



Exhibition Place

Item No. 9

April 13, 2015

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Maintenance Services for the Building Automation System in Direct Energy Centre**

Summary:

This report recommends the Board enter into agreement with Johnson Controls L.P. (JCLP) commencing June 1, 2015 for the non-exclusive supply of maintenance service to the Building Automation System (BAS) in Direct Energy Centre at Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division (PMMD) for the non-exclusive supply of Building Automation System Maintenance Services to Direct Energy Centre.

Recommendations

It is recommended that the Board enter into agreement with JCLP for a period of 1 year commencing on June 1, 2015, with the option to extend for an additional three (3) one-year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the Chief Executive Officer of the Board and the City Solicitor.

Financial Impact:

The projected annual expenditure for the supply of Maintenance Services for the Building Automation System in Direct Energy Centre is \$101,708.69 and provided for in the 2015 Operating Budget.

Decision History:

The Exhibition Place 2004 to 2016 Strategic Plan had a Financial Goal to *effectively monitor costs and revenues* and as a strategy to support this Goal *we will seek review and revise financial and organizational systems to strengthen controls and process.*

In April 2011 the Board approved entering into agreement with JCLP for the provision of Building Automation Maintenance Services to Direct Energy Centre expiring on March 31, 2015.

On February 25, 2015 Exhibition Place through the services of PMMD issued a Request for Quotation to establish a new agreement for the provision of Building Automation Maintenance Services for Direct Energy Centre Commencing June 1, 2015.

Issue Background:

The term of the current contract is set to expire May 31, 2015.

Comments:

Exhibition Place uses the services of one contractor for the supply of all labour, materials and equipment necessary to provide Building Automation Maintenance Services to Direct Energy Centre.

The RFQ detailed the Board's specific service requirements and was structured in a manner that required bidders to submit hourly rates for emergency call-in repair services and lump-sum all-inclusive monthly pricing for inspection, testing, software upgrades and maintenance services to the BAS in Direct Energy Centre, for on a one-year term with optional pricing for three additional one-year terms.

The existing BAS system is a JCI Metasys System which provides environmental monitoring and control capabilities for the entire Direct Energy Centre. The system includes 17 supervisory devices, 267 field controls and over 9,000 monitoring points, and has just undergone a major upgrade that spanned two years. As a result of the foregoing aside from including the standard RFQ experience and qualifications language, in addition and in order to protect the Board's investment and existing manufacturer's warranties, to receive consideration Bidders must also be certified and authorized by the manufacture of the JCI Metasys System.

The RFQ closed on March 12, 2015, with two (2) quotations received. The evaluated bid prices including option year pricing, excluding HST, were as follows:

	1 YEAR	Option 1 YEAR	Option 2 YEAR	Option 3 YEAR
Modern Niagara HVAC Services	\$ 74,789.05	\$76,184.97	\$ 77,887.47	\$79,667.28
Johnson Controls L.P.	\$ 101,708.69	\$104,556.55	\$107,489.85	\$110,511.14

After careful review, the bid from the lowest Bidder, Modern Niagara HVAC Services was deemed non-compliant in that it failed to meet the qualification requirements as set out in the RFQ. Although, Modern Niagara HVAC Services are qualified to service older JCI Metasys System legacy systems and systems such as Facility Explorer, they are neither certified nor authorized by the manufacturer to carry out maintenance, equipment upgrades and software upgrades to the JCI Metasys System.

Staff have reviewed the rates quoted by JCLP and consider them to be fair and reasonable and are recommending entering into an agreement with JCLP.

JCLP was founded in 1885 and is a global diversified technology and industrial leader serving customers in more than 150 countries. JCLP creates quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and interior systems for automobiles. Their references include IBM Canada Account (CBRE) and Ontario Power Generation. The City of Toronto Fair Wage and Labour Trades Office confirms that JCLP is in compliance with the Fair Wage and Labour Trades requirements for this work.

The substantial terms of the agreement will be as follows:

- a) Term: One year commencing on June 1, 2015 with the option to extend for an additional three one-year periods subject to satisfactory performance review;
- b) Pricing: Pricing be fixed during the term of the Agreement;

- c) Assignment: The agreement between the Board and JCLP shall not be assigned to JCLP without the consent of the Board;
- d) Insurance/Indemnity: JCLP shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days' notice of any intention to cancel or not to renew the policy. JCLP shall indemnify the Board and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of JCLP, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment;
- e) Union Obligations: JCLP shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place; and
- f) Such other terms and conditions as contained in the Request for Quotations or as required by the General Manager/Operations, Chief Executive Officer, and the City Solicitor.

Contact

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