

Amendment to Non Competitive Blanket Contract Number 47019692 with EnergyCAP Canada Inc. for Utility Bill Processing Service

Date: April 12, 2021

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management and Chief
Procurement Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to request Council authority for the Executive Director, Corporate Real Estate Management, to amend Blanket Contract number 47019692 issued to EnergyCAP Canada Inc. as a result of Non-Competitive Procurement Request Number 8685 for the provision of EnergyCAP Web Hosting and Bill CAPture Services from December 17, 2015 to December 16, 2020. The total amendment being requested will increase the Blanket Contract value by \$646,167 net of Harmonized Sales Tax and extend the validity date for an additional five (5) year period from January 1, 2021 to December 31, 2025.

This renewal is required in order to maintain the Bill CAPture service, which is a vital tool to support the City's utility bill payment process. This service provides optimal efficiency for bill payments and minimizes manual processing by staff to ensure the City's 3,300 monthly invoices are paid within the fifteen (15) day requirement established by utility providers. The integration of the system with S.A.P. minimizes late payment fees and audits all utility expenditures for accuracy. The EnergyCAP software, currently used by the City, relies on the compatibility of the Bill CAPture service to improve energy and cost data quality, which is used for regulatory reporting. EnergyCAP is used for the tracking and approval of utility bills.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five year commitment for each vendor, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, and the Chief Procurement Officer, Purchasing and Materials Management Division, recommend that:

1. City Council grant authority to the Executive Director, Corporate Real Estate Management authority to amend Blanket Contract Number 47019692, issued to EnergyCAP Canada Inc. for the provision of EnergyCAP Web Hosting and Bill CAPture Services for an additional five (5) year period from January 1, 2021 to December 31, 2025, and to increase the contract value by \$646,167, net of Harmonized Sales Tax, increasing the current value from \$411,130 net of Harmonized Sales Tax to \$1,057,297, net of Harmonized Sales Tax.

FINANCIAL IMPACT

Funding is included in the 2021 Council Approved Operating Budget for Corporate Real Estate Management under cost center FA2684. Future year expenditures will be referred to the City's annual budget process and will be included as part of budget submission for Council consideration.

The total amendment being requested will increase the Blanket Contract value by \$646,167, net of Harmonized Sales Tax, for the five (5) year period from January 1, 2021 to December 31, 2025.

Table 1 - Non-Competitive EnergyCAP Renewal for 5 Years (net of Harmonized Sales Tax)

Blanket Contract Number 47019692 (Cost Centre FA2684, Cost Element 4038)	
Year	Amount
January 1, 2021 to December 31, 2021	\$125,389
January 1, 2022 to December 31, 2022	\$127,414
January 1, 2023 to December 31, 2023	\$127,275
January 1, 2024 to December 31, 2024	\$131,093
January 1, 2025 to December 31, 2025	\$134,996
Total	\$646,167

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

DECISION HISTORY

October 27, 2020: City Council approved action item GL16.5 - Renewal of Proprietary Technology Maintenance Contracts Supporting the City Services from 2021-2025, which included software costs for the EnergyCAP energy management system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL16.5>

December 9, 2015: City Council approved action item GM8.8 - Proprietary Information Technology Maintenance and Support Contracts 2016-2020, which included EnergyCAP software costs for the EnergyCAP energy management system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.8>

COMMENTS

The EnergyCAP bill processing software is used to process approximately 42,000 utility invoices every year for City divisions and some Agencies, Boards, and Corporations. The automation and system integration of EnergyCAP with S.A.P. minimizes late payment fees and audits all utility expenditures for accuracy. EnergyCAP is used in additional applications, such as; regulatory reporting, City building energy performance tracking, utility budgeting, and variance reporting.

The Bill CAPture service was specifically developed for the EnergyCAP software currently used by Corporate Real Estate Management. The service uploads utility bill data directly to EnergyCAP software and automatically audits the data for accuracy, using a series of metrics based on cost and energy consumption patterns. Bill CAPture in conjunction with EnergyCAP, alerts staff potential errors on utility bills and minimizes the risk of overcharges. The service also provides utility bill copy retention, which allows for City staff to view electronic bill copies within the EnergyCAP software. No other vendors are able to provide a similar service that will seamlessly interface with the EnergyCAP software.

Any alternative service, that has been reviewed to-date, is either not compatible with the EnergyCAP software or would require extensive staff time to achieve a similar result, as well as increased costs. Until 2016, the City used a service for hydro bill consolidation, but the cost of that service was approximately \$324,000 per year to process 2,400 invoices. That service did not meet the data quality standard currently achieved with Bill CAPture.

Pending approval of the staff recommendations, Corporate Real Estate Management will be in a position to negotiate a five (5) year pricing arrangement. Rights to terminate such contract will be maintained in the event the City elects to discontinue service.

The Fair Wage Office has reported that EnergyCAP Canada Inc. has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

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