

Digital Photocopier and Facsimile Equipment and Services - Amending non-exclusive agreements

Date:	September 25, 2007
To:	Government Management Committee
From:	Chief Information Officer, Information & Technology Division Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:\2007\Internal Services\pmmd\gm07035pmmd (AFS #5744)

SUMMARY

The purpose of this report is to report on the results of the second stage selection process conducted on all photocopier and facsimile models, and to seek authority to re-distribute the funds previously approved by Council on September 25, 26 and 27, 2006 for the supply of digital photocopier and facsimile equipment and services to ensure best value to the City and compliance with standards.

RECOMMENDATIONS

The Chief Information Officer and the Director of Purchasing and Materials Management recommend that:

1. authority be granted to amend the non-exclusive agreement with Xerox Canada from an amount not to exceed \$1,000,000 including all taxes, \$947,368.42 net of GST, to a revised amount not to exceed \$100,000 including all taxes, \$94,736.84 net of GST, for the period ending July 3, 2008; and
2. authority be granted to amend the non-exclusive agreement with Pitney Bowes from an amount not to exceed \$500,000 including all taxes, \$473,684.21 net of GST, to a revised amount not to exceed \$100,000 including all taxes, \$94,736.84 net of GST, for the period ending July 3, 2008; and
3. authority be granted to amend the non-exclusive agreement with 4-Office Automation from an amount not to exceed \$1,500,000 including all taxes,

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\$1,421,052.63 net of GST, to a revised amount not to exceed \$2,500,000 including all taxes, \$2,368,421.05 net of GST, for the period ending July 3, 2008; and

4. authority be granted to amend the non-exclusive agreement with Ricoh Canada Inc. from an amount not to exceed \$1,000,000 including all taxes, \$947,368.42 net of GST, to a revised amount not to exceed \$1,300,000 including all taxes, \$1,231,578.95 net of GST, for the period ending July 3, 2008.

FINANCIAL IMPACT

There will be no financial implications resulting from this report, as the combined total value of all contracts remains unchanged. The combined contract value will be redistributed amongst the five (5) Vendor of Record contracts. Funds required for the acquisition of digital photocopier and facsimile equipment and services will be requested in the appropriate operating budget submissions.

Vendor Name	Original Approved Amount	Revised Amount	Difference
	Net of GST	Net of GST	Net of GST
Ricoh Canada Inc.	\$ 947,368.42	\$1,231,578.95	\$ 284,210.53
Sharp	\$ 947,368.42	\$ 947,368.42	\$ 0
4-Office Automation	\$1,421,052.63	\$2,368,421.05	\$ 947,368.42
Xerox	\$ 947,368.42	\$ 94,736.84	\$ (852,631.58)
Pitney Bowes*	\$ 473,684.21	\$ 94,736.84	\$ (378,947.37)
TOTAL NET OF GST	\$4,736,842.11	\$4,736,842.11	\$ 0

*For facsimiles only

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In October 2005 the Province of Ontario issued a Request for Proposal (RFP) to select Vendor of Records for Digital Photocopiers, Facsimile Equipment and related goods and services. The RFP was awarded by the Province to five (5) proponents in July 2006. The terms of the resulting Vendor of Record contracts awarded by the Province of Ontario allowed for the same terms and conditions to be extended to the City of Toronto.

The Information & Technology Division recommended that the selection process be done in two stages:

Stage 1 – Selection of five (5) Proponents to supply photocopiers and facsimiles.

Stage 2 – Selection of the lowest price models meeting the needs of the City.

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The first stage of the selection process was the RFP issued by the Province of Ontario and their award to five (5) vendors. As the City contract for photocopiers and facsimiles were about to expire, a Staff Report was submitted to Council seeking authority to enter into agreements with four (4) proponents, each for \$1,000,000 (\$947,368.42 net of GST) and Pitney Bowes for \$500,000 (\$473,684.21 net of GST) for facsimile devices only.

At its meeting of September 25, 26, and 27, 2006, Council granted authority to enter into non-exclusive agreements with the five (5) proponents for a period ending July 3, 2008 with an option to renew for an additional one (1) year term.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/adm6rpt/cl007.pdf>

The second stage of the selection process was started by Information & Technology staff to select the lowest cost models meeting the needs of the City. The Information & Technology staff conducted a review on all the selected models from each of the five (5) proponents, comparing specifications, features, accessories and rates.

Part of the way through the second stage selection process, a Purchase Order Amendment to increase the contract in the amount of \$500,000 was subsequently approved and processed for 4-Office Automation in order to meet the demands of the City.

ISSUE BACKGROUND

The Information & Technology Division has completed the second stage selection process on all models offered from Ricoh Canada Inc., Sharp Electronics of Canada Ltd., 4-Office Automation, Xerox, and Pitney Bowes, comparing specifications, features, accessories and rates of the five (5) Vendors of Record to determine best value for the City as amongst those five (5) vendors.

The Information & Technology Division has determined that five (5) models selected from 4-Office Automation, and three (3) models selected from Ricoh were the lowest priced models meeting City specifications. Approval by Council to amend the non-exclusive agreements is required to reflect the expected volume of orders that will be placed through 4-Office Automation and Ricoh.

COMMENTS

In order to continue to provide best value to the City, it is recommended that the amendments of the non-exclusive agreements as set out in the recommendations in this Report be approved. The total value of the non-exclusive agreements in this report remains unchanged at \$4,736,842.11 net of GST. Staff in the Contract Management Office of the Information & Technology Division will continue to manage these non-exclusive agreements.

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