

NO: R158

COUNCIL DATE: July 23, 2018

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## REGULAR COUNCIL

**TO: Mayor & Council** **DATE: July 19, 2018**

**FROM: General Manager, Corporate Services** **FILE: 1355-01**

**SUBJECT: Award of Contract No. 1220-040-2017-065 for Managed Print Services and Print Devices**

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## RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Award Contract No. 1220-040-2017-065, for Managed Print Services and Print Devices, to Ricoh Canada Inc. ("Ricoh") for a five-year term in the total amount of \$3,020,000.00, including GST and PST;
2. Set the total five-year expenditure authorization limit for Contract No. 1220-040-2017-065 at \$3,320,000.00, including taxes and contingency; and
3. Delegate authority to the General Manager, Corporate Services Department, to execute a Contract with Ricoh for a five-year term.

## INTENT

This report seeks Council authority to award Contract No. 1220-040-2017-065, for Managed Print Services and Print Devices, to Ricoh for a five-year term.

## BACKGROUND

In 2017, the City produced over 11.6 million pages of printed material via its inventory of 346 printers and multi-function devices. This output of printed materials represents a 14% increase compared to the City's 2015 baseline year.

Across the organization, staff's ability to print, copy, scan, and fax documents is integral to our internal workflows. Accordingly, we are dependent on the reliability of print and multi-function devices. However, the City's existing corporate printing solution generates one of the highest numbers of IT related support calls from internal customers across the organization. Customer service requests generally pertain to printer disruptions or (lack of) availability. General wear-and-tear is often the leading cause of device malfunction.

The City's existing Contract with Xerox Canada ("Xerox") was awarded by Council in July 2012, Corporate Report No. R154; 2012 (attached as Appendix "I") for the supply, installation, and

delivery of support services for printers and multi-function devices. The Contract was for a five-year term, which expired August 2017. Since then, the Contract has been extended on a month-to-month basis to allow for the process of selecting a supplier and awarding a new contract.

## SCOPE OF WORK

The requirements under a new contract will include the following:

1. Replacement of approximately 346 multi-function and single-function printers;
2. Delivery of comprehensive Managed Print Services ("MPS") to sustain and manage the full inventory of printers;
3. Increased product reliability and productivity; and
4. Improved customer satisfaction.

## PROCUREMENT RESULTS

In June 2017, a Request for Expressions of Interest and Statements of Qualifications ("RFEOI") No. 1220-050-017-012 was issued for the Pre-qualification of Managed Print Services Contractors resulting in the receipt of six responses from the following entities:

1. Xerox Canada Inc.
2. Ricoh Canada Inc.
3. WBM Technologies Inc.
4. Microserve
5. Compugen Inc.
6. PCM Canada

Following an extensive evaluation process, a shortlist of three proponents were invited to participate in Request for Quotation ("RFQ") No. 1220-040-2017-065 for Managed Print Services and Print Devices that was initiated in February 2018.

Based on the RFQ responses, a projected cost for each proposal was determined using the City's print history:

RFQ Proponent	Estimated Annual Cost, including GST & PST	Projected Five Year Cost (based on five-year contract term), including GST & PST
Xerox Canada Inc.	\$576,000	\$2,880,000
Ricoh Canada Inc.	\$604,000	\$3,020,000
WBM Technologies Inc.	\$835,400	\$4,177,000

## EVALUATION

Following an evaluation of proposals from the above noted proponents both Xerox and Ricoh were invited to demonstrate their proposed equipment onsite in a working environment.

The testing of each proponent's respective product was conducted by an Evaluation team led by the Information Technology Division, and comprised of representatives from across the organization including:

- Corporate Services;
- Engineering;
- Finance;
- Surrey Fire Services;
- Surrey Libraries;
- Parks, Recreation and Culture; and
- Planning and Development.

Key criteria used for the evaluation included:

- Proponent experience, reputation, resources of the proponent;
- Breadth and technical fit of proposed devices, software, and managed print service;
- End user experience at the device and at the computer;
- Paper handling, fault management, quality and fidelity of output, speed and durability;
- Service model, consumable logistics, configuration management;
- Administration, integration, reporting; and
- Cost of the solution proposed.

Based on the criteria above and overall evaluation, the Evaluation Team concluded that the RFQ submitted by Ricoh can best meet the City's requirements and provided the best value to the City.

While Ricoh's price offer is \$28,000/year higher than the price offered by Xerox, it was determined that this price difference would be offset by the following:

- Simplified, feature rich end user experience;
- Simple, reliable, support and service backed by a long-standing service delivery record;
- Simplest configuration and setup for IT;
- Meeting or exceeding all specifications outlined in the RFQ;
- Insightful reporting, including sustainability and granular staff consumption reporting;
- Commitment to 97% uptime and onsite response within four hours during business hours resulting in improved staff productivity; and
- At least 18% fewer calls expected to the IT support desk based on the experiences of another local municipality who had recently made a similar switch to the Ricoh product.

Based on the above, the evaluation committee recommends awarding a contract to Ricoh for Managed Print Services and Print Devices in the amount of \$3,020,000.00 over a five-year term.

## **FUNDING**

Funding for this contract extension is available in the annual Corporate Services IT Operating Budget.

## SUSTAINABILITY CONSIDERATIONS

A Contract to replace print devices and implement MPS will support the following Corporate Sustainability objective of the Sustainability Charter 2.0, specifically:

- Objective #2: Continue to embed sustainability into City corporate operations, and the work plans of all departments.

## CONCLUSION

The Corporate Services Department recommends that Council:

- Award Contact No. 1220-040-2017-065, for Managed Print Services and Print Devices, to Ricoh Canada Inc. ("Ricoh") for a five-year term in the total amount of \$3,020,000.00, including GST and PST;
- Set the total five-year expenditure authorization limit for Contract No. 1220-040-2017-065 at \$3,320,000.00, including taxes and contingency; and
- Delegate authority to the General Manager, Corporate Services Department, to execute a Contract with Ricoh for a five-year term.

Rob Costanzo  
General Manager, Corporate Services

Appendix "I" Regular Council Corporate Report No. R154; 2012

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NO: R154

COUNCIL DATE: July 9, 2012

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## REGULAR COUNCIL

TO: Mayor & Council DATE: July 4, 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

**G. CORPORATE REPORTS**

1. The Corporate Reports, under date of July 9, 2012, were considered and dealt with as follows:

**Item No. R154**            Award of Contract for the Supply and Installation of and  
                                 Delivery of Support Services for Printers and Multi-Function  
                                 Devices  
                                 File: RFP#1220-030-2011-040

The General Manager, Finance and Technology submitted a report 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.

The General Manager, Finance and Technology was recommending approval of the recommendations outlined in the report.

It was

Moved by Councillor Villeneuve

Seconded by Councillor Gill

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).

RES.R12-1594

Carried