



Exhibition Place

Item No. 32

April 19, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Maintenance Services Agreement**
- Building Automation System, Direct Energy Centre

Summary:

This report recommends the Board enter into an agreement with Johnson Control L.P (Johnson) commencing June 1, 2011 for the supply of maintenance service for the Building Automation System (BAS) in Direct Energy Centre. The Exhibition Place Operations Department, Maintenance Division, relies upon outside contractors to provide specialized maintenance service to the BAS.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division (PMMD) for the provision of Maintenance Services for the BAS in the Direct Energy Centre. Two bids were received and Johnson was the lowest qualified bidder.

Recommendation:

It is recommended that the Board enter into an agreement with Johnson for maintenance service for the BAS system in Direct Energy Centre for a period of one year 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 the Direct Energy Centre is \$83,248.60 and provided for in the 2011 Operating Budget and will be provided for in all future budgets.

Decision History:

In March 2009, a Purchase Order was issued to Johnson based on Sole Source Justification for provision of maintenance service for the Building Automation System in Direct Energy Centre

for a term of one year May 1, 2009 to April 30, 2010. This system now in place in the facility is a Johnson system and replacement parts must be sourced through Johnson.

In January 29, 2010, Exhibition Place through the services of City of Toronto issued a Request for Proposals for an Operating Cost Savings Financed Facility-Wide Building Automation System Upgrade in order to seek proposals from the private sector to provide a campus wide Building Automation System solution at Exhibition Place. The proposal call closed on March 26, 2010 with no responses.

Commencing May 1, 2010 Exhibition Place retained the services of Johnson on a monthly time and material basis only to maintain system quality, and function ability until a further RFQ could be issued to seek a supplier of the maintenance services that are the subject matter of this report.

On March 14, 2011, Exhibition Place through the services of PMMD issued a Request for Quotation to establish a new agreement for the provision of maintenance service for the BAS in Direct Energy Centre for a term of one year commencing June 1, 2011, with the option to extend for three additional one-year periods. The RFQ closed on April 4, 2011 with two bids received from Hepta Control Systems and Johnson Controls L.P.

Issue Background:

The existing Maintenance Agreement for the BAS in Direct Energy Centre was being provided only on a month-to-month basis. This agreement is essential to the operation of the facility.

Comments:

For comparative and evaluation purposes the RFQ listed specific service routines, projected hours of service and required bidders to apply rates. As well, the detailed requirements within the RFQ made it a compulsory that bidders provide as part of their service system software upgrades, Johnson Control certified technicians and a guaranteed emergency response within four hours of call. In addition, bidders were also required to provide percentage discounts off published list prices for repair parts and were asked to indicate if their bid offered products/services with environmental benefits outside of any specifications called for in the RFQ.

Based on the pricing received and financial analysis, the one-year evaluated bid total price, along with the option year prices, excluding HST were as follows:

BIDDER	1 YEAR	Optional 1 YEAR % Increase	Optional 2 YEAR % Increase	Optional 3 YEAR % Increase
Hepta Control Systems	\$ 74,421.50	3% \$76,654.15	3% \$ 78,953.77	3% \$81,322.38

Johnson Controls L.P.	\$ 83,248.60	3% \$85,746.06	3% \$88,318.44	3% \$90,967.99
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Staff in the evaluation of the bids submitted noted that Hepta Control Systems states that their response time is within 12 hours from notification which is not in keeping with the emergency response requirements as stated in the RFQ. Johnson noted response time is a minimum of 4 hours. In Direct Energy Centre emergency response time is very critical, as the BAS monitors and controls all indoor HVAC and all indoor lighting, and in the case of a system failure, prompt action is required when major shows / events are in progress.

Johnsons Control L.P was founded in 1885 and is a global diversified technology and industrial leader serving customers in more than 150 countries. Johnson Control L.P has offices in Toronto, Ontario and other parts of Canada. Johnson Controls L.P 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 Johnsons Control L.P 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 June 1, 2011 with the option to extend for an additional three (3) one-year periods subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Assignment: The agreement between the Board and Johnsons Control L.P shall not be assigned to Johnsons Control L.P without the consent of the Board.
- (d) Insurance/Indemnity: Johnsons Control L.P shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA 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. Johnsons Control L.P shall indemnify the Board, the CNEA 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 Johnsons Control L.P, 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: Johnsons Control L.P shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (f) Other Commercial Terms: Such other terms and conditions as contained in the Request for Quotations or as required by the General Manager Operations & CEO and the City Solicitor.

Contact

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Dianne Young
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