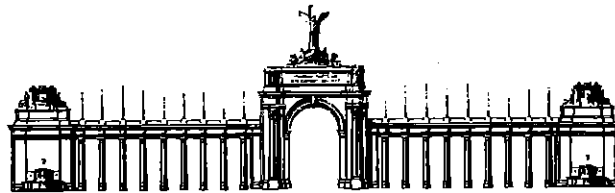


16



EXHIBITION PLACE

May 9, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Agreement for All-inclusive Fire Alarm System Inspection, Testing and Maintenance Repair Services

Purpose:

To submit for approval the terms and conditions for an agreement to provide All-inclusive Fire Alarm System Inspection, Testing and Maintenance Repair Services to Exhibition Place and the NTC.

Financial Implications:

The projected annual expenditure for services related to fire alarm systems is \$140,000 and provided for in the 2006 Operating Budget.

Recommendation:

It is recommended that the Board enter into agreement with Siemens Building Technologies for the provision of all-inclusive fire alarm system inspection, testing and maintenance repair services to Exhibition Place on such terms and conditions as contained in this report, the Request for Quotations or as required by the General Manager & CEO and the City Solicitor.

Background:

In November 2004, a purchase order was issued to Vipond Systems Group by the Board for the provision of inspection, maintenance and repair services to fire alarm systems on a time and material basis for one year commencing January 1, 2005.

Comments:

In December of 2005, staff reviewed the terms of the present fire system inspection agreement and because of upgrades to fire alarm systems, staff revised the Board requirements for the level of service called for and developed a more detailed specification for inspection and testing services in order to establish "all-inclusive" pricing. The reason for this direction is so that the resulting agreement could be moved from a "rate per hour" basis to a fixed "lump-sum" annual price. In addition the specifications also addressed the enhanced level of service required to deal with more sophisticated systems.

In February 2006, Exhibition Place through the City of Toronto Finance Department's Purchasing and Materials Management Division issued an RFQ for the provision of all-inclusive fire alarm system inspection, testing and maintenance repair services to twenty-seven listed suppliers.

The RFQ was structured in a manner that required bidders to submit hourly rates for call-in repair services and lump-sum all-inclusive monthly pricing for inspection, testing and maintenance services on a per building basis, for a one-year term with optional pricing for a second year term. As well, the intent was to award to one bidder who could supply all services required without sub-contracting, which during a system failure could delay service and disrupt and negatively impact upon our clients.

The RFQ closed on March 1, 2006, with four quotations received from Firetronics Component Service Inc., Siemens Building Technologies, Vipond Systems Group and Viking Fire Protection Inc. Evaluation of the bids included adding a projected total of 250 regular and 80 premium hours of repair service along with \$3,000 of parts with mark-up so that all bids were equally evaluated on the call-in hourly rate.

The bids submitted by the low bidder and second lowest bidder, Vipond Systems Group and Firetronics Component Service Inc., were not compliant with the requirement that bidders must be trained by the manufacturers (manufacturer approved), conversant with and capable of carrying out programming of the various on-site fire alarm systems. Specifically this applied to the Siemens MXL-V systems. Neither Vipond Systems Group nor Firetronics Component Service Inc. has a software licensing agreement with Siemens and therefore, both would have had to subcontract the work to Siemens or a Siemens authorized distributor.

Accordingly, staff are recommending entering into an agreement with the third lowest bidder, Siemens Building Technologies which overall bid price for a two-year all inclusive contract was \$152,954. This price is approximately \$12,000 higher than the two-year all-inclusive contract with the low bid.

Siemens Building Technologies was founded in 1998, and is a division of Siemens, a multi-national company headquartered in Munich, Germany with worldwide activities in communications, automation and control, power generation, scientific research, transportation, electronics, lighting and engineering. References include Terminal 3 at Lester B. Pearson Airport, Commerce Court and BCE Place. The City of Toronto Fair Wage and Labour Trades Office confirms that Siemens Building Technologies 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 9, 2006 with the option to extend for an additional one-year period subject to satisfactory performance review.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Bonding: Siemens Building Technologies shall provide a performance bond for the due and

proper performance of the all-inclusive contract work, including guaranteed maintenance for a period of one year after final completion of work in the amount of 100% of the quoted price.

- (d) Union Agreements: Siemens Building Technologies shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (e) Assignment: The agreement between the Board and Siemens Building Technologies shall not be assigned Siemens Building Technologies without the consent of the Board.
- (f) Insurance/Indemnity: Siemens Building Technologies shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA, O&Y-SMG Canada 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. United shall indemnify the Board, the CNEA, O&Y-SMG Canada 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 Siemens Building Technologies, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment.
- (g) Other Terms: Such other terms and conditions as contained in the Request for Quotations or as required by the General Manager & CEO and the City Solicitor.

Conclusions:

This report recommends the Board enter into agreement with Siemens Building Technologies for all-inclusive fire alarm system inspection, testing and maintenance repair services in accordance with this report, the terms of the RFQ and such other terms and conditions required by the General Manager & CEO and the City Solicitor. Ms. Arlene Campbell, General Manager NTC is in agreement with the terms and conditions outlined in this report.

Contact:

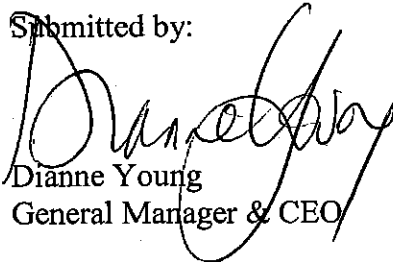
Mark Goss, Director of Operations

Telephone: 416-263-3660

Fax: 416-263-3681

E-Mail: mgoss@explace.on.ca

Submitted by:



Dianne Young
General Manager & CEO

