
REPORT TITLE: Supply of Energy Management Software Licenses, Support, Maintenance, Hosting and Cloud Services - Document 2022-234N

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

- 1. That a contract (Document 2022-234N) for the Supply of Energy Management Software Licenses, Support, Maintenance, Hosting and Cloud Services be awarded to Energy Hippo, Inc., in the estimated amount of \$180,000 (excluding applicable taxes) for a contract period of 12-months pursuant to Procurement By-law 30-2018, as amended; and,**
- 2. That authority be granted to the Director of Procurement to renew the contract annually for ongoing software licenses, support, maintenance, hosting, and to increase the contract for any upgrades, technical support, implementation, additional modules, hosting, and licenses for the lifecycle of the solution, subject to satisfactory performance, price, and approved budget.**

REPORT HIGHLIGHTS

- Energy Management (EEM) software is an interface application managed by the Region of Peel's Office of Climate Change and Energy Management (OCCEM) and has been used by Energy Finance, OCCEM and several other departments at the Region of Peel since 2004.
- The software was originally procured through a competitive process pursuant to Document 2003-704P and Council Resolution 2004-276.
- The OCCEM utilizes the EEM software to help the Region of Peel reach the long-term goal of becoming a leader in energy efficiency, energy management and the reduction of greenhouse gases.
- Energy Hippo's EEM software is proprietary to Energy Hippo, Inc.

DISCUSSION

1. Background

In 2004, the Region of Peel purchased the Energy Management Software from Itron Inc. for the Corporate Energy Management division, pursuant to Document # 2003-704P-A and Council Resolution 2004-276. In 2010, Itron Inc. was bought out by McKinstry Essention Inc., and in 2015, the ownership of the software was acquired by Energy Hippo, Inc.

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The Office of Climate Change and Energy Management utilizes this software to help the Region of Peel achieve the long-term goal of becoming a leader in energy efficiency, energy management and the reduction of greenhouse gases. The software is also used for data analytics by the OCCEM to calculate and assess Corporate and buildings energy consumption and greenhouse emissions. The outcomes eventually provide the insight to make effective decision and recommendations on Climate Change Master Plan implementation.

Energy Hippo is an interface software for three other applications designed to support the Energy Management offices as part of the overall Energy Management platform, which are as follows:

- Energy Insight uses the Energy Hippo database.
- CDIT is used by Energy Finance team to upload utility bills data to Energy Hippo
- Itron is a budgeting software used by Energy Finance team

In 2016, approval to sole-source the contract to Energy Hippo, Inc. for the migration of the Energy Management Software to a cloud hosted environment was provided pursuant to authorities granted under the Procurement By-law, including authority to renew the contract annually subject to satisfactory performance, price and approved budget, for ongoing hosting, maintenance, support and additional services and licenses for the lifecycle of the solution.

Staff is seeking Council approval for the ongoing annual renewals of hosting, software maintenance and support, any future software upgrades, and purchases of additional software licenses for the remaining operational lifecycle supplied by Energy Hippo, Inc.

Energy Hippo, Inc. is the vendor who has proprietary rights to the EEM software; therefore, a competitive process is not feasible.

2. Procurement Process

This is a non-competitive procurement process and requires Regional Council approval. The process to award this contract is in compliance with the Procurement By-law 30-2018.

This procurement is in accordance with Procurement By-law 30-2018, as amended, section 5.2.1, which authorizes the award of direct negotiation procurements for goods and services that are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any vendor or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes.

FINANCIAL IMPLICATIONS

There are sufficient funds in the operating budget within OCCEM under Cost Centre FA00007 to award the contract.

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