

Clause embodied in Report No. 11 of the Administration Committee, which was before the Council of the City of Toronto at its meeting held on July 24, 25 and 26, 2001.

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**Leasing Services for Photocopiers for a Three (3)
Year Period - Quotation Request No. 3406-01-313
and Photocopier Lease - Implicit Interest Rate**

(City Council on July 24, 25 and 26, 2001, struck out and referred this Clause to the Acting Chief Financial Officer and the Commissioner of Corporate Services for further consideration and joint report thereon to the Administration Committee.)

The Administration Committee recommends the adoption of the joint report (July 3, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer.

The Administration Committee reports, for the information of Council, having received the confidential report (June 25, 2001) from the City Auditor, entitled "Photocopier Lease – Implicit Interest Rate".

The Administration Committee submits the following joint report (July 3, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer:

Purpose:

At the April 2001 Council session, Council directed the Commissioner of Corporate Services to 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.

A Request for Proposal is a method of competitive purchasing of goods and services when the requirements or services cannot be definitely specified and the expertise of the marketplace is sought to propose specific solutions to fulfill the requirement at the best possible value. A Request for Quotation is used when a specification is available for the requirement and price is a determining factor. Although Council directed the issuance of a Request for Proposal, a Request for Quotations was deemed to be the most appropriate method of obtaining competitive quotations due to the availability of specified requirements with price being a major awarding factor.

The purpose of this report is to advise the results of the Request for Quotation for the leasing services for photocopiers to the City of Toronto for a three (3) year period in accordance with the requirements of the Information and Technology Division of the Corporate Services Department, and to request authority to award a contract to the recommended bidder.

Financial Implications and Impact Statement:

It is estimated that 500 photocopiers will be replaced over the term of the contract. The estimated costs per year for the next three years is \$1.3 million. Each lease will be funded from existing departmental operating budgets. This report does not seek funding approval.

Recommendation:

It is recommended that the Quotation submitted by MFP Financial Services be accepted to provide leasing services for photocopiers to the City of Toronto for a three (3) year period in accordance with the requirements of the Information and Technology Division of the Corporate Services Department, being the lowest quotation received.

Background:

Twenty (20) firms on the City of Toronto bidders' list and the Local Authority Services of the Association of Municipalities of Ontario were invited to submit bids and this requirement was also advertised on the City of Toronto internet website. Three (3) quotations were received as summarized below to provide leasing services for photocopiers to the City of Toronto for a three (3) year period in accordance with the requirements of the Information and Technology Division of the Corporate Services Department.

Comments:

This project was undertaken to provide departments with a streamlined method to finance the replacement of 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 Contract Management Office of the Information and Technology Division of Corporate Services in conjunction with the Accounting Services Division of the Finance Department will manage the photocopier lease program.

The following is a summary of prices for Quotation Request No. 3406-01-3131 to provide leasing services for photocopiers to the City of Toronto for a three (3) year period:

| Category | MFP Financial Services | Ram Computer Inc. | Dell Financial Services |
|---------------------------|--|-------------------|-------------------------|
| | Monthly Lease Rate Per \$1,000 of Photocopier Purchase Price | | |
| | | | |
| Analogue | | | |
| Low Volume Multi-Function | \$27.04 | \$29.30 | \$31.17 |
| Mid-Volume | \$27.04 | \$29.20 | \$31.17 |
| Mid-High Volume | \$27.04 | \$29.20 | \$31.17 |
| High Volume | \$27.04 | \$29.00 | \$31.17 |

| Category | MFP Financial Services | Ram Computer Inc. | Dell Financial Services |
|---------------------------|--|-------------------|-------------------------|
| | Monthly Lease Rate Per \$1,000 of Photocopier Purchase Price | | |
| | | | |
| Digital | | | |
| Low Volume Multi-Function | \$27.04 | \$29.30 | \$29.27 |
| Mid-Volume | \$27.04 | \$29.20 | \$29.27 |
| Mid-High Volume | \$27.04 | \$29.00 | \$29.27 |
| High Volume | \$27.04 | \$29.00 | \$29.27 |

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

The Commissioner of Corporate Services Department, Information and Technology Division, has reviewed the Quotations submitted and concurs with the recommendation made.

Conclusion:

This report requests the authority to award a contract to MFP Financial Services, to provide leasing services for photocopiers to the City of Toronto for a three (3) year period in accordance with the requirements of the Information and Technology Division of the Corporate Services Department, being the lowest Quotation received.

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The Administration Committee reports, for the information of Council, having also had before it a confidential report (June 25, 2001) from the City Auditor, entitled “Photocopier Lease – Implicit Interest Rate”, which was forwarded to Members of Council under confidential cover; and further that in accordance with the Municipal Act, discussions pertaining thereto be held in-camera having regard that the subject matter may not be disclosed pursuant to the Municipal Freedom of Information and Protection of Privacy Act.

(City Council at its meeting on July 24, 25 and 26, 2001, had before it, during consideration of the foregoing Clause, a confidential report (June 25, 2001) from the City Auditor, such report to remain confidential, in its entirety, in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act.)