



## REPORT FOR ACTION

## Non-competitive Contract with Ristech Company Inc., for DRS Microfiche Scanner Replacement, and Annual Maintenance & Support

**Date:** May 4, 2018

**To:** Government Management Committee

**From:** Chief Building Official and Executive Director, Toronto Building, Chief Information Officer, Information & Technology, and Chief Purchasing Officer, Purchasing and Management Division

**Wards:** All

### SUMMARY

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The purpose of this report is to request authority to enter into a non-competitive contract with Ristech Company Inc. (Ristech) for the supply, delivery, and installation of a DRS Microfiche Scanner and Software including annual maintenance and support for a period of five (5) years, with the option to renew for three (3) additional one (1) year terms. The total amount of the contract is \$265,485, net of HST (\$270,158, net of HST recoveries). Ristech is the sole North American distributor and service maintenance provider for the requested DRS Microfiche Scanner.

City Council approval is required in accordance with the Municipal Code By-law Chapter 195-Purchasing, as the requested length of contract is a total of eight years, including options years. In addition, this is a replacement of like-for-like microfiche scanners that were previously obtained through a competitive process that awarded a 5 year contract to Ristech in 2011.

### RECOMMENDATIONS

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The Chief Building Official and Executive Director, Toronto Building, Chief Information Officer, Information & Technology, and Chief Purchasing Officer, Purchasing and Management Division, recommend that:

1. City Council grant authority to the Chief Building Official and Executive Director, Toronto Building, and Chief Information Officer, Information & Technology, to negotiate and execute a non-competitive contract with Ristech Company Inc. for the supply, delivery, and installation of a DRS Microfiche Scanner and Software including annual maintenance and support in the amount of \$265,485, net of HST (\$270,158, net of HST

recoveries) for a period of five (5) years with the option to renew for three (3) additional one (1) year terms, on terms and conditions satisfactory to the Chief Building Official and Executive Director, Toronto Building, and Chief information Officer, Information & Technology, and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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The total value of the contract identified in this report, including all option years, is \$265,485, net of all applicable taxes, \$299,998 including HST and all applicable charges. The cost to the City is \$270,158, net of HST recoveries.

The contract value for the initial purchase of the supply, delivery, and installation of a DRS Microfiche Scanner and Software including a one year warranty is \$173,704, net of HST recoveries. Funding is included in the 2018 Capital Budget for Information & Technology Division under the Toronto Building Electronic Service Delivery Project WBS# CIT045-08-03.

The seven (7) annual one (1) year maintenance and support renewals in the amount of \$96,454, net of HST recoveries will be funded by Toronto Building's Operating Budget Account BL0009. Sufficient base funding is available in the 2018 Approved Operating Budget for Toronto Building.

The following table breaks down the costs and their respective cost centres:

Year	Description	Cost Centre/WBS	Cost Element	Total Net of HST Recoveries
2018	DRS Microfiche Scanner with 1 Year Warranty	CIT045-08-03	3410	\$172,178
2018	DRS Microfiche Scanner installation	CIT045-08-03	3410	\$1,526
2019	Year 2 Maintenance and Support	BL0009	4472	\$13,127
2020	Year 3 Maintenance and Support	BL0009	4472	\$13,127
2021	Year 4 Maintenance and Support	BL0009	4472	\$13,738
2022	Year 5 Maintenance and Support	BL0009	4472	\$13,738
2023	First Optional Term - Year 6 Maintenance and Support	BL0009	4472	\$14,241

Year	Description	Cost Centre/WBS	Cost Element	Total Net of HST Recoveries
2024	Second Optional Term - Year 7 Maintenance and Support	BL0009	4472	\$14,241
2025	Third Optional Term - Year 8 Maintenance and Support	BL0009	4472	\$14,242
TOTAL Net of HST Recoveries				\$270,158

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

**DECISION HISTORY**

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On January 24, 2011, the Chief Purchasing Officer granted the authority to award contract 47015594 for RFQ 3412-10-3225 to Ristech Company Inc. for the non-exclusive supply, delivery, installation, warranty/support and maintenance of a Microfiche Scanner including training and optional off-warranty maintenance and support for the City of Toronto’s Building Division, for a period from date of award to January 31, 2012, with the option to renew the Contract for four (4) additional separate one (1) year periods.

**COMMENTS**

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Development across the City of Toronto has increased by record levels in recent years. Toronto Building issues building permits in excess of ten billion dollars in construction value annually. For the majority of these projects, records, including plans and surveys, of existing buildings and properties are vital to the design and construction activities associated with the increasing development.

To obtain these building records, applicants rely on the Routine Disclosure service provided by Toronto Building. Demands for this service have substantially increased in recent years to commensurate with the escalating construction activity in the city. In 2017, Toronto Building processed 11,811 Routine Disclosure requests. As the City of Toronto continues to grow, demands for timely access to building records will continue to increase. For this reason the Division has included a number of initiatives to meet this demand and these are articulated in the Toronto Building Service Plan.

The Toronto Building Service Plan is aligned with the City of Toronto's corporate strategic directions and has established a framework that supports projects that transforms how the Division delivers services to the public. The objective of the plan is to respond to the evolving needs of the Division to drive innovation and transformation to better serve the City.

One of the transformational projects the Division has undertaken is the digitization of building records and plans with full integration into the permitting system. In support of this transformation, the Division implemented a Digitization unit aimed at moving Toronto Building services to be a fully electronic-based (paperless) service, no longer requiring clients to visit service counters to deliver or receive large paper drawings as part of their permit applications or other service requests.

A key step in this business transformation has been the scanning and digitization of physical records stored in a variety of formats including significant volumes of microfiche, such that they can be stored, accessed and distributed by Toronto Building staff more readily in a portable document format (PDF). This has led to significant improvements in customer service related to Routine Disclosure, FOI (Freedom of Information) and other requests for information. To achieve this, the Digitization Unit purchased a DRS Microfiche Scanner from Ristech in 2010 as part of RFQ 3412-10-3225 for the City of Toronto. The Toronto Building Digitization Unit has demonstrated over the past few years that the production rates utilizing the DRS Digitizer can exceed 300,000 microfiche pages annually.

The existing DRS Microfiche Scanner, in its 8th year of use, has now reached end-of-life. At a minimum, any replacement is expected to have the same usable life. To ensure the continuity of scanning and digitization functions, a procurement covering the supply, delivery, installation, and maintenance and support of the scanner for the duration of its expected lifespan is being undertaken.

A Non-Competitive Contract with Ristech Company Inc. is recommended as they are the sole North American distributor and service maintenance provider authorized to install, provide technical support, and perform warranty and post-warranty services for the DRS Microfiche Scanner. The DRS Microfiche Scanner is required by the Digitization unit based on market research of four (4) different models identifying this unit as the only one that meets the performance, and media type flexibility required of the Toronto Building Digitization Unit. As well, a 'like for like' replacement of the DRS Microfiche Scanner which has been in production usage at the Toronto Building Digitization Unit will capitalize on the existing experience and expertise developed while using the existing DRS hardware for the past eight years.

Replacing the existing end-of-life model with the current DRS Microfiche Scanner, and in turn a Non-Competitive Procurement with Ristech Company Inc., also ensures compatibility with the existing customized BIMS software which is used to manage the document scanning / digitization workflow, reduces the risk of significant change required to introduce other hardware, and readily integrates with the established business processes and technical software system enhancements that have been implemented to automate the digitization workflow.

Ristech has provided a fair pricing letter confirming that pricing to the City is based on their government and educational pricing policy.

The Toronto Building Electronic Services Delivery Project's Steering Committee, comprised of various staff from Toronto Building and Information & Technology, has

recommended that City Council approve this non-competitive contract with Ristech Company Inc.

The Fair Wage Office has reported that Ristech Company Inc has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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Purchasing & Materials Management