

NO: **R154**

COUNCIL DATE: **July 9, 2012**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 5, 2012**

FROM: **General Manager, Finance & Technology**

FILE: **RFP#1220-030-2011-040**

SUBJECT: **Award of Contract for the Supply and Installation of and Delivery of Support Services for Printers and Multi-Function Devices**

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## RECOMMENDATION

The Finance and Technology Department recommends that Council approve the award of a contract for a five-year term commencing in July 2012 to Xerox Canada Ltd for the supply and installation of and delivery of support services and related consumables for printers and multi-function-devices (MFD) all as generally described in this report at a price not to exceed \$2,400,000 plus applicable taxes over the full five-year term (i.e., approximately \$480,000 plus taxes per year).

## INTENT

The purpose of this report is to obtain Council approval to award a contract for the supply and installation of and delivery of support services for printers and multi-function devices and related consumables for the City's operations.

## BACKGROUND

The City's printer fleet currently consists of 120 digital multi-function devices and 322 single-function devices that produce an annual volume of approximately 11 million impressions. The City's current five-year agreement with Xerox for such equipment, which includes regular maintenance and servicing, expired on June 30, 2011. That contract has been extended with Xerox on a quarter-by-quarter basis since that time to allow for a full review of the City's requirements and for the process related to selecting a supplier and entering into a new contract.

## DISCUSSION

A Business Task Team (the 'Team') that includes representatives from most of the City's business units was tasked with the following:

- Preparing and issuing a request for proposals (RFP) for a new printer/MFD contract including consideration of the move to the new City Hall;
- Evaluating the proposals that were received in response to the RFP process;
- Testing printing devices as proposed by proponents;
- Identifying potential operational efficiencies in the use of printers and MFDs; and
- Recommending a preferred provider based on the evaluation of the proposals and related equipment.

In the preparation of the RFP the following matters were considered:

- The use of both multi-function devices (printing, copying, faxing and scanning to e-mail) and single-function devices (printing only);
- The location of devices;
- The needs and requirements in relation to the new City Hall;
- Ongoing service and support including consumables such as toner;
- Fleet management, utilization, optimization and sustainability reporting; and
- Training.

The RFP was issued in late 2011 based on a multi-year agreement that would provide a total solution for meeting the City's requirements for printing, copying, faxing and scanning. The RFP identified the need for the selected proponent to supply 120 MFDs and 322 single-function devices that will produce an annual volume of over 11 million impressions per year.

In response to the RFP the City received a proposal from each of the following companies:

- Kyocera Mita Canada Ltd.
- Ricoh Canada Inc.
- Toshiba of Canada Ltd.
- Xerox Canada Ltd.

The proposals were evaluated using the following basic criteria:

- Experience of the proponent;
- Reputation of the proponent;
- Resources of the proponent;
- The technical specifications and testing of the proposed devices; and
- The total cost of the solution as proposed.

Based on the evaluation, the proposal received from Xerox Canada is considered to provide the best value to the City. The devices and services as proposed by Xerox meet or exceed the specifications outlined in the RFP and the pricing as proposed over the 5-year term of the contract is the least costly to the City in comparison to the other proposals. The City's experience with Xerox has been very satisfactory based on their delivery of the current contract.

The proposal from Xerox includes the supply and installation of the required equipment and the provision of on-going support services for the equipment including consumables such as toner. The contract will commence in July 2012 and expire in June of 2017. The cost of the contract is based on a "cost per impression" model. The equipment that is to be delivered by Xerox under the contract is being rolled out over an extended time frame to reflect the move to the new City Hall. As such, the 2012 costs will be less than the costs in subsequent years of the contract. The total cost of the contract based on the estimated copying volumes over the five-year term is \$2,400,000 plus applicable taxes.

## **Funding**

Funding for the 2012 portion of the contract, estimated at \$240,000 for the remainder of 2012, is available within the approved 2012 Budget and funding for the remainder of the contract is identified within the approved Five Year (2012 – 2016) Financial Plan.

## **SUSTAINABILITY CONSIDERATIONS**

The recommendations of this report will assist in achieving the objectives of the City's Sustainability Charter; more particularly, action item EC1: "Corporate Economic Sustainability" that focuses on ensuring the City's resources are used efficiently and responsibly.

## **CONCLUSION**

Based on the above discussion it is recommended that Council approve the award of a contract for a five-year term commencing in July 2012 to Xerox Canada Ltd for the supply and installation of and delivery of support services and related consumables for printers and multi-function-devices (MFD) all as generally described in this report at a price not to exceed \$2,400,000 plus applicable taxes over the full five-year term (i.e., approximately \$480,000 plus taxes per year).

Vivienne Wilke, CGA  
General Manager,  
Finance & Technology