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COUNCIL DATE:

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**

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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