

**Toronto Seniors Housing Corporation  
Audit & Finance and Risk Committee (AFRC) Meeting**

**Agenda**

**Date: Thursday, April 4, 2024**

**Time: 4:00 – 5:30pm**

**Location: WebEx & Livestream**

<b>Item</b>	<b>Time</b>	<b>Description</b>	<b>Action</b>	<b>Supporting Documents</b>	<b>Presenter</b>
1.	4:00 5 min	Chair's Remarks	Information	NA	Lawrence D'Souza, Chair
2.	4:05 2 min	Land and African Ancestral Acknowledgements	N/A	N/A	Chair
3.	4:07 2 min	Approval of Public Meeting Agenda	Approval	Agenda	Chair
4.	4:09 2 min	Chair's Poll re: Conflict of Interest	Declaration	N/A	Chair
5.	4:11 2 min	Approval of AFRC Public Minutes of Meeting of January 31, 2024	Approval	AFRC Public Minutes of Meeting of January 31, 2024	Chair
6.	4:13 1 min	Approval of Amended AFRC Closed Session Minutes of November 28, 2023	Approval	AFRC Amended Closed Minutes of Meeting of November 28, 2023	Chair
7.	4:14 2 min	AFRC Action Items Review	Information	AFRC Action Items List	Chair
8.	4:16 5 min	CEO Update	Information	Verbal Report	Jill Bada
9.	4:21 10 min	2023 TSHC Financial Result	Information	Report	Vince Truong

Item	Time	Description	Action	Supporting Documents	Presenter
10.	4:31 5 min	Financial Update	Information	Report	Vince Truong
11.	4:36 5 min	Procurement Change Orders	Approval	Report	Vince Truong
12.	4:41 1 min	Motion to move into Closed Session	Approval	N/A	Chair
13.	4:42 1 min	<i>Confidential report dealing with matters that are not required to be disclosed under the municipal Freedom of Information and Protection of Privacy Act including but not limited to personal matters about identifiable individuals, a proposed or pending transaction with a third party, and recommendations of proposed policy or processes</i>	Approval	Closed Session Agenda	Chair
14.	4:43 20 min		Information	Report	Vince Truong
15.	5:03 10 min		Approval	Report	Vince Truong
16.	5:13 5 min		Approval	Report	Vince Truong/ Grant Coffey
17.	5:18 10 min		Approval	Report	Vince Truong
18.	5:28 1 min		Approval	N/A	Chair
19.	5:29 1 min	Motion to Approve Closed Session Decisions	Approval	N/A	Chair
20.	5:30 1 min	Adjournment	Approval	N/A	Chair

# **Toronto Seniors Housing Corporation (TSHC)**

## **Audit, Finance and Risk Committee (AFRC)**

**Date: January 31, 2024**

**Time: 4:00 pm**

**Location: WebEx and Livestream**

### **DRAFT Minutes**

The Audit, Finance and Risk Committee (AFRC) of the TSHC Board held its meeting on January 31, 2024, at 4:00 pm via WebEx video conference. This meeting was livestreamed.

#### Board Members in attendance:

- Lawrence D'Souza, *Committee Chair and Director*
- Brenda Parris, *Director*
- Linda Jackson, *Director*
- Warren Law, *Director*
- Fareed Amin, *Board Chair*

#### TSHC staff present:

- Jill Bada, *Interim Chief Executive Officer*
- Grant Coffey, *Director, Strategy and Business Management*
- Vince Truong, *Interim Finance Lead*
- Brad Priggen, *Director, Operations*
- Arlene Howells, *Director, Engagement, Partnerships and Communications (I)*
- Carol Francis, *Director, People and Culture*
- Tolu Solebo, *Manager, Financial Reporting and Compliance*
- Fatima Mahmood, *Executive Assistant*
- Liz Dizig, *Executive Assistant to CEO (I)*

**Item 1: Chair's remarks**

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The Chair welcomed everyone and stated that this meeting is being livestreamed on YouTube.

**Item 2: Land and African ancestral acknowledgements**

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The Chair began with Land and African ancestral acknowledgements.

**Item 3: Approval of public meeting agenda**

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The Chair asked if there were any amendments to the public meeting agenda.

Hearing none.

**Motion:** Upon motion, duly made by Warren Law, and seconded by Brenda Parris and all in favour, it was resolved that the public meeting agenda, as presented, is hereby approved.

**Item 4: Chair's poll re: conflict of interest**

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The Chair requested that members of the committee declare whether they were in conflict of interest with any agenda item.

No conflicts were declared.

**Item 5: Approval of public minutes of AFRC meeting of November 28, 2023**

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The Chair tabled the public minutes of the November 28, 2023, meeting and asked that they be taken as read.

**Motion:** Upon motion, duly made by Warren Law, and seconded by Brenda Parris, it was resolved that the public minutes are hereby approved.

**Item 6: Approval of closed minutes of AFRC meeting of November 28, 2023**

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The Chair tabled the closed minutes of the November 28, 2023, meeting and noted the "other items" on page five of the minutes to be amended to read as follows:

- A detailed discussion took place regarding the recommendation made by the Chair that budget meetings be held in the Public session to ensure the highest degree of openness and transparency.

- It was recommended in our quest to have tenant engagement/development and be transparent about financials. It might be worthwhile to hold an information session to inform tenants and tenant leaders of the budget process and the financial cost pressures.

Following adoption of the closed minutes from November 28, 2023, meeting, further discussion took place. The Chair emphasized that we are guided by the following four principles as stated on the City of Toronto's website: transparency, participation, accountability, and accessibility.

Jill Bada stated that staff followed the direction given by the City as it related to sharing information publicly. As the budget proceeds on February 14 for approval to Council, staff will discuss the options of sharing the outcome of the budget process for 2024 with our tenant representatives.

Jill Bada stated as we approach 2025, staff will follow a different process where we have tenant-related public sessions around content and consultations and sharing information.

### **Item 7: AFRC Action Items Review**

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At the invitation of the Chair, Grant Coffey reviewed the action item list and noted all action items are either still in progress or have been completed. A brief update on the status of the outstanding action items was provided.

**Action Item 1 Update:** Grant Coffey provided a brief update on the status of the outstanding item related to Emergency procedures. It was noted that there is a comprehensive emergency response plan developed and in place. Staff are working on an update to the Emergency Response Plan with TCHC. Staff plan to bring forward for information to the next AFRC meeting in April, a summary for the committee to review.

**ACTION ITEM:** Staff to reach out to TCHC on their Environmental Renewal and Planning division.

**Action Item 2 Update:** Vince Truong provided a brief update and noted this item is still in progress due to the nature of the arrangement with TCHC, there will be

issues related to the surplus, and it is anticipated that we will be in a deficit situation and do not anticipate a surplus. TSHC is currently monitoring and will bring forward any surplus identified to legal counsel for direction on next steps.

**Action Item 3 Update:** Vince Truong provided a brief update noting staff will be working with TCHC to ensure we have more information and details to book the entries moving forward. We hope to have more information by Q2.

### **Item 8: 2024 AFRC Work Plan**

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At the invitation of the Chair, Grant Coffey provided an overview of the proposed 2024 AFRC work plan that was circulated to AFRC members prior to the meeting.

It was noted that there may be changes in certain items or additions to the work plan throughout the year. The work plan is a high-level view of items we are planning to bring to the Committee over the six meetings scheduled throughout the year.

Grant Coffey noted that an asterisk beside the item in the work plan indicates that the item will proceed to the Board subsequently after it goes to the Committee.

A discussion ensued.

Committee members discussed the Transition Agreement and Lease Agreement and noted there will be more details provided in June. If there needs to be a more thorough discussion, we will bring forward to a future in camera session.

### **Item 9: 2024 TCHC/TSHC Consolidated Budget**

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At the invitation of the Chair, Vince Truong provided an update on the 2024 TCHC/TSHC Consolidated Operating Budget.

It was noted that the 2024 TCHC/TSHC Consolidated Operating Budget was approved at the TSHC Board meeting on January 4, 2024. Since the approval date, more information has become available through the Budget Committee and the consultation process over the last few weeks. The 2024 TCHC/TSHC Consolidated

Budget notes, the 2024 TCHC/TSHC Consolidated Presentation that was presented to the Budget Committee on January 17 and the 2024 TCHC/TSHC Consolidated Operating Budget have been included in the package for information.

Vince Truong highlighted some of the key points in some of the key areas. Revenue for the 2024 budget included \$749,863,000 comprising of Residential Rent Geared to Income (RGI), Market Rent, City Subsidies, and other income for TSHC and TCHC. It was noted that the total consolidated expense of \$749,863,000 is an increase of 7% from 2023 Budget. A significant component is the ongoing support from the City subsidy that is included in the \$40,000,000 and the one-time subsidy of \$33,580,000. Attachment 3 includes the 2024 TCHC/TSHC Consolidated Operating Budget which displays the total expenses for the year.

Vince Truong opened the floor to any questions, where a detailed discussion took place. Committee members discussed details on the City subsidies and the effects of the high inflationary cost pressures affecting TSHC and the service agreement allocation. TSHC staff responded to the questions raised during the discussion.

Jill Bada noted that TSHC/TCHC are engaging with both Deputy City Manager's, Jag Sharma, and Paul Raftis to discuss details regarding the allocation and the Lease Agreement and will provide an update.

### **Item 10: Financial Update**

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At the invitation of the Chair Vince Truong provided an update on the financial matters.

#### **2024 Cashflow Forecast**

Toronto Seniors Housing Corporation has forecast the 2024 Budget cash inflow and outflow for the year to plan the expected cash required to run the organization. Staff have been working with TCHC on potential shortfalls and will have ongoing conversations with them to ensure that there is sufficient cash to operate for the future months.

#### **Letter of Guarantee – City of Toronto**

TSHC will discuss the Letter of Guarantee with the City after the budget has been passed in mid-February. The Letter of Guarantee arrangement would allow a Line

of Credit of \$2.5M with the bank as a last resort protection due to any unforeseen or unexpected circumstances. A Letter of Guarantee would require the City Financial Planning Department to agree to the request, and then be forwarded to City Council for approval.

A discussion took place, noting the importance of the Letter of Guarantee for TSHC.

**ACTION ITEM:** Staff will provide an update on the Letter of Guarantee and the Line of Credit to this Committee once we have more information.

### **Item 11: Financial Policy**

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At the invitation of the Chair Vince Truong provided an overview of the three financial policies: a) General Finance Delegation of Authority b) Procurement - Delegation of Authority and c) Capital Expense Policy. It was noted that the purpose of the report is to provide a recommendation regarding the approval of the three finance policies. It is recommended that AFRC approve and recommend to the Board of Directors to adopt the resolution.

#### **General Finance Delegation of Authority**

Changes were made to the January 2023 version of the Delegation of Authority Policy. Outside of the changes in organization structure roles and responsibilities, threshold limit for Director, corporate positions were lowered to \$100,000 to keep consistency across the organization, updating position titles and eliminating inactive positions within the organization.

#### **Delegation of Authority – Procurement**

The Procurement Delegations of Authority was approved by the Board in April of 2022. This is an update based on the new General Delegations of Authority policy. Other changes in the policy included adding a minimum threshold for Board required approval in the Direct Award category to \$20,000 and updating and eliminating of roles and positions that do not currently exist based on the changes.

#### **Capital Expense Policy**

The Capital Expense Policy is a new policy brought forward to the Committee for approval. The policy is similar to TCHC's policy that has been updated with some



minor edits and adjustments. The new policy format will outline transactions and provide clarity to existing processes and assist in the audit process. The Capital Expense Policy will go to Board for approval.

A detailed discussion took place regarding the policies.

Committee members expressed concerns regarding the wording of the Capital Expense Policy and the procurement process being fair and equitable. Vince stated that TSHC/TCHC align policies with the City and noted that TSHC/TCHC are looking to review this policy and the terminology used. In the next update TSHC hopes to incorporate and adopt further changes. Solomon Wedderburn, Manager, Procurement clarified the process of procurement for TSHC and TCHC noting that Bonfire is used to procure vendors.

Committee member Brenda Parris noted she could provide vendors from various diverse ethnic backgrounds

**Motion:** Upon motion, duly made by Fareed Amin, and seconded by Councillor Crisanti, it was resolved that the AFRC Committee approve and recommend to the Board of Directors the following policies: a) Delegation of Authority Policy, b) Procurement Delegation of Authority Policy, and c) Capital Expense Policy.

### **Other Business**

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Board member Brenda Parris inquired about the status of future TSHC construction for the Senior portfolio. Jill Bada suggested that this request be brought to the Board and reviewed with TCHC.

It was recommended to review in future meetings a discussion guided by our partners at the City and TCHC, the revitalization plans included in the 2024 budget and net new potential housing for seniors, given our aging population.

**ACTION ITEM:** Bring forward to a future AFRC meeting the following: an overview of revitalization plans included in the 2024 budget and an overview and discussion regarding net new potential housing for seniors.

**Item 12: Adjournment**

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The Chair thanked the committee members, staff and all the presenters for their attendance and contributions and declared the meeting adjourned.

**Motion:** Upon motion, duly made by Warren Law, and seconded by Councillor Crisanti, it was resolved that the meeting be adjourned.

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Lawrence D'Souza, Chair  
Audit, Finance and Risk Committee (AFRC)

**Toronto Seniors Housing Corporation  
Audit, Finance and Risk Committee**

**Action Items List as of  
April 2024**

	<b>Meeting Arising From</b>	<b>Description</b>	<b>Resp.</b>	<b>Status</b>
1.	November 28, 2023	Going forward quarterly adjustments be recorded in TSHC books the two entries - revenues and expenses.	Vince Truong	In progress
2.	January 31, 2024	Staff to consult with TCHC on Environmental Renewal and Plan.	Grant Coffey	In Progress
3.	January 31, 2024	Staff to provide an update regarding the discussions about the allocation and the Lease Agreement.	Grant Coffey	In progress
4.	January 31, 2024	Bring forward an overview of revitalization plans in the 2024 budget including net new potential housing for seniors.	Grant Coffey	In progress

<b>Action Items Completed</b>				
	<b>Meeting Arising From</b>	<b>Description</b>	<b>Resp.</b>	<b>Status</b>
1.	January 31, 2024	Staff will provide an update on the Letter of Guarantee and the Line of Credit to this Committee once we have more information.	Vince Truong	Completed
2.	November 28, 2023	Staff to review the agreement contract and confirm that TSHC is to receive the surplus after the first year.	Vince Truong	Completed
3.	November 28, 2023	Provide Committee with a consolidated list of items that fall under the category 'other costs' as indicated in the Statement of Operations.	Vince Truong	Completed
4.	September 28, 2023	Bring to Committee a presentation on building emergency procedures.	Brad Priggen	Completed

**Toronto Seniors Housing Corporation  
Audit, Finance and Risk Committee Meeting**

Topic: 2023 TSHC Financial Result

Item #: 09

Date: April 4, 2024

**Report: AFR: April 4, 2024, item #09**

**To:** Audit, Finance and Risk Committee

**From:** Vince Truong, Finance Lead (I)

**Date:** April 4, 2024

**Purpose:**

The purpose of this report is to provide an update on financial matters.

**Recommendation:**

It is recommended that the AFRC receive this Report for information.

**2023 TSHC Financial Result**

**Statement of Operations (Attachment 1)**

TSHC incurred operating expenses of \$42,844,902 for fiscal year 2023. Revenue amounted to \$43,118,732, composed of \$3,943,678 from the City of Toronto (City) deferred grant and COVID-19 cost recovery, \$38,907,658 from Toronto Community Housing Corporation (TCHC) for TSHC's rental units (revenue less expense estimate per the Transition Agreement), and \$267,396 interest income earned on bank balances, resulting in a surplus for the year at \$267,396.

The surplus for the year included 3 major factors affecting the outcome of the result: the surplus arising from the 2023 TCHC-TSHC reconciliation, which had a net positive effect of \$5,856,854, along with the \$3,943,678 deferred grant and COVID-

19 recovery from the City, and the \$1,784,209 year-end deficit adjustment with TCHC contributed to the positive result.

Expenses incurred were for staff compensation and benefits, consultants, legal services and other third-party vendors, insurance, other miscellaneous costs and shared services paid to TCHC as per the Service Delivery Agreement.

The City of Toronto revenue grant is recognized at \$3,118,831. This is an unbudgeted and carry forward deferred grant from the prior year. The grant was received in 2022 as part of the start-up of the organization, and used for corporate related expenses, including salary and benefits, legal, consultants, and other miscellaneous expenses. Additionally, TSHC billed \$824,847 to the City, as part of the COVID-19 cost recovery for 2022 and 2023.

Higher expenses in salaries and benefits of \$663,474 is a result of the impact of the average 2.5% merit increase which was not included in the original budget, one-time payout of unused vacation from prior years, and salary adjustments to bring in line with similar work and responsibilities across the organization.

Professional and legal services were lower than budget by \$207,514 mainly due to a reduction in Q4 in professional services and savings in legal costs. This has offset some of the cost increase in the earlier part of the year to fulfill vacant positions. All of the professional services and consultants have ended on August 31.

The above increases in expense was offset by temporary lower expenditure in tenant translation, training and development, office expenses, communication services, other operating costs, and recovery of the HST portion from prior years expense after receiving the Determined Municipality status in March 2023.

Revenue recognition for Corporate and Operations expenses are recognized when expenditures have incurred. The City of Toronto grant was fully utilized and has no remaining balance as of December 31, 2023.

Statement of Financial Positions (Attachment 2):

1. Cash – \$1,132,550
2. Accounts Receivable - \$232,464
3. Due from the City of Toronto - \$703,461
4. Due from TCHC (Short -Term) - \$4,862,487
5. Due from TCHC (Long-Term) - \$4,180,700
6. Fixed Asset (Equipment), net - \$19,303
7. Accounts payable - \$3,478,170
8. Due to TCHC - \$2,585,227
9. Due to the City of Toronto - \$76,078
10. Employee Benefits (Post Retirement Benefits) - \$5,187,400

The cash balance represents the bank balance as of December 31, 2023. The low balance in the account has been addressed with TCHC, and TSHC continues to work with TCHC and the City on opportunities to improve the cash position.

The Accounts Receivable balance consisted of HST Recoverable from the CRA for HST paid in November and December services, and interest receivable from the bank.

Due from TCHC (Short-Term) included staff secondment of \$100,038, COVID-19 cost recovery of \$121,386, balance from the Year End TCHC-TSHC Reconciliation process \$2,856,854, and the \$1,784,209 year end deficit funding to balance the 2023 operations, per the budgeting agreement process with the City and TCHC.

Due from TCHC is the long-term receivable for the Post Retirement Obligations transferred as of June 1, 2022 of \$4,180,700.

Due to TCHC included the 2022 surplus from TSHC of \$1,631,409 and payable for the December Service Delivery Agreement of \$911,197 and miscellaneous payable of \$42,620.

The Accounts Payable balance comprises of December activity that has been processed through the bank in January. The balance includes:

- Payroll - \$2,428,801
- Pension and Benefits - \$575,903
- HST Payable - \$338,720
- Vendor Payables - \$134,744

Name: Vince Truong

Title: Finance Lead (I)

**List of Attachments:**

**2023 TSHC Financial Result – Statement of Operations (Attachment 1)**

**2023 TSHC Financial Result – Statement of Financial Positions (Attachment 2)**



**Toronto Seniors Housing Corporation**  
**Statement of Operations**  
**For the 12 Months to December 31, 2023**

STATEMENT OF OPERATIONS	Year to Date Result		
	Actual	Budget	Variance Actual Vs Budget
<b>Revenue</b>			
Revenue from City of Toronto	3,943,678	-	3,943,678
Revenue from TCHC	38,907,658	31,266,595	7,641,063
Interest income	267,396	165,000	102,396
<b>Total Revenue</b>	<b>43,118,732</b>	<b>31,431,595</b>	<b>11,687,137</b>
<b>Expenses</b>			
Salaries and Benefits	30,833,413	30,169,939	(663,474)
Legal and Professional Services	866,978	1,074,492	207,514
Insurance	747,615	650,000	(97,615)
Other Miscellaneous Costs	550,163	1,573,324	1,023,161
SDA - Shared Services with TCHC	9,846,733	9,676,431	(170,302)
<b>Total Expenses</b>	<b>42,844,902</b>	<b>43,144,186</b>	<b>299,285</b>
Amortization Expense	6,434	-	(6,434)
<b>Excess of Revenue over Expenses</b>	<b>267,396</b>	<b>(11,712,591)</b>	<b>11,979,987</b>

**Toronto Seniors Housing Corporation**  
**Statement of Financial Position**  
**As of December 31, 2023**

**Assets**

Current Assets:

Cash	1,132,550
Accounts Receivable	232,464
Due from City of Toronto	703,461
Due from TCHC	4,862,488

Prepaid Expenses 626,803

Long-Term Due from TCHC 4,180,700

Fixed Asset - Equipment 25,738

Less: Depreciation (6,434)

**Total Assets** 11,757,769

**Liabilities & Net Assets**

Current Liabilities:

Accounts payable and accrued liabilities	3,478,170
Due to TCHC	2,585,227
Due to City of Toronto	76,078

Employee Benefits 5,187,400

Net Assets

Unrestricted Surplus 430,894

**Total Liabilities & Net Assets** 11,757,769

**Toronto Seniors Housing Corporation  
Audit, Finance and Risk Committee Meeting**

Topic: Finance Update

Item #: 10

Date: April 4, 2024

**Report: AFR: April 4, 2024, item #10**

**To:** Audit, Finance and Risk Committee

**From:** Vince Truong, Finance Lead (I)

**Date:** April 4, 2024

**Purpose:**

The purpose of this report is to provide an update on financial matters.

**Recommendation:**

It is recommended that the AFRC receive this report for information.

**2024 Cashflow Forecast**

Toronto Seniors Housing Corp. (TSHC) has forecast the 2024 Budget cash inflow and outflow for the year to plan the expected cash required to run the organization. It is expected there will be a cash shortfall or more cash outflow than incoming cash inflow for the year.

As TSHC funds flow through Toronto Community Housing Corporation (TCHC), TSHC has been in talks with TCHC in late 2023 and into 2024 to allow flexibility to operate with a minimum working cashflow. TSHC has been working with a weekly/monthly cashflow to manage the day-to-day operations over the last 4 months.

The issue was brought up at a recent joint meeting with the City Housing Secretariat group, TCHC, and TSHC to obtain the 2024 One-Time funding from the City as an upfront payment, rather than the monthly advance through TCHC, to ease pressure and allow for flexibility. This will provide an approximately \$4.3M infusion into the operating fund.

TSHC has also met with the new TCHC Director of Finance, responsible for budgeting to have the 2024 Budget uploaded into the system by late March/early April, and proposed a true-up reconciliation process in Q2 to be able to get access to cash sooner, which will allow for a net increase of approximately \$290,000 of additional operating capital per month for TSHC.

TSHC also raised the issue that the budget allocation process between TCHC-TSHC needs to improve and be reviewed, as this has a significant impact on TSHC's cash position during the Transition Agreement phase, where TCHC advances the monthly revenue less operating expenses to TSHC, as opposed to direct subsidy received from the City of Toronto. The budget allocation issue will be included in the upcoming TCHC-TSHC Joint Steering Committee in April 2024.

Along with the above two actions, TSHC has also communicated with the City on the 2022 & 2023 COVID-19 cost recovery, which is expected to have a positive cashflow impact of \$825,000, and will support the operation into Q3-Q4 of 2024.

TSHC will continue to look for opportunities to conserve cash and saving opportunities and provide ongoing forecasting to anticipate expected cash outlay for the remainder of the year.

### **Letter of Guarantee – City of Toronto**

TSHC approached the City of Toronto in late 2022 for a Letter of Guarantee. The basis of the request began on September 20, 2022 AFRC as the organization started operation and identified in the cashflow forecast being in a potential cash shortfall position. It was also noted as a best practice to obtain a line of credit for protection of any unexpected major cash outlay and to allow for payroll to clear. It is a last resort option and typically would not be used unless all other options

have been exhausted. The City advised in early 2023 that this was not necessary, and to work with TCHC for any shortfall.

TSHC subsequently met with TCHC to discuss and TCHC expressed in late 2023, that TSHC should work with the City to relook at options to have sufficient buffer and protection in place. TCHC suggested to revive the conversation on establishing a Letter of Guarantee in 2024, to allow flexibility.

TSHC has discussed with the City Housing Secretariat group and City Financial Planning Division recently on TSHC's position and the need to have a Letter of Guarantee, as a protection of last resort for unforeseen and unexpected circumstances. TSHC will proceed to the City's Financial Planning Division in Q2 to formally undertake the process to put in the request for City Council to approve the request.

The Letter of Guarantee will provide assurance, as part of the requirement from our bank to secure a \$2.5M line of credit.

Name: Vince Truong

Title: Finance Lead (I)

**List of Attachments:**

None

**Toronto Seniors Housing Corporation  
Audit, Finance and Risk Committee Meeting**

Topic: Procurement Change Orders

Item #: 11

Date: April 4, 2024

**Report: AFR: April 4, 2024, item #11**

**To:** Audit, Finance and Risk Committee

**From:** Vince Truong, Finance Lead (I)

**Date:** April 4, 2024

**Purpose:**

The purpose of this report is to provide a recommendation regarding the approval of the Procurement Change Orders.

**Recommendation:**

It is recommended that AFRC approve and recommend to the Board of Directors to adopt the following resolution:

Approve the following change orders which the cumulative change order for direct awards value exceeds 20% of the original commitment value of the contract:

- a) Toronto Community Housing Corp (TCHC) – Service Delivery Agreement fee extension to February 2025 in the amount of \$11,389,952;
- b) iSecurity – Website maintenance and support services extension to December 31, 2025 in the amount of \$61,103;

**Reason for Recommendation:**

Subject to the Procurement Method Delegation of Authority that applies to all standard and non-standard contracts, the board or board committee as appropriate shall approve all direct award, invitation and open competitive processes, where the cumulative change order value exceeds the greater of \$250K or 20% of the original commitment value, or to extend the term of the contract.

For TCHC Service Delivery Agreement (SDA), the original amount was for 2022, however, since there was no Lease Agreement in place as of January 2023, the SDA needed to be extended for one additional year in the amount of \$11,389,952 ending in February 28, 2025. The Transition and Service Delivery Agreements have both been approved by the Board of Directors in June 2022.

For the TSHC Website, TSHC requires an extension for the continuity of website maintenance and support services.

Please see the attached file for further information.

Name: Vince Truong

Title: Finance Lead (I)

**List of Attachments:**

**Procurement Change Orders (Attachment 1)**

Item	Vendor	Goods/Services Description	Business Unit	Original Commitment Value	Individual Amount of Change Order	Cumulative Total of Change Order	Cumulative Change Order % of Original Commitment Value	Contract Term	Reasons for Change Order
1.	TCHC	Service Delivery Agreement (SDA) Fee	Finance	\$4,674,000.00	\$11,389,952.00	\$22,679,118.00	485.22%	03/01/2024 to 02/28/2025	This project is directed by the City of Toronto, in its capacity as TCHC's sole shareholder which has transferred its seniors' portfolio, therefore, the associated shared services which is unique to the portfolio is contracted to TCHC and the continuation of shared services can only be delivered by TCHC.
2.	iSecurity Inc.	Corporate Website Service & Maintenance for Server & Application Side	Engagement, Partnership and Communications	\$52,989.00	\$61,103.16	\$79,698.16	150.41%	July 1, 2024 to December 31, 2025	TSHC requires continuity of website maintenance and support services to ensure that tenants, the public, and staff have quick, easy, and reliable access to digital information about the corporation. iSecurities has been providing services to the organization since 2022. We rely on their continued support until we can do a full procurement for a longer-term website service provider.