



Continental Automated
Buildings Association

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**North America's
Home & Building
Automation Association**

1173 Cyrville Road, Suite 210
Ottawa, ON K1J 7S6

Tel: 1. 613.686.1814
Fax: 1.613.744.7833
US/Canada: 1.888.798.CABA

Web: www.caba.org
E-mail: caba@caba.org

CABA Concludes Intelligent Buildings Bid Specification Study

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The Continental Automated Buildings Association recently completed its collaborative "Intelligent Buildings and the Bid Specification Process" research study.

The collaborative landmark research study found that the bid specification process has thrived due to demand for technology and service solutions prompted by unique end-user needs and the perception of the cost-efficiency it provides building owners and operators.

Specification guidelines have been endorsed by the building technology industry in an effort to establish proper construction and installation practices for various service providers to follow and to ensure that technology requirements are met in a cost-efficient and competitive manner for the building developer, owner, or operator.

However, CABA's research indicates that the end result obtained by pursuing the bid specification process does not often mirror the original project vision, particularly when it comes to procuring the most optimal technology or service solution. The distinct influence of various trades in the contracting and subcontracting processes involved in the end stages of a bid specification project results in cost becoming the sole determinant for procurement, no matter what the original schematic design recommended.

Additionally, the methods followed for vendor procurement have been significantly affected by the evolution in buildings, brought about by the influence of information technology on physical systems. As a result, owners of intelligent buildings consider technology integration to be important, however, investment and perceived value derived are not well aligned. Lack of product knowledge is a common issue among most owners and operators.

The study also found that the demand potential for intelligent buildings solutions is further impacted by the perceived price-performance ratio of these products. Building owners do not have a clear idea of the actual benefits of buying these products and solutions, especially the life-cycle benefits of the new technology. Several case studies in the Report illustrate real value obtained by integrated systems.

Further, current bid and specification processes followed in the industry lack transparency, are price driven, and do not offer adequate impetus to the incorporation of intelligent technologies. The issue lies in the fact that technology suppliers do not have a good grasp of spec practices, and likewise, spec providers lack a thorough understanding of technology advancements.

The study also found that there is a greater need for vendors and service providers to collaborate and create joint bid specification business models to service the intelligent buildings market. The immediate need for industry participants is to organize initiatives to work together and create structural frameworks for joint collaboration in developing building technology and spec development practices.

"The present building technology value chain represents a heterogeneous landscape of service providers and decision-makers who are collectively responsible for end-users' technology adoption," stated Ronald J. Zimmer. "The Report allows property owners, managers, solution providers and others in the value chain to have a greater understanding about how they can collaborate with a growing ecosystem of product and service providers to meet specification requirements."

Sponsors of this CABA study included: Automated Logic Corporation, BACnet International, Cadillac Fairview Corporation, Diebold, Incorporated, Distech Controls Inc., Honeywell International, Hydro One Networks Inc., Trane, a brand of Ingersoll Rand, International Facility Management Association (IFMA), Johnson Controls Inc., Lenel Systems International, Ontario Power Authority, Overhead Door Corporation, Philips, Siemens Industry, Inc., Smardt Chiller Group Inc., Telecommunications Industry Association (TIA), United Technologies Corporation and Verizon.

CABA commissioned Frost & Sullivan, an independent market research and consulting firm, to conduct the study.

The study is a major initiative of the CABA Research Program, which offers a range of opt-in technical and advisory research services designed to provide industry stakeholders with collaborative research and R&D opportunities. The Report also obtained input and oversight from the CABA Intelligent & Integrated Buildings Council and the CABA Board of Directors.

Organizations will be able purchase the report after it is made available March 20, 2013, following an embargo period, by contacting CABA at 888.798.CABA (2222) or 613.686.1814 x 226.

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About CABA

The Continental Automated Buildings Association (CABA) is a leading industry association that promotes advanced technologies in homes and buildings in North America. More information is available at <http://www.caba.org/>.

Media Contact:

Rawlson O'Neil King
Communications Director, CABA
king@caba.org
613.686.1814 x225
888.798.CABA (2222)