

REPORT FOR ACTION

Leveraging the Province of Ontario's Vendor of Record Agreement to engage CompuCom Canada Co. for the supply of Personal Computing Devices & Services

Date: December 20, 2023

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to leverage "The Ontario Master Agreement" for personal computing devices and services with CompuCom Canada Co. The cost will be \$32,000,000 net of all applicable taxes and charges (\$32,563,200 net of Harmonized Sales Tax Recoveries) over a 3.5-year contract term for the supply, delivery, installation and warranty of desktops, notebooks, tablets and other related products and services for City staff.

Technology Services Division is responsible for providing all City staff with personal computing devices and services such as desktops, laptops, tablets and related hardware and accessories. This service supports procurement and lifecycle management of end user technology equipment for over 20,000 staff across all City of Toronto Divisions.

Since September 2019, the City procured its personal computing devices and services competitively through the City's centralized blanket contract with CompuCom Canada Co. This contract expired effective September 19, 2023 and a short-term bridge contract was put in place to satisfy urgent technology requirements until a new contract is in place in the first quarter of 2024.

In May 2022, the Province of Ontario competitively procured CompuCom Canada Co. as its Vendor for the provision of desktop management services and products, such as desktops, notebooks, windows tablets, monitors and peripherals (accessories). The initial term of the Agreement is for three (3) years, with the option to extend the Agreement on the same terms and conditions for up to two (2) additional one-year terms. This report seeks to utilize the Province's Vendor of Record agreement with CompuCom Canada to take advantage of superior pricing and terms with the added benefit of saving staff time and resources that would otherwise be used to execute a separate procurement.

General Government Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, Article 8.4.A.(4) as the current cumulative contract value exceeds the Chief Purchasing Officer's and the Bid Award Panel's authority

threshold of \$20,000,000 net of Harmonized Sales Tax.

RECOMMENDATIONS

The Chief Technology Officer and the Chief Procurement Officer recommend that:

The General Government Committee grant authority to the Chief Technology Officer to execute a contract with CompuCom Canada Co. to the value of \$32,000,000 net of all taxes and applicable charges (\$32,563,200 net of Harmonized Sale Tax Recoveries) for an initial term of 1.5 years to May 2025 and two (2) additional one-year terms to May 2027, leveraging the Province of Ontario's Vendor of Record agreement that was established through a competitive process.

FINANCIAL IMPACT

The total contract expenditure is \$32,000,000 net of all taxes and charges (\$32,563,200 net of Harmonized Sale Tax Recoveries). Financial impacts are summarized in Table 1 as follows:

Table 1 – Financial Impact Summary of Recommended Contract (Net of Harmonized Sales Tax Recoveries)

Program / Division	WBS Element / Cost Centre	January 1 – December 31, 2024	January 1 – December 31, 2025	January 1 – December 31, 2026	January 1 – May 31, 2027	Total
Technology Services Delivery	CIT702-01-05	\$4,273,920	\$6,817,920	\$7,733,760	\$3,968,640	\$22,794,240
Various Divisions	Operating and Capital account as required	\$2,747,520	\$2,747,520	\$2,747,520	\$1,526,400	\$9,768,960
Total		\$7,021,440	\$9,565,440	\$10,481,280	\$5,495,040	\$32,563,200

Capital Funding in the amount of \$22,794,240 net of Harmonized Sale Tax Recoveries for the contract term to May 2027, has been included in the approved 2023 Capital Budget and 2024-2032 Capital Plan for the Technology Services Division. This is a regular state of good repair component of the lifecycle replacement plan.

Other Operating & Capital Budget:

City Divisions also order equipment on an as-required basis for non-lifecycle management purchases of additional devices and accessories, as approved in and supported by their respective Capital and Operating budgets. While the purchases will fluctuate based on divisional requirements and other unforeseen factors, including Workplace Modernization initiatives, new hires, and continued conversion to a

hybrid/mobile workforce, the contract value takes this into account based on historical averages.

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

DECISION HISTORY

On January 14, 2022, General Government Committee authorized an amendment to Blanket Contract Number 47022430 issued to CompuCom Canada Co. for the supply, delivery, installation and warranty of desktops, notebooks, tablets and other related products and services, increasing the value of the contract by \$18,500,000 net all taxes and applicable charges (\$18,825,600 net of Harmonized Sales Tax Recoveries), revising the current blanket contract value from \$19,043,917 net of all applicable taxes and charges (\$19,379,090 net of Harmonized Sales Tax Recoveries) to \$37,543,917 net of all applicable taxes and charges (\$38,204,690 net of Harmonized Sales Tax Recoveries) and to amend the price increase provisions of the existing agreement, on terms and conditions satisfactory to the Chief Technology Officer and in a form satisfactory to the City Solicitor.

[Agenda Item History - 2022.GL28.4](#)

A Contract Award was made by Bid Committee at its meeting of September 25, 2019, to award Request for Quotation Number 3412-19-0233 through item BA45.2 to CompuCom Canada Co. for a term of three (3) years with the option to renew the Contract for one (1) additional separate one (1) year period, all for a total amount of \$18,543,917 net of all taxes and charges.

[Agenda Item History - 2019.BA45.2](#)

COMMENTS

High demand for technology assets continues to exist for internal City staff. The most recent contract was prioritized to enable remote work resulting from the pandemic as well as the City's hybrid work initiatives such as Return to Office and Workplace Modernization. The shift to hybrid work accelerated contract spend as more expensive laptops were required to replace previously dominant desktops. This new contract will allow the City to return to prioritizing life cycle management based on its 5-year sustainment cycle while also providing net new equipment to support new hires and program needs across all City divisions.

Leveraging the Province of Ontario's Vendor of Record agreements is a proven approach to realize significant financial benefits for municipalities and the Broader Public Sector due to favorable prices and terms achieved through the Province's purchasing power. Utilizing the Provincial Vendor of Record for personal computing devices and services

allows the City to maintain its 2023 hardware pricing at fixed costs for the full 3.5-year term. This is especially favourable when considering the disproportionately higher market rates for hardware due to post-pandemic inflationary pressures.

Choosing not to proceed with this agreement could expose the City to potential price increases and operational delays, consequently hindering return-to-office initiatives and disrupting client lifecycle management, new equipment creating a negative user experience.

Conclusion

The ability for the City to leverage the Province of Ontario's Vendor of Record agreement with CompuCom Canada Co. until May 2027 is essential to meet increasing internal demand for technology hardware and accessories at favourable prices in a timely manner.

The Fair Wage Office has reported that CompuCom Canada Co. has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

CONTACT

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SIGNATURE

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