



REPORT FOR ACTION

Request to Extend Contract # 47017237 with Xerox Canada Ltd.

Date: October 27, 2017

To: Government Management Committee

From: Chief Information Officer and
Director, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to seek authority to extend the term of existing Blanket Contract No. 47017237 with Xerox Canada Ltd. for the supply of multi-function devices and printers and related maintenance and support services from December 31, 2017 for a period of 12- months ending December 31, 2018. No additional funds are required as a result of this time extension.

The Shared Services Executive Steering Committee (SSEC) mandated a joint procurement between the City of Toronto and all Agencies and Corporations for a new workgroup print services contract in order to leverage economies of scale and secure best pricing on supplies and services. This decision means the one year term extension is required to provide sufficient time to work with all Agencies and Corporations to gather requirements and to issue a single joint RFP. Preliminary requirements have been gathered and a separate procurement is being issued to retain a Fairness Monitor to work with the City, Agencies and Corporations.

The term extension is also required to ensure all City Divisions will continue to receive consumables supplies, maintenance, and related support services with no service interruption, while the joint procurement process is being undertaken.

RECOMMENDATIONS

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

1. City Council, grant authority to the Chief Information Officer to negotiate and execute an amending agreement with Xerox Canada Limited for a period of 12 months from December 31, 2017 to December 31, 2018, under the same pricing, terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

There is no change to the existing contract value as a result of this time extension. The contract value is currently \$19.99 Million, with \$4.02 Million remaining as of October 20, 2017. The existing contract value is sufficient to maintain service continuity.

Funds to support charges for usage of managed print services will be included in the respective Division/Agency 2018 Requested Operating Budgets for consideration.

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

DECISION HISTORY

On August 29, 2012, Bid Committee granted the authority to award a contract for RFP No. 3409-12-3085 to Xerox Canada Ltd. for the non-exclusive supply of single and Multi-function Print Devices and associated Managed Print Services for a period of 5 years. The Bid Committee Award document can be viewed at:
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.BD89.1>)

COMMENTS

The City, Agencies and Corporations are looking to achieve cost savings and avoidances via a single joint procurement. By leveraging the experience and lessons learned from the current contract, the City, Agencies and Corporations are seeking to achieve benefits, including operational efficiencies and savings, by: elimination of multiple contracts, consolidation and reduction of print equipment deployed, economies of scale achieved through pooling joint purchasing power, lower cost per page in monochrome and colour output, unified service levels and support structures, and increased communication and partnership among the Information & Technology sections.

To this end, the Shared Services Executive Steering Committee (SSEC) mandated a joint procurement between the City, Agencies and Corporations for a new workgroup print services contract through a joint RFP. Preliminary requirements gathering has begun to determine the possibility of aligning requirements and pursuing a joint procurement. The one year term extension will allow all parties to conduct additional verification, to prepare the detailed requirements and finalize the joint RFP that will go through the entire joint procurement process, with the goal of a positive Return on Investment for the multi-function fleet. Concurrently, a separate procurement is being issued to retain a Fairness Monitor to work with the City, Corporations and Agencies.

The current Blanket Contract No. 47017237 with Xerox Canada Ltd. for the supply of multi-function devices and printers and related maintenance and support services for a period of five (5) years is set to expire on December 31, 2017. There is a need to extend the contract term to ensure uninterrupted supply of consumables and provision of maintenance and related support services while the joint procurement process is being undertaken. A 12 month term extension is sufficient to fill the gap until a new vendor and contract is put into place. The unused portion of the contract value is sufficient to retain service continuity for the term extension.

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SIGNATURE

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