a timely manner. Such processes should include documenting results of actions that respond to:
- a. performance issues identified through inspections and review of records.
 - b. performance issues identified through comparison of performance to KPI, tenant complaints, and tenant satisfaction surveys.
 - c. performance issues identified in annual contractor performance evaluations.
 - d. performance issues identified in letters of non-compliance.
9. Request the Chief Executive Officer, Toronto Community Housing Corporation, in consultation with legal counsel, to review incentive fee structures in contracts and supporting processes to be able to exercise contract clauses in order to support continuous improvement of performance by service providers.

10. Request the Chief Executive Officer, Toronto Community Housing Corporation, to provide data-driven reporting that supports the Board's decision making and ability to hold management accountable for continuous improvement and better outcomes. and
11. Forward this report to City Council for information through the City's Audit Committee.

DATED at the City of Toronto this 1st day of December, 2021.



Darragh Meagher
General Counsel & Corporate Secretary
Toronto Community Housing Corporation