

Clause embodied in Report No. 5 of the Administration Committee, as adopted by the Council of the City of Toronto at its regular meeting held on April 23, 24, 25, 26, 27, and its special meeting held on April 30, May 1 and 2, 2001.

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Request for Proposals for Photocopier Equipment and Maintenance for a Three Year Period

(City Council at its regular meeting held on April 23, 24, 25, 26, 27, and its special meeting held on April 30, May 1 and 2, 2001, amended this Clause by adding thereto the following:

“It is further recommended that:

- (1) the Commissioner of Corporate Services be requested to:
 - (a) issue a Request for Proposal with respect to a leasing agent of the photocopier equipment, 2001 purchases, and that the Local Authority Services of the Association of Municipalities of Ontario be also invited to submit a bid; and*
 - (b) create a special needs category within the standing offer, listing specific products and vendors that supply photocopiers with special needs features, including Braille labels/keypads and angled console, to address the needs of visually impaired and wheelchair bound operators;**
- (2) the City Auditor be requested to submit a report to the Administration Committee on the effective rate of interest that the City is paying with reference to the leasing of photocopiers and how it compares with the City’s average rate of borrowing; and*
- (3) appropriate senior staff of the City Clerk’s Division participate in the review of requests for analog and digital high volume copiers, to ensure that departments’ stated need for high volume printing cannot be accommodated through existing City resources, like the Print Shop.”)*

The Administration Committee recommends the adoption of the joint report (March 14, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer.

The Administration Committee reports, for the information of Council, having requested the Commissioner of Corporate Services to:

- (a) give consideration to the concerns raised by Councillor David Shiner and Councillor David Soknacki respecting the proposals for photocopier equipment and maintenance, namely:*

- (i) lease/rental costs;
- (ii) departmental needs;
- (iii) use of refillable cartridges;
- (iv) cost per copy;
- (v) control of departmental requirements;
- (vi) unit specifications; and
- (vii) options for savings; and

any other areas that will reduce the cost of the photocopiers; and submit a report thereon directly to Council for its meeting scheduled to be held on April 24, 2001; and

- (b) discuss the matter of replacement cartridges with the proponents.

The Administration Committee submits the following joint report (March 14, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer:

Purpose:

The purpose of this report is to advise the results of the Request for Proposals for the supply and delivery of Photocopier Equipment and Maintenance to the City for a three (3) year period in accordance with the requirements of the Information and Technology Division, Corporate Services Department, and to request authority to award contracts to the recommended proponents.

Financial Implications and Impact Statement:

It is estimated that 500 photocopiers will be replaced over the term of the contract at an estimated acquisition cost of \$3.5 million (3 year lease cost at approximately \$1.3 million/year). The costs will be funded from existing departmental operating budgets. Photocopier technology is evolving into the digital environment, can be network connected, and will become an extension of our existing leased technology infrastructure.

Recommendation:

It is recommended that proposals submitted by Ricoh Canada Inc., Xerox Canada Limited, Canon Canada Inc., Konica Business Technologies Canada, and Toshiba Canada Limited be accepted to provide photocopier equipment and maintenance to the City for a three (3) year period being the proponents submitting proposals with the highest evaluated scores in the categories as listed below:

Category	Proponent and Model No.
Analogue	
Low Volume Multi-Function (Category 1 (<20 ppm)	Ricoh Canada Inc. Ricoh FT3813
Mid-Volume (Category 2 20 – 49 ppm)	Xerox Canada Limited Xerox 5818
Mid-High Volume (Category 3 (50 – 80 ppm)	Xerox Canada Limited Xerox 5665
High Volume (Category 4 (80 – 135 ppm)	Canon Canada Inc. Canon NP6085
Digital	
Low Volume Multi-Function (Category 1 (<20 ppm)	Konica Business Technologies Canada Konica 7415
Mid-Volume (Category 2 20 – 49 ppm)	Canon Canada Inc. Canon iR400S
Mid-High Volume (Category 3 (50 – 80 ppm)	Canon Canada Inc. Canon iR5000S
High Volume (category 4 (80 – 135 ppm)	Toshiba of Canada Ltd. Toshiba DP8070

Background:

Twenty-four (24) firms were invited to submit proposals and this requirement was advertised on the City's Internet website; ten (10) proposals were received as listed below to provide photocopier equipment and maintenance to the City for a three (3) year period in accordance with requirements of the Information and Technology Division, Corporate Services Department.

- (1) 4-Office Automation Ltd.;
- (2) Canon Canada Ltd.;
- (3) EDS Innovations;
- (4) Konica Business Technology;
- (5) Lanier Canada Ltd.;
- (6) Minolta Business Equipment Canada Ltd.;
- (7) Pitney Bowes of Canada Ltd.;
- (8) Ricoh Canada Inc.;
- (9) Toshiba of Canada Ltd.; and
- (10) Xerox Canada Ltd.

Comments:

Currently there is a high volume of photocopiers within the City that need servicing or have leases which have expired. This combined with the City of Toronto being newly amalgamated creates a need to establish and provide a new centralized process for replacing photocopiers. Currently there is a large waiting list of Departments requiring replacements.

This project was undertaken to provide departments with a streamlined method to choose and replace the technologically obsolete or BER (beyond economical repair) photocopiers throughout the new amalgamated City of Toronto. This streamlined method will include an asset management process relating to the use of photocopiers in the corporation.

The City will be updating its Print Strategy, an extensive undertaking that will require considerable time and effort. This Print Strategy will require asset management information, however, due to the urgency of the replacement of photocopiers it has been decided that the Print Strategy will be addressed in a separate project.

A Request for Proposal was generated that requested proposals for both Digital and Analogue Photocopiers and options (equipment add-ons). Using the evaluation criteria included in the proposal call, an evaluation team consisting of representatives from the Finance Department – Treasury and Purchasing and Materials Management Divisions, Community and Neighbourhood Services -Public Health Division, and Corporate Services - Information and Technology Enterprise Print Team and Contract Management Unit evaluated the responses.

Evaluation criteria included the following:

- (i) proponents ability to meet the technical requirements for photocopiers and service support;
- (ii) verification of references supplied by the proponent; and
- (iii) proponents quoted price for photocopier equipment and maintenance.

After completing the evaluation, it was determined that the recommended awards provide the City with the ability to add to its existing, and replace its aging photocopiers on an as needed basis.

Departments will be able to select from the list of photocopiers to meet their business needs that include photocopiers that can be connected to the network for streamline report/information productions. All City department requests will be reviewed by the Information and Technology Division, Corporate Services to ensure that they are technically sound and integrate with the framework of the City's infrastructure. Lease agreement with departments, Information and Technology, Finance and our current technology lease provider will provide for the costs to be charged to department budgets at an annual costs estimated to \$1.3 million (a reduction from estimated current annual costs of \$3.0 million).

The Manager, Fair Wage and Labour Trades Office has reported favourably on the firms recommended.

Conclusions:

This report requests the authority to award contracts for the provision of photocopier equipment and maintenance for a three (3) year period to Ricoh Canada Inc., Xerox Canada Limited, Canon Canada Inc., Konica Business Technologies Canada, and Toshiba Canada Limited being the proponents with the highest score in each category.

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The Administration Committee also had before it a communication (March 7, 2001) from Mr. Lou Pagano, Purchasing and Materials Management Division, Finance Department, submitted by Councillor David Shiner respecting the use of remanufactured toner cartridges.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Mr. Ed Sanderson, 4 Office Automation Ltd., and filed a written submission in regard thereto;
- Mr. Lyle Iriam, Panasonic Canada Inc.;
- Mr. Ed Schryer, Konica Business Technologies Canada; and
- Mr. Denis Morin, Xerox Canada.

Councillor David Shiner, Willowdale, also appeared before the Administration Committee in connection with the foregoing matter.

(City Council at its regular meeting on April 23, 24, 25, 26, 27, and its special meeting held on April 30, May 1 and 2, 2001, had before it, during consideration of the foregoing Clause, the following report (April 26, 2001) from the Commissioner of Corporate Services:

Purpose:

The purpose of this report is to report to the Administration Committee for the information of Council, on the following:

- (a) *give consideration to the concerns raised by Councillor Shiner and Councillor Soknacki respecting the proposals for photocopier equipment and maintenance, namely:*

- (i) *lease/rental costs;*
- (ii) *departmental needs;*
- (iii) *use of refillable cartridges;*
- (iv) *cost per copy;*
- (v) *control of departmental requirements;*
- (vi) *unit specifications; and options for savings; and*

any other areas that will reduce the cost of the photocopiers;

Financial Implications and Impact Statement:

It is estimated that 500 photocopiers will be replaced over the term of the contract at an estimated acquisition cost of \$3.5 million (3 year lease cost at approximately \$1.3 million/year). The costs will be funded from existing departmental operating budgets. Photocopier technology is evolving into the digital environment, can be network connected, and will become an extension of our existing leased technology infrastructure.

Recommendation:

It is recommended that this report be received for information in conjunction with Clause 1, Report 5 of Administration Committee.

Background:

At its meeting of March 27, 2001, the Administration Committee recommended the adoption of the joint report (March 14, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer titled "Request for Proposals for Photocopier Equipment and Maintenance for a Three (3) Year Period. It was further requested, for the information of Council, that the Commissioner of Corporate Services give consideration to the concerns raised by Councillor Shiner and Councillor Soknacki respecting the proposals for photocopier equipment and maintenance, namely:

- (1) *lease/rental costs;*
- (2) *departmental needs;*
- (3) *use of refillable cartridges;*
- (4) *cost per copy;*
- (5) *control of department requirements;*
- (6) *unit specification; and*
- (7) *option for savings; and*

any other areas that will reduce the cost of the photocopiers; and submit a report thereon directly to Council for its meeting scheduled to be held on April 24, 2001; and to discuss the matter of replacement cartridges with the proponents.

Comments:

Lease Costs

As photocopier technology evolves into the digital environment, it can be network connected and will become an extension of our existing leased technology infrastructure as outlined in the RFP. The table on page 2 includes the total cost of purchase of each photocopier, the estimated monthly lease rate and the cost per copy of each proposed photocopier.

Departmental Needs and Control of Departmental Requirements

It is estimated that there are 500 photocopiers in the new amalgamated City of Toronto. Currently there is minimal information on existing inventory and departmental business needs. The departments will be able to select from the list of photocopiers based on their business needs. This project was undertaken to provide departments with a centralized acquisition method similar to the acquisition method of computer-related hardware and software. The Contract Management Office of the Information and Technology Division will review all departmental requests to ensure that they are technically sound and integrate with the City's infrastructure. Wherever possible, a more economical solution will be recommended.

Use of Refillable Cartridges

Although this was not a requirement in the RFP for Photocopiers, Information & Technology will work with the Purchasing Management Material Division and the proposed vendors to ensure the City uses the most financially and environmentally economical toner cartridges possible.

Cost Per Copy

<i>Category</i>	<i>Proponent and Model #</i>	<i>Total Cost</i>	<i>Monthly Lease Rate</i>	<i>Cost per Copy</i>
<i>Analogue</i>				
<i>Low Volume Multi-Function (Category 1 <20 ppm)</i>	<i>Ricoh Canada Inc. Ricoh FT3813</i>	<i>\$1,414.00</i>	<i>\$42.39</i>	<i>\$0.0162</i>
<i>Mid-Volume (Category 2 20 – 49 ppm)</i>	<i>Xerox Canada Limited Xerox 5818</i>	<i>\$2,195.00</i>	<i>\$65.81</i>	<i>\$0.0161</i>
<i>Mid-High Volume (Category 3 50 – 80 ppm)</i>	<i>Xerox Canada Limited Xerox 5665</i>	<i>\$9,500.00</i>	<i>\$284.81</i>	<i>\$0.0085</i>
<i>High Volume (Category 4 80 – 135 ppm)</i>	<i>Canon Canada Inc. Canon NP6085</i>	<i>\$18,040.00</i>	<i>\$540.84</i>	<i>\$0.0072</i>
<i>Digital</i>				
<i>Low Volume Multi-Function (Category 1 <20 ppm)</i>	<i>Konica Business Technologies Canada Konica 7415</i>	<i>\$1,351.00</i>	<i>\$38.25</i>	<i>\$0.0190</i>
<i>Mid-Volume (Category 2 20 – 49 ppm)</i>	<i>Canon Canada Inc. Canon iR400S</i>	<i>\$7,100.00</i>	<i>\$201.00</i>	<i>\$0.0125</i>
<i>Mid-High Volume (Category 3 50 – 80 ppm)</i>	<i>Canon Canada Inc. Canon iR5000S</i>	<i>\$10,790.00</i>	<i>\$305.46</i>	<i>\$0.0087</i>
<i>High Volume (category 4 80 – 135 ppm)</i>	<i>Toshiba of Canada Ltd. Toshiba DP8070</i>	<i>\$14,904.00</i>	<i>\$421.93</i>	<i>\$0.0080</i>

Unit Specifications

Appendix A illustrates the technical specifications of each proposed photocopier.

Conclusion:

This report provides additional information requested by Councillor Shiner and Councillor Soknacki in conjunction with the Administration Committee Report 5, Clause 1.

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(City Council also had before it, during consideration of the foregoing Clause, a copy of Clause No. 11 of Report No. 4 of The Policy and Finance Committee, headed "Leasing of Computer Equipment and Software Information and Technology Products and Services", which was adopted, without amendment, by the Council of the City of Toronto at its meeting held on July 27, 28, 29 and 30, 1999, circulated at the request of Councillor Bas Balkissoon.)