

Emergency Non-Competitive Contract with BDA Inc. for the Roof Replacement at 291 Sherbourne Street

Date: November 22, 2023

To: General Government Committee

From: Acting Executive Director, Corporate Real Estate Management and Chief Procurement Officer

Wards: 13 – Toronto Centre

SUMMARY

The purpose of this report is to inform Toronto City Council, pursuant to Chapter 195 of the Toronto Municipal Code (Purchasing By-Law, Section 195-7.4) of a non-competitive purchase order with BDA Inc. for the replacement of the existing roof at 291 Sherbourne Street (the “Property”) in the amount of \$2,075,000 net of all taxes and charges (\$2,111,520 net of Harmonized Sales Tax recoveries). The Property, which is known as Robertson House, is a shelter facility owned by the City of Toronto and operated by Shelter, Support and Housing Administration. The Property is a short-term emergency shelter with a capacity of 74 occupants.

The Property is comprised of several buildings. The main building’s roof requires immediate replacement due to an unforeseen site condition of water leaks that have caused damage to the ceilings, walls, and floors of the interior space. Although the City has an existing competitive purchase order for the replacement of rooftop air conditioning units with the vendor of record, BDA Inc., the scope does not include roof replacement. Engineering reviews were conducted following identification of the unforeseen site conditions and the engineering recommendations were to replace the roof prior to installing new rooftop air conditioning units.

Purchasing and Materials Management Division advised on the appropriate procurement approach and Corporate Real Estate Management entered into an emergency non-competitive purchase order with BDA Inc. to complete the work. Reporting back to City Council is required in accordance with Municipal Code Chapter 195, Purchasing, Article 7, Section 195-7.4(B) where a non-competitive contract over \$500,000 is entered into on an emergency basis.

RECOMMENDATIONS

The Acting Executive Director, Corporate Real Estate Management and the Chief Purchasing Officer recommend that:

1. City Council receive this report for information.

FINANCIAL IMPACT

This report identifies a total purchase order value of \$2,075,000, net of taxes and charges. The City's total cost is \$2,111,520 net of Harmonized Sales Tax recoveries.

Funding for the requested non-competitive purchase order amount of \$2,075,000 net of taxes and charges (\$2,111,520 net of Harmonized Sales Tax recoveries) is available in the 2023-2032 Council Approved Capital Budget and Plan for Shelter, Support and Housing Administration. Shelter, Support and Housing Administration's 2024 Capital Budget submissions will include funding requests for 2024 as summarized in Table 1.

Table 1 – Financial Impact Summary (Net of Harmonized Sales Tax Recoveries)

Purchase Order Number	WBS Element	2023	2024	Total
6052530	CHS050-01	\$844,608	\$1,266,912	\$2,111,520

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information identified in the Financial Impact section.

DECISION HISTORY

At its meeting on August 4, 2021, the Bid Award Panel adopted item BA147.6 for the Award of Ariba Document Number 2990055414 to BDA Inc. for Heating, Ventilation and Air Conditioning Equipment Upgrades at Existing Shelters (Downtown Shelter Properties) for Corporate Real Estate Management.

<https://www.toronto.ca/legdocs/mmis/2021/ba/bqrd/backgroundfile-169610.pdf>

COMMENTS

Background

In June 2021, pre-qualified vendors participated in a competitive solicitation (Request for Tender Ariba Document Number 2990055414) for the replacement of rooftop units

and heat pumps, installation of ultraviolet germicidal irradiation units, ductwork modifications, replacement or modifications to power feeds and replacement of R-22 refrigerant equipment at various downtown shelter sites. BDA Inc. was awarded the purchase order (Purchase Order Number 6052530) in August 2021.

The shelter locations included in the purchase order are 38 Bathurst Street, 60 Brant Avenue, 129 Peter Street, 291 Sherbourne Street, and 360 Lesmill Road.

Planned air conditioning unit replacement reveal unforeseen structural issues

As part of the original competitive purchase order (Purchase Order Number 6052530), BDA Inc. is replacing four existing air conditioning units on the main building's roof. At the time of tender in 2021, the Building Condition Assessment showed that the Property's roof had a life expectancy of five years and as a result, the roof replacement was not included in the original scope of work.

Since 2021, water leaks have occurred and has caused damage to the ceilings, walls, and floors of the interior space, and weakened the roof's structural integrity below the existing air conditioning units. Engineering reviews were conducted that included the structural integrity and the engineering recommendations were to replace the roof prior to installing the new rooftop air conditioning units. In the interim, patch work is being completed until the full roof replacement takes place.

Roof replacement procured through an emergency non-competitive purchase order

Upon consultation with Purchasing Materials and Management Division the roof replacement was determined to be outside the scope of the competitively procured services to replace the existing air conditioning units. Purchasing and Materials Management Division advised that an emergency non-competitive purchase order was the appropriate procurement tool to engage with BDA Inc. to complete the roof replacement at the Property. Corporate Real Estate Management staff reviewed and validated the quoted cost with third party consultants and is considered fair and reasonable. With the non-competitive purchase order in place, the roof will be replaced first, followed by the replacement of the four rooftop air conditioning units. The roof replacement is expected to be completed by March 2024.

By utilizing BDA Inc. to complete this additional work consecutively, the City will be able to:

- Mitigate risk from further increases to market pricing of construction (estimated to be 2 percent per quarter);
- Avoid additional consultant fees, provincial contractor coordination requirements, and mobilization construction costs from the coordination of two separate contractors; and
- Minimize schedule impacts due to the requirement to re-issue and award the new contract.

Corporate Real Estate Management is satisfied with the performance of BDA Inc. to date, as they have demonstrated their ability to manage the work site and maintain construction schedules effectively.

CONTACT

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SIGNATURE

Marco Cuoco
Acting Executive Director, Corporate Real Estate Management

Geneviève Sharkey
Chief Procurement Officer

ATTACHMENTS
