

Award of Request for Proposal Document Number 3020893138

Date: January 31, 2022
To: Board of Directors of the Toronto Atmospheric Fund
From: Vice President, Policy and Programs

SUMMARY

The purpose of this reports is to request delegation of approval for the contracting of a Supplier for Request for Proposal Document Number 3020892138 ("The RFP"). The RFP seeks a Design Team and a Construction Team that will collaboratively, using an Integrated Project Design approach, plan and undertake a deep retrofit of a Toronto Community Housing Corporation (TCH) site. The total potential contract award is up to \$8 million excluding all taxes.

RECOMMENDATIONS

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

1. Authorize the CEO of the Toronto Atmospheric Fund to negotiate and enter into an agreement with a Supplier meeting the requirements of Request for Proposal Document Number 3020893138, in a form satisfactory to TAF's Solicitor, and subject to the following requirements;
 - a. The Supplier is the highest scoring proponent based on the evaluation criteria included in the call and meeting the requirements of the call
 - b. The total contract value is less than \$8 million dollars (excluding applicable taxes).
 - c. Results of the Request for Proposal are subject to approval by the City of Toronto Purchasing and Materials Management Division

FINANCIAL IMPACT

None to the City of Toronto.

DECISION HISTORY

At its meeting on May 7-10, 2013, City Council adopted the amended and restated Relationship Framework between the City of Toronto and the Toronto Atmospheric Fund (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.6>).

The City of Toronto's "Procurement Processes Policy" was adopted by City Council at its meeting held on July 20-22, 2004 (<https://www.toronto.ca/legdocs/2004/agendas/council/cc040720/adm5rpt/cl007.pdf>), and most recently amended by Council at its meeting held on July 12-15, 2016 (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM13.13>)

TAF's current Purchasing Policy was approved by the Board on February 9, 2018 (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TA19.5>)

On April 30, 2018 the TAF Board approved a loan, with an associated grant component, from the Federation of Canadian Municipalities (FCM) for the purpose of advancing TAF's TowerWise: Accelerating Deep Energy Retrofit (ADER) program. Each associated project is subject to review. (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TA20.4>)

On June 26, 2018, City Council authorized TAF to borrow up to \$5 million from FCM for the purpose of financing eligible capital costs associated with the TowerWise ADER program, and to accept a grant of up to \$750,000 from FCM for eligible project costs. (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.19>)

On July 27, 2020, the TAF Board approved an investment of up to \$2,500,000 Net and \$3,120,000 Gross, subject to the Conditions Precedent (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.TA8.5>), and at its February 5, 2021 meeting, approved an updated investment of \$2,841,800 net and \$3,363,600 gross in its TowerWise Project, subject to terms and conditions outlined by the Investment Committee, and requested City Council approval if deemed necessary by the Chief Financial Officer & Treasurer. (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TA10.8>)

On June 8, 2021, City Council authorized the TAF loan of up to \$2,841,800 net and \$3,363,600 gross in the TowerWise project, subject to the terms and conditions approved by the TAF Board. (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX24.6>)

Request for Proposal Document Number 3020893138 was made available for the public for response on November 12, 2021 and closed January 28, 2022.

COMMENTS

The TAF Board approved a \$2,841,000 net investment in the retrofit project that is the subject of RFP 3020892138 ("The RFP"). The balance of funds will be provided by TCH and grants secured by TAF for this retrofit work.

The RFP was prepared by TAF in conjunction with the City's Purchasing and Materials Management Division (PMMD) for the provision of services of a Design Team and a Construction Team to collaboratively, using an Integrated Project Delivery (IPD) approach, undertake design, construction, commissioning, and measurement & verification of a deep retrofit of a Toronto Community Housing site consisting of a 175-unit residential walk-up apartment complex. The RFP was made available for the public

for response on November 12, 2021 and closed January 28, 2022. Two responses were received, both from consortia comprising the full design and construction teams; the limited number of responses reflects market unfamiliarity with IPD (which is a significant change from traditional design-bid-build) and the specialized nature of the retrofit work involved.

A formal selection committee comprised of two TAF staff members and two TCH staff members is performing the evaluation of the submissions/technical proposals in compliance with the criteria set out in the RFP under the supervision of PMMD. All staff involved have signed and submitted Non-Disclosure and Declaration of Conflict of Interest Agreements. Based on the schedule established by PMMD, completion of evaluation is anticipated March 4, 2022.

TAF procures goods and services in accordance with City of Toronto purchasing policies as guided by the Relationship Framework's Section 6.5.6:

“Council has directed that TAF’s procurement of consulting and other good and services be conducted through Purchasing and Materials Management Division (PMMD), in accordance with the City’s purchasing policies, as amended from time to time.

When City policies are applied to TAF procurements, TAF’s Board has approval authority wherever the policy requires Council approval.”

Since the City’s purchasing policies require contracts with a value of over \$500,000 be submitted to the Bid Committee for recommendation to City of Toronto Council, and since the estimated cost of services for RFP No. 3020893138 is over \$500,000, authorization to negotiate a contract for this project requires TAF Board approval.

This project is already behind schedule for a variety of reasons including timelines for securing TCH approvals, delays in the procurement process, and underlying Covid-19 pressures. A large percentage of the funds for this project are borrowed from the Federation of Canadian Municipalities (FCM) Green Municipal Fund. Delaying the award until the Board meeting of April 27 would require cancelling the scheduled disbursement and covering TAF’s share of the capital costs until the next and final FCM loan disbursement in June 2023, either by using our line of credit and/or selling securities. This would add financial cost for TAF reduce returns from the project, create potential cash flow challenges, and potentially undermine revenue generation. Further, it could risk not completing the project by June 2023, triggering negotiations with FCM to extend the loan deadline.

The contract will be awarded to the highest scoring proponent who meets the all the requirements and evaluation criteria, for a total contract value is less than \$8 million dollars (excluding applicable taxes).

CONTACT

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SIGNATURE

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