

Meeting Date: May 17, 2022

Subject: Request to Award a Single Source Contract for EnergyCAP

Submitted By: Katelyn Tozer, Manager Energy and Environment

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## **RECOMMENDATION**

That a single source contract be awarded to EnergyCAP Canada Inc. in the amount of \$139,775 inclusive of non-refundable HST, for a period of five years to continue to provide utility bill and energy management software services to the Town.

## **REPORT HIGHLIGHTS**

- The Town currently uses the EnergyCAP software as a utility bill and energy management software to seamlessly process utility invoices, and provide vital tracking of key metrics of the success of the Corporate Energy Program;
- In accordance with the Town's Purchasing Bylaw, all single source procurements over \$50,000 in value must be approved by Council;
- The cost of the (5) year contract is \$139,775 which is part of the Maintenance Contracts in the Centralized Charges for the Town

## **DISCUSSION**

The purpose of this Staff Report is to seek approval from Council to enter into a 5 year single source agreement with EnergyCAP Canada Inc. (EnergyCAP).

### **EnergyCAP Software Overview**

The Town has been using the EnergyCAP software since 2017, as a turnkey utility bill and energy management software. The key functions that this software performs for the Town are:

- Seamless Payment of Invoices  
The Software through its BillCAPture service automatically captures utility bill data from vendor websites (Enbridge and Hydro One) to facilitate seamless payment of utility invoices. This system has avoided historical challenges with accrued late fees on utility invoices experienced by the Town. This software also has reduced staff time involved in processing utility bills.
- Financial Analytic Reports  
The software can run a series of financial analytic reports to support in budgeting, accruals, identification of late or missed bills and audits utility bills or errors. This has significantly reduced the amount of time spent on forecasting future utility

budgets, undertaking accruals of previous year budgets, and in identifying and rectifying billing errors.

- Energy and Emission Reports:

The EnergyCAP software has been foundational in allowing the Town to track and report on progress of the Corporate Energy Management program. The software can run hundreds of reports that allow staff to interpret and analyze facility, parks and streetlight energy use information to support the creation of business cases for energy retrofit and major capital projects. In addition, this software is integrated into RETScreen Expert, a software developed by the Federal Government, which allows Staff to establish energy models for each facility to statistically track progress against the Town's overall corporate energy goals. Lastly, EnergyCAP has produced a report that fulfills the requirements of the *Electricity Act, 1998, Ontario Regulation 507/18* of annual facility energy and emissions reporting.

### **Sole Source Justification**

Staff are proposing a five (5) year contract with EnergyCAP for the following reasons:

- Integration with Town's Financial System: The EnergyCAP software has been integrated with the Town's financial management system, allowing for a single upload into the Town's financial software to process multiple bills. The software has also been identified as a crucial component to the Town's current accounts payable modernization initiative, a process currently being developed to upgrade the Town's current paper-based invoice payment process to a streamlined paperless approach.
- Sole Provider: EnergyCAP Canada is the only authorized distributor of the EnergyCAP, LLC software, which means the Town cannot enter into agreement to use this software with any other vendor in Canada.
- Lack of Alternatives: During the 2017 proposal process, EnergyCAP was the only software that met the technical mandatory requirements of the Town. In 2020, the City of Toronto received approval from their Council to single source the EnergyCAP software solution, based on an assessment of alternative services that were either not compatible with the EnergyCAP software or would require extensive staff time to achieve a similar result at an increased cost.

### **FINANCIAL IMPLICATIONS**

The EnergyCAP software cost is paid through the Maintenance Contracts in the Centralized Charges for the Town (account #01-10-175-42030-365-62254). The total cost for the five (5) year subscription service agreement is \$139,775 including non-recoverable HST. The annual fee's are outlined in the table below. For the first three years of the contract, the Town is not subject to consumer price index increase. There may be increases in the annual cost of the software, depending on the quantity of buildings or

accounts that are added to the software, at a cost of \$154.00 per account. Any price increases will be subject to Council approval as part of the annual budget process.

<b>Year</b>	<b>Price Excluding HST</b>	<b>Non-Recoverable HST</b>	<b>Total</b>
Year 1	\$27,127	\$477	\$27,604
Year 2	\$27,127	\$477	\$27,604
Year 3	\$27,127	\$477	\$27,604
Year 4	\$27,699	\$488	\$28,187
Year 5	\$28,278	\$498	\$28,776
<b>Total</b>	<b>\$137,358</b>	<b>\$2,417</b>	<b>\$139,775</b>

**COUNCIL WORK PLAN****Not Applicable**

Subject matter is not relevant to the Council Workplan.

**ATTACHMENTS**

None