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SECURITY SYSTEMS PROCUREMENT

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated April 19, 2012, from the Commissioner of Corporate Services.

1. RECOMMENDATIONS

It is recommended that:

1. Honeywell Limited be confirmed as The Regional Municipality of York's sole source provider of security systems including related equipment, service, maintenance and technical support for all Regional facilities for a term of five years with an option to extend for an additional five years.
2. The Commissioner of Corporate Services be authorized to execute the necessary price agreement with Honeywell Limited for the supply, service and maintenance of security systems subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to obtain Council authorization to procure security systems including related equipment, service, maintenance and technical support (the "Security Systems") solely from the vendor, Honeywell Limited ("Honeywell"), for all Regional facilities for a term of five years with an option to extend for an additional five years.

The Purchasing Bylaw requires Council authorization for the sole source purchase of any goods, services or construction exceeding \$100,000 or where the term of the proposed contract is for a period longer than five years or where the renewal of a contract would result in an aggregate term of greater than five years. In this instance, the estimated total aggregate value of purchases that will be made to Honeywell by the Region and its third party contractors purchasing Security Systems under Regional contracts, would exceed \$100,000 and the term including any renewals would exceed the five year limit.

3. BACKGROUND

History of security system infrastructure

As of 2004, the Region operated two security access control and intrusion systems within six Regional facilities. These systems included the ADT (Navigator) installed in the

Administrative Centre and the Europlex (3GS) product installed in the remaining five facilities. Since that time, the number of facilities operating on the Europlex (3GS) security system has increased to eighty-seven.

In October 2010, the Region was informed that as of February 2011 the Europlex (3GS) security access control and intrusion system currently installed in eighty-seven Regional facilities would no longer be manufactured and/or supported by Europlex (a copy of this correspondence is attached hereto as *Attachment 1*).

In anticipation of this event, the Region's Property Services Branch issued a Request for Proposal (P-10-163) in October of 2010. The objectives of the RFP were to acquire an alternative security access control and intrusion system for two Regional facilities under development at that time, and also to select a system that would become the Region's new security system standard.

During the RFP process five qualified manufacturers/vendors submitted proposals. Upon a detailed review and evaluation of these proposals, Honeywell Limited EBI (Enterprise Buildings Integrator) was chosen to become the Region's new security system standard as it achieved a high technical score in the features, functions and product demonstration all in compliance with the Region's mandatory system requirements and represented the most cost effective security solution.

It is expected that the growth within York Region will continue to increase at a similar pace over the next five years. In order to support the expanding security system infrastructure and establish an enterprise security system program, it is the Region's intention to retrofit all facilities that currently operate on the Europlex (3GS) security system and to install security systems in facilities that are not currently included in the Region's security program. Upon completion of this transition, the Property Services Branch will have the ability to integrate as well as manage all security related components from a centralized security monitoring station.

Honeywell's Security Systems have been installed and are currently operating in three Regional Emergency Medical Services facilities as well the new Property Services Branch location at 130 Mulock Drive in Newmarket. The Region has established a centralized security database server and monitoring station centre to support and manage the Honeywell EBI Security System as well as all future security system additions.

4. ANALYSIS AND OPTIONS

The establishment of a sole source provider for the procurement of the security systems will improve efficiency, system stability, minimize maintenance and repair costs

Historically, the Region managed two independent security systems ADT (Navigator) and Europlex (3GS) from separate database servers managed by the Property Services Branch. This resulted in an inefficient use of resources due to the maintenance, updates and manpower requirements needed to manage and sustain two completely independent security systems.

The implementation of the Honeywell (EBI) Security System will significantly improve the efficiency of the security program, minimize potential downtime and reduce maintenance/repair costs for all Regional facilities.

Expansion of the Region's security program utilizing the Honeywell (EBI) Security Systems will provide flexibility, efficiency and long term reliability needed to support the continued growth of the Region's portfolio of facilities.

The Honeywell EBI Security System is a proprietary product, designed, manufactured and supported solely by Honeywell Limited for the life of the product.

The Honeywell EBI Security System is already installed in four Regional facilities and a supporting security control centre has been established to accommodate all future installations. The Property Services Branch is impressed with the EBI Security System product and Honeywell's performance to date. The continued use of the Honeywell Security System is necessary to ensure compatibility with existing equipment and security services in order to protect the health and safety of staff and visitors in all Regional facilities. Additionally, issues such as compatibility with existing equipment and services are considered appropriate justification for sole source purchases under the Region's Purchasing Bylaw.

Honeywell has committed to continue developing and supporting the EBI Security Systems for at least the next 10 years while incorporating the most modern industry standards and technologies. This commitment is confirmed in a letter dated February 7, 2012 from Honeywell Limited attached hereto as *Attachment 2*.

Link to Key Council – approved Plans

From Vision to Results: 2011 to 2015 Strategic Plan

Priority Area – Strengthen Organizational Capacity

- Apply continuous improvement activities to core business systems and processes.

- Maintain a dynamic, high calibre and innovative work force today and for the future.
- Support organizational change.

5. FINANCIAL IMPLICATIONS

A fixed cost for the individual components of the Security System has been negotiated with Honeywell for a period of five years based on the results of the Request for Proposal award to this firm. By establishing predetermined product pricing, the Region will not be subject to annual product rate increases and can better calculate budget estimates for future projects.

Staff recommend that the Region enter into a price agreement with Honeywell to confirm the negotiated pricing for the five year term of the agreement. In addition to direct purchases by the Region, the prices quoted in the price agreement would also extend to all third party contractors purchasing security systems under Regional contracts.

All Honeywell EBI Security System installations include a two year parts and labour warranty. Staff will negotiate a multi-year price agreement based on the cost of living index with Honeywell for the service and maintenance of the security system following the expiration of this warranty period.

Due to the improved reliability and stability of the new Honeywell EBI Security System being installed in Regional facilities, it is projected that the service and maintenance costs will decrease over time as the discontinued Europlex (3GS) security system is replaced.

As part of this procurement strategy a competitive bid process will be initiated for the installation phase of all new and retrofit security system projects.

6. LOCAL MUNICIPAL IMPACT

There are no local impacts associated with this proposal.

7. CONCLUSION

It is recommended that Council authorize the sole source supply of security systems including all equipment, service, maintenance and technical support from Honeywell Limited for a term of five years, with an option to extend for an additional five years.

This procurement strategy will enable the establishment of a corporate wide security program and infrastructure that will protect both the assets and staff that occupy Regional

facilities. This strategy will also ensure that the Region's security system will meet changing technological standards and avoid the costly need to replace its security infrastructure in the future.

For more information on this report, please contact Barry Crowe, Director, Property Services Branch at Ext. 1684.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause were included in the agenda for the May 3, 2012 Committee meeting.)

4 October 2010

Accounts Payable
AC Technical Systems
2100 Forbes Street, Unit 8 - 10
Whitby, ON
Canada, L1N 9T3

Re: End of Life - Product Notification

Dear Sir/Madam:

I am writing to inform you that Europlex Technologies Ltd. is now a fully owned Siemens company and as such will cease to exist as a separate entity. Both Siemens and Europlex have a long tradition of being associated with the Intrusion market and over the past decades, both companies have designed and delivered a range of high performance Intruder Alarm systems to customers all over the world.

Over the last year Europlex Technologies Inc., has reviewed their portfolio of intrusion products and now intends to implement a process of rationalisation to streamline the overall product range. To that end, they have chosen to discontinue the production of several product lines and commence "End-of-Life" cycles.

In order to facilitate successful "End-of-Life" cycles, Siemens/Europlex has implemented a "**Last-time buy**" that should (a) provide a sufficient period of time that will allow customers to complete existing project, and (b) allow for those customers that have completed projects, and are now supporting systems, sufficient visibility to plan ahead.

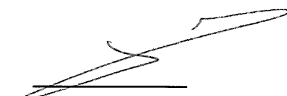
WHAT THIS MEANS FOR YOU.

- **3GS/CiTeC** - Visual Defence will accept last orders for this product until February 15th, 2011. All **3GS/CiTeC** products sold up until and including the February 15th, 2011, will be supplied with a 12 month warranty period (as defined under the standard terms and conditions of sale).
- **Aplex** - Visual Defence will accept last orders for this product until November 15th, 2010. All **Aplex** products sold up until and including the November 15th, 2010 will be supplied with a 12 month warranty period (as defined under the standard terms and conditions of sale).
- **Directplex** - Visual Defence will accept last orders for this product until November 15th, 2010. All **Directplex** products sold up until and including November 15th, 2010 will be supplied with a 12 month warranty period (as defined under the standard terms and conditions of sale).
- **4100/4300 Receivers** – Visual Defence will no longer accept new orders for this product. We do have a limited quantity of parts in stock and we will continue to sell these until the stock is depleted.
- **SuiteSecure** – Visual Defence will no longer accept new orders for this product.

PLEASE NOTE: All product orders received after their respective last order date will, unfortunately, have to be rejected and returned to the sender. Visual Defence Inc is committed to supporting the fore mentioned product lines through their respective warranty periods.

At this time, Visual Defence Inc., the North American Distributer for Europlex Technologies Inc., would like to take this opportunity to thank you for your continuous use of the family of Europlex technologies over the years. As an organization, we have truly valued your patronage and do hope we have given you sufficient visibility to plan ahead. Working within the guidelines as set out by Europlex Technologies Inc., we believe we have provided a period for a "last time buy" which will allow you to plan appropriately for your needs.

Yours sincerely,



Moshe Cohen
Director of Operation

Honeywell Building Solutions
Honeywell Limited
85 Enterprise Boulevard, Suite 100
Markham, Ontario L6G 0B5

Tel: 289-333-1000
Fax: 289-333-1333

February 7, 2012

The Regional Municipality of York
ATTN: Miro Hodal, Project Coordinator -Capital Delivery, Property Services Branch
130 Mulock Drive
Newmarket, Ontario L3Y 6Z1

Subject: Honeywell Enterprise Buildings Integrator (EBI) Support.

Dear Mr. Hodal,

Honeywell Building Solutions (HBS) is a leading provider of intelligent building, energy, security, digital video surveillance and life safety management solutions and services to thousands of facilities around the world. From design to installation, commissioning to maintenance support, HBS taps into both our global portfolio and our local expertise to deliver the customized solutions that help you solve your business challenges. With more than 100 years of expertise in building automation control, no single company offers more ways to help you maximize the efficiency of your facility than Honeywell.

Honeywell's Integrated Building Management Solution (IBMS) provides you with the powerful platform you need to deliver flexible, reliable, and long-term solutions that will help increase the security, and decrease the cost of operating and maintaining, of your facilities.

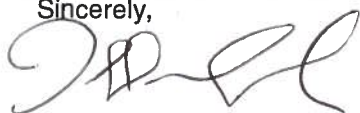
Honeywell's Enterprise Buildings Integrator (EBI) is the fully supported platform to allow you to achieve your goal of an IBMS. The EBI system is completely modular and totally scalable – and represents a great way to “future-proof” your facility. This means that you can start the integration process with your most urgent needs, and then use the flexible EBI open standards to continue expanding the platform in the future.

The world's most popular IBMS is a core part of the solutions package which has been developed, enhanced, and offered by HBS since the 1980's. HBS has supported the platform through various operating systems and technology changes. Given the long-term success of EBI, although it may change shape, name and form to keep abreast of technology and other influencing factors, HBS plans to continue development and support of the EBI platform into the future for at least the next 10 years. Whereas there may be 3rd party systems and technology integrated to our platform which may change, HBS will provide adequate notice and migration solutions to our customers .

We look forward to the timely completion of our current projects and to a long-term and mutually successful relationship with York Region.

If you have any questions or comments related to this, or any other issue, please feel free to contact me at any time.

Sincerely,



Jeff Mumford, P.Eng. MBA
District General Manager
Honeywell Building Solutions