



City of  
**Peterborough**

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**To:** Members of the Committee of the Whole

**From:** Sandra Clancy, Director of Corporate Services

**Meeting Date:** July 27, 2015

**Subject:** Report CPFS15-037  
Contract Extension of Proposal P-24-12 for the Supply,  
Delivery and Service of Leased Multifunctional Digital Copiers  
for the City of Peterborough and Related Agencies

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## **Purpose**

A report to recommend a three-year extension to P-24-12 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies.

## **Recommendation**

That Council approve the recommendation outlined in Report CPFS15-037, dated July 27, 2015 of the Director of Corporate Services as follows:

That a contract extension for Proposal P-24-12 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies be issued for an additional three years, from December 1, 2015 to November 30, 2018 to Xerox Canada Ltd., 5650 Yonge Street, Toronto, Ontario at an estimated lease and cost per copy cost of \$616,333.68 plus \$80,123.37 HST for a total cost of \$696,457.05.

## **Budget and Financial Implications**

The total \$627,181.15 cost, net of HST rebate will be budgeted for in the various City operating budgets in the applicable years.

Each related agency budgets for their own respective lease and copy costs. All agencies impacted are supportive of extending the contract for the additional three years.

Total savings over the 3 years will amount to \$37,583.28.

## Background

### RFP P-21-12 Overview

Council, at its meeting of November 13, 2012, in considering Report CPFS12-085, dated November 5, 2012, approved the award of RFP P-24-12 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies to Xerox Canada Ltd., 5650 Yonge Street, Toronto, Ontario. Within this award, the City, at its sole discretion, can negotiate for the extension of the contract for two additional one year periods with the successful Proponent.

In May, 2015, Xerox Canada Ltd. approached the City to begin negotiations for the Contract extension, with the following offer:

- a. Change the current contract expiry date to December 1, 2015 from January 31, 2016; and install brand new equipment for December 2015, to accommodate fiscal year-end;
- b. Offer of a three-year extension, instead of two, commencing December 1, 2015 and expiring November 31, 2018;
- c. Benefits to include:
  - i. Replace all current copiers with new models;
  - ii. Standardize the fleet from five to three models with standard features for copy, print, scan, three-hole punch and an office finisher, if physical space is available;
  - iii. Provide enhanced security features;
  - iv. Include single pass scanning – a real time saver;
  - v. Provide device cloning of all copiers which will make for a seamless and less time consuming installation by Xerox and PTS staff;
  - vi. Perform a full assessment of all current copiers; meet with budget holders to review current and future needs and issues; provide options for eliminating current desktop printers; educate staff on new copier features, etc. This would be done in August/September 2015, in conjunction with the City's Purchasing Administrator and a Systems Network Support Specialist.

- d. Provide cost savings in a three-year contract extension. The current and potential costs for a two or three year extension of the Contract are reflected in Chart 1 based on the current configuration of 59 machines. A two year extension, with new equipment, would result in a monthly increase in lease and copy costs of \$4,440.56 over the current costs. A three-year extension would result in a monthly savings of \$1,043.98 over current costs, due to an additional period for amortization.

**Chart 1**  
**Current and Potential Costs**

<b>Feature</b>	<b>Monthly Equipment Lease</b>	<b>Estimated Monthly Cost Per Copy</b>	<b>Estimated Total Monthly Cost</b>	<b>Increase/ (Decrease) over current costs</b>
Current	\$12,209.21	\$5,955.15	\$18,164.36	
Two-Year Lease Extension	\$17,556.07	\$5,048.85	\$22,604.92	\$4,440.56
Three-Year Lease Extension	\$12,071.53	\$5,048.85	\$17,120.38	(\$1,043.98)

Staff are very satisfied with the service provided by Xerox through their local dealer, Red X Technologies Inc. They have provided training to staff, are available to provide advice and solutions in a timely manner, and include other Xerox experts, as required, to assist in solving issues.

Section 17.6.1 a) of Purchasing Bylaw 14-127 states that options to renew an agreement that will cost more than \$100,000 must be authorized by Council or Administrative Staff Committee, depending on who originally approved the award. As Council approved the original award in November 2012, Council must authorize this Agreement Extension.

Submitted by,

Sandra Clancy  
Director of Corporate Services

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