



City of
Peterborough

To: Members of the General Committee

**From: Patricia Lester
Commissioner of Corporate and Legislative Services**

Meeting Date: September 17, 2018

**Subject: Report CLSFS18-039
Award of Proposal #2017-289 for the Supply, Delivery and
Service of Leased Multifunctional Digital Copiers for the City
of Peterborough and Related Agencies**

Purpose

A report to recommend the award of Ontario Education Collaborative Marketplace (OECM) cooperative bid #2017-289 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies.

Recommendations

That Council, approve the recommendations outlined in Report CLSFS18-039, dated September 17, 2018 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the OECM Cooperative RFP #2017-289 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies for the three year period December 1, 2018 to November 30, 2021, be awarded to Xerox Canada Ltd., 5650 Yonge Street, Toronto, Ontario at an estimated lease and cost per copy cost of \$628,328 plus \$81,683 HST for a total cost of \$710,011.
- b) That the Agreement be extended for up to five additional years, with new equipment at the end of the third year, pending satisfactory performance, price and successful negotiation with the supplier.

Budget and Financial Implications

The total \$639,387 cost, net of HST rebate will be budgeted for in the various City operating budgets in the applicable years. The estimated cost is based on the number of machines and the features of those machines currently in use. Actual costs may vary depending on the business needs of the various user departments and agencies.

Each related agency budgets for their own respective lease and copy costs.

The award will result in estimated annual savings of \$53,861 for the City, Police Services and PKED based upon each organizations proportionate use.

Background

About OECM

OECM is a not-for-profit sourcing partner for Ontario's education sector, broader public sector, and other not-for-profit organizations. They contract with reputable suppliers to offer a comprehensive choice of quality products and services, to generate significant savings for their customers. Access to their marketplace is voluntary with no spend or volume commitments. They operate in compliance with the Broader Public Sector Procurement directive to ensure a fair, open and transparent procurement process.

OECM Cooperative RFP #2017-289

OECM worked with Humber College, Plexxus and St. Clair Catholic District School Board to research and draft the RFP. The document included options for purchase or lease for 36, 48 or 60 months, with options for colour, black and white. The document was issued on September 28, 2017 and closed on November 24, 2017.

After the seven stage evaluation process was complete, six proponents entered into negotiations with OECM. The goal was to offer a choice to customers for Vendors that met all the requirements of the RFP, provided best overall solutions and value for the money. Master Agreements were developed and executed with the following supplier partners:

- Canon
- Kyocera/4Office Automation
- PrintersPlus
- Ricoh
- Sharp
- Xerox

One supplier does not provide to the City's geographic area, while 4 of 6 did not provide copiers in the range of 60-74 pages per minute that is currently required for certain business units, leaving a choice of Canon and Xerox. Xerox is the least expensive option.

Historically, the City has determined that machines leased greater than 36 months, result in a higher level of servicing and prevent staff from taking advantage of ever changing technology for longer time periods. All pricing is based on a firm contract for 36 months, with an option to extend until 2026.

The current and potential costs for a three-year contract are reflected in Chart 1 based on the current configuration of 68 machines (all City locations, plus Police Services and PKED). All current machines in use would be replaced with new units. Xerox has over 10,500 units under the OECM Agreement and the closest competitor has less than 1,000 units.

A three-year contract would result in an estimated monthly savings of \$4,482.85 over current costs.

**Chart 1
Current and Potential Costs**

Feature	Monthly Equipment Lease	Estimated Monthly Copy Cost	Estimated Total Monthly Cost	Increase/ (Decrease) over current costs
Current	\$14,665.21	\$7,271.20	\$21,936.41	
Three-Year Lease Contract	\$12,245.50	\$5,208.06	\$17,453.56	(\$4,482.85)

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.

Council Approval Required

Part 8, Section 8.2.1 of the Purchasing By-law 14-127 states, Council must approve an award where the expenditure is greater than \$100,000 and is not a Request for Tenders awarded to the lowest bidder (exception under Section 8.2.2.b.). RFP #2017-289 meets this requirement and must be approved by Council.

Timelines

If the recommendation is approved, an agreement will be prepared and is to be signed by the CAO and Clerk, under their delegated authority to do so, before the work commences.

Summary

RFP #2017-289 for the Supply, Delivery and Service of Leased Multifunctional Digital Copiers for the City of Peterborough and Related Agencies is in accordance with the City's Purchasing By-law 14-127 and can be awarded within approved budgets as recommended in this report.

Submitted by,

Patricia Lester, Commissioner
Corporate and Legislative Services

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