



Staff Report for Committee of the Whole Meeting

Date of Meeting: April 3, 2024

Report Number: SRIES.24.012

Department: Infrastructure and Engineering Services

Division: Facility Management

Subject: **SRIES.24.012 Non-Competitive Acquisition:
Building Automation System Software for
Sixteen (16) Municipal Facilities**

Purpose:

The purpose of this report is to seek Council's approval to continue working with Siemens Canada Ltd. to procure Building Automation System software for sixteen (16) City facilities by way of a non-competitive process for acquisition values exceeding \$100,000.00 (Sole Source acquisition).

Recommendation(s):

- a) That the Manager of Procurement Services and the Commissioner of Infrastructure and Engineering Services be authorized to execute the non-competitive (Sole Source) contract between the City of Richmond Hill and Siemens Canada Ltd.,
- b) That the approval be committed to the approved 2024 Capital Budget (#520200-P/001159.01);
- c) That the Manager of Procurement Services be authorized to issue a purchase order between the City of Richmond Hill and Siemens Canada Ltd. for the amount of \$435,000.00 (exclusive of HST).

Contact Person:

Nick Kalyvas, Director, Facility Management 905-771-9996, ext. 2522

Report Approval:

Submitted by: Paolo Masaro, Commissioner, Infrastructure and Engineering Services

Approved by: Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the report's approval are attached.

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Background:

Council approval is required in accordance with the City's Procurement By-law 113-16

The project for the acquisition of the Building Automation System (BAS) was already approved as part of the 2024 capital budget deliberations in the amount of \$530,000 (Account #520200 P/001159.01). However due to the nature of the acquisition, pursuant to By-law 113-16, as amended by By-law 141-20, Council authority is required for any High Value Acquisition defined as greater than one-hundred thousand (\$100,000) dollars.

The acquisition is required to continue to provide service to 16 public facilities across the City and is part of a 2024 approved capital project

The City monitors and maintains sixty-seven (67) facilities across the City of Richmond Hill. Each facility has a unique design of both mechanical and electrical equipment that is specific to each building and allows it to operate daily for its intended use (i.e., pool, arena, library, recreation complex etc.). To ensure optimal operation of the buildings' equipment, a Building Automation System (BAS) is used, which links equipment and their operational status to a centralized server. Through its proprietary software, the BAS allows City staff to monitor, control, and troubleshoot on-site equipment and quickly undertake maintenance and repair activities to address any concerns or required repairs to minimize service disruptions to a facility's operation. The BAS allows staff to program and operate the equipment remotely ensuring it is functioning as intended to reduce energy consumption. The following sixteen (16) City facilities are currently controlled by a proprietary Siemens Building Automation System:

1. Operations Centre
2. Richmond Hill Centre for the Performing Arts
3. Central Library
4. Oak Ridges Library
5. Ed Sackfield Arena
6. Fire Station #8-1
7. Bayview Hill Community Centre & Pool
8. Centennial Pool
9. Elgin West Community Centre & Pool
10. Rouge Woods Community Centre
11. Richvale Community Centre & Pool
12. Lois Hancey Aquatic Centre
13. McConaghy Centre
14. Richmond Green Sports Complex
15. Richmond Green Agriculture Building #2 (Poultry Barn)
16. Boynton Farmhouse

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This non-competitive extension to Siemens Canada Ltd. is supported by the City's Procurement By-law 113-16

Section 7 of the City's Procurement By-Law 113-16 permits the non-competitive purchase of services where a supplier has a unique capability. The current Siemens BAS software, called Siemens Insight, has been discontinued and will no longer be supported by Siemens. Therefore, migration is required from the current software to its successor called Siemens Desigo CC. This migration will also involve upgrades to existing obsolete Siemens hardware and firmware to allow for compatibility with the new BAS software.

Siemens Canada Ltd. is the sole provider and authorized vendor of the Siemens Desigo CC software in Canada. They are the Original Equipment Manufacturer (OEM) of the existing Siemens hardware and software currently used in the listed City facilities. Siemens Canada Ltd. has been providing technical and maintenance support to the City of Richmond Hill since 1997 as the sole proprietor of the system. Therefore, a sole source acquisition in accordance with Procurement By-law 113-16, where there is an absence of competition for technical reasons and the services can be supplied by only a particular Supplier and no alternative or substitute exists; and, to ensure compatibility with existing products and to maintain specialized products by its manufacturer.

A lack of continued technical support for the obsolete Siemens Insight BAS can put the equipment and operations of City facilities at risk of failure and major disruptions. Therefore, proceeding with the immediate upgrade to the Siemens Desigo CC software is a critical requirement for these City of Richmond Hill facilities. This will allow City staff the ability to continue to effectively operate, monitor, control and maintain this critical equipment for continued facility operation.

By not proceeding with the software update, the City is likely to encounter significantly higher operating costs, related to both utility and maintenance, and will result in poor building performance and building comfort.

Monitoring for Best Value

Staff maintains vendor accountability by continuously monitoring the market for new competitive and compatible products as part of its process to maintain the portfolio of municipal buildings. While Siemens is currently the sole provider meeting the City's requirements, staff continue to actively explore emerging technologies. If another competitive and compatible solution becomes available in the future, staff will initiate a competitive process for the next term of the contract.

Staff from Financial Services (Procurement) and Information Technology divisions collaborated in the preparation of this report.

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Financial/Staffing/Other Implications:

The approved Capital Budget for the acquisition of the Building Automation System (BAS) is \$530,000 (Account #520200 P/001159.01).

Table 1: Building Automation System Update Project Cost Summary

Description	2024 Approved Budget	Project Costs
Construction Cost Account #520200 P/001159.01	\$ 530,000	-
Construction Cost (Siemens Canada Ltd.)	-	\$ 377,988
Project Contingency (15%)	-	\$ 57,012
HST Impact (1.76%)	-	\$ 9,328
Remaining Budget (16%)	-	\$85,672
Total	\$ 530,000	\$ 530,000

Relationship to Council's Strategic Plan 2024 - 2027:

Authorizing the non-competitive acquisition for Building Automation System software update for the sixteen (16) facilities meets Council's 2024-2027 Strategic Plan of Growing a Livable, Sustainable Community (Pillar 1) by implementing environmental sustainability practices in our work, including Strengthening our Foundations (Pillar 3) by making decisions that are evidence based and data driven to enable the City's long term financial sustainability, as well as social, environmental and economic sustainability.

Climate Change Considerations:

Updating the Building Automation System software at the sixteen (16) facilities will allow staff to continue to operate, automate, and monitor the buildings' equipment, thereby optimizing their efficiency and energy usage. By not proceeding with this work, the City will face an increase in GHG emissions and overall carbon footprint due to the poor performance of these facilities.

Conclusion:

Given the necessity of the services and being a proprietary product, Facility Management is recommending the sole source purchase of the Building Automation System software update directly from Siemens Canada Ltd. for the sixteen (16) City facilities, utilizing the approved 2024 Capital Budget (#520200- P/001159.01).

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Report Approval Details

Document Title:	SRIES.24.012 Building Automation System software by way of Non-Competitive Acquisition for values exceeding \$100,000.docx
Attachments:	
Final Approval Date:	Mar 18, 2024

This report and all of its attachments were approved and signed as outlined below:

Nick Kalyvas - Mar 11, 2024 - 10:23 AM

Task assigned to Gigi Li was completed by delegate Lisa Chen

Lisa Chen on behalf of Gigi Li - Mar 11, 2024 - 12:44 PM

Paolo Masaro - Mar 11, 2024 - 2:43 PM

Darlene Joslin - Mar 18, 2024 - 7:45 AM