

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JUNE 18, 2018
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	REQUEST FOR PROPOSAL 18-05 SOCIAL HOUSING BUILDING INVENTORY – BUILDING CONDITION ASSESSMENT AND RESERVE FUND STUDIES

RECOMMENDATION

That, on the recommendation of the Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the Social Housing Building Inventory – Building Condition Assessment and Reserve Fund Studies Request for Proposal (RFP 18-05):

- a) The proposal submitted by Edison Engineers Inc. to conduct a Social Housing Building Inventory and Reserve Fund Studies, at a cost of \$115,225 (excluding HST), **BE ACCEPTED**;
- b) the financing for this project **BE APPROVED** as set out in the Source of Financing Report attached as Appendix A;
- c) the Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this service contract;
- d) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the work to be done relating to this project; and
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Board of Control Report April 8, 2009 Request for Proposal 09-03 Social Housing Building Inventory – Building Condition Assessments and Reserve Funds Studies

BACKGROUND

Link to Corporate Strategic Plan

Conducting a Social Housing Building Inventory and Reserve Fund Study links to the Corporate Strategic Plan’s key area of focus of **Strengthening our Community** and the strategy of providing **Caring and Compassionate Services**, specifically 3C “Reduce and Prevent Homelessness”

Background

The City of London is designated under the *Housing Services Act, 2011* as the Service Manager for Housing Services for the City of London and the County of Middlesex. The Service Manager is responsible for administering various Housing programs through the *Housing Services Act* and Ministry of Housing regulations and guidelines.

Within London and Middlesex County, there are 63 Social Housing Providers (excluding London Middlesex Housing Corporation) who manage approximately 3,300 rent gear to income units providing housing to families, adults, and seniors.

An important role of the Service Manager is to support Social Housing Providers to ensure the buildings are maintained in proper condition for health and safety of residents. It is important for Social Housing Providers to understand the current condition of their buildings as well as identify needed repairs. It is also important for Social Housing Providers to understand the long-term cost implications of necessary capital replacements and the corresponding financial impacts, including but not limited to the maintenance of appropriate capital reserve fund balances.

Social Housing Providers, regulated under the *Housing Services Act 2011*, are legislatively required to maintain a capital reserve fund and to make annual pre-established contributions towards this capital reserve fund. For many Social Housing Providers, the mandated annual contribution towards a capital reserve fund is not enough to meet future needs.

A capital reserve fund plan can help Social Housing Providers budget for the future and minimize the risk of having unexpected replacement costs by ensuring replacements are made at the right time, thereby providing the best value. It can also guide the investment decision-making process by allowing Social Housing Providers to maximize the capital reserve fund's return on investment.

A capital reserve fund plan consists of two parts: a **building condition assessment (BCA)** and a **reserve fund forecast**.

- A **BCA** is a “moment in time” assessment of the physical condition of the Social Housing Provider buildings’ capital items. A BCA also provides an estimate of when capital items will need to be replaced, how much it costs to replace them or if there are other more efficient systems available that would provide a favourable return on investment.
- The **reserve fund forecast**, builds on the information provided in the BCA. Using the BCA, a reserve fund forecast estimates the fund's balance through a combination of contributions and drawdowns. The reserve fund forecast can also assist Social Housing Providers in determining the amount of investment required for long-term needs; therefore maximizing their return on investment opportunities.

In the past, the Service Manager has assisted social housing providers in gathering information to support the development of their capital reserve fund plans including in 2009 when the Service Manager facilitated the completion of the Social Housing Building Condition Assessments and Reserve Fund Study. As this information is now out dated, an update is now required and the Service Manager is now intending on completing an updated building condition assessment and reserve fund study.

Purchasing Process

On February 13, 2018, on behalf of the City's Housing Services, the Purchasing & Supply Management team issued a formal Request for Proposal (RFP18-05), **Social Housing Building Inventory - Building Condition Assessments and Replacement Reserve Studies** on the City's Bids and Tenders website. There were three (3) addendum issued, twenty four (24) plan takers registered, eighteen (18) submissions received, and fifteen (15) submissions deemed compliant.

A two-envelope RFP process was employed, one containing the technical proposal and the second containing the pricing for the work.

An evaluation committee comprised of four (4) representatives from Financial and Business Services, Housing Services, and Facilities evaluated fifteen (15) submissions based on the technical criteria outlined in the document. Only six (6) submissions met the City's technical requirements. The final step of opening pricing envelopes was limited to proponents that met the City's technical requirements.

The evaluation committee concluded that the highest scoring proponent met the City's requirements and, therefore, recommends awarding the contract to Edison Engineers Inc.

FINANCIAL IMPACT

Awarding this contract has a cost of \$115,225 (excluding HST) and will be funded from the Social Housing Major Repairs, Upgrades and Stabilization Reserve Fund, as set out in the Source of Financing Report attached as Appendix A.

PREPARED BY:	RECOMMENDED BY:
DAVE PURDY MANAGER, HOUSING SERVICES HOUSING, SOCIAL SERVICES AND DEARNESS HOME	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME

C: John Freeman, Manager of Purchasing and Supply
 Kyle Murray, Senior Financial Business Administrator