

**TORONTO TRANSIT COMMISSION**

**REPORT NO.**

**MEETING DATE:** September 19, 2007

**SUBJECT:** PROCUREMENT AUTHORIZATION – THE SUPPLY OF PHOTOCOPIER AND FACSIMILE EQUIPMENT

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**RECOMMENDATION**

It is recommended that the Commission approve the issuance of a purchase order to 4 Office Automation Ltd. for the Supply of Photocopiers in the upset limit amount of \$1,303,000 (incl. taxes) for a five year period, commencing October 1, 2007.

## **FUNDING**

Sufficient funds for these expenditures have been included in the 2007-2011 Capital Program (Project 7.1 – End User Computing, Category – State of Good Repair), as set out on Pages 1305-1312, which was approved by City Council on March 7, 2007. Sufficient funds have also been included in the 2007 Operating Budget and will be included in future Operating budget submissions, as required.

## **BACKGROUND**

The Information Technology Services Department provides the photocopier and facsimile equipment for the corporate business infrastructure. This includes the printing convergence planning; product evaluation; configuration; selection assistance; acquisition; implementation and asset management including maintenance reviews and services. This business infrastructure requires obsolete or end of life cycle equipment to be replaced on an ongoing basis based on maintenance reviews. Contingency is planned for growth due to expanding business requirements.

The contract for the supply of photocopiers expires on September 30, 2007 and a new contract is required. The current contract for the supply of facsimile equipment expires on December 31, 2007.

## **DISCUSSION**

Seven companies were invited to submit Proposals, in addition to the public advertisement on TTC's web site on March 16, 2007, out of which six companies submitted proposals for Category 1 – Supply of Photocopiers and seven companies submitted proposals for Category 2 – Supply of Facsimile Equipment.

The Request for Proposal (RFP) requested that any standard agreement the Proponent proposes to be executed prior to award of the contract, be submitted with the proposal. The RFP also contained a clause indicating that the TTC reserves the sole right to negotiate acceptable Terms, Conditions and Requirements with Proponents who the Commission has determined to have offered the best overall proposals.

The RFP was divided into two categories: Category 1 – Supply of Photocopiers and Category 2 – Supply of Facsimile Equipment. Proponents were able to submit a proposal for either one or both of the categories. The Commission reserved the right to award a single contract for both requirements or separate contracts to two suppliers based on the bid results. The term of the contract(s) would be for a period of up to five years with an option to extend for an additional period of up to two years subject to acceptable performance and pricing for the optional two years. Proponents were required to submit pricing based on the configuration and minimum requirements stated in the RFP.

#### Category 1 – Supply of Photocopiers:

This category requested Proponents to submit pricing on Mid Volume and High Volume Photocopiers for which a total of six proposals were received, as summarized on the attached Appendix 'A'.

4 Office Automation Ltd. (4 Office) submitted the lowest priced proposal. They did not take any exceptions to the Commission's Terms and Conditions and their proposal is considered commercially acceptable. However, for technical compliance, they did not meet the requirements for the first copy speeds specified in the RFP (i.e. 3 second per copy) for the Mid Volume and High Volume Photocopiers. First copy speed is the amount of time it takes to produce the first copy, when more than one copy is required (subsequent copies normally take less time). 4 Office proposed a first copy speed for Mid and High Volume photocopiers as 3.5 seconds. All of the remaining respondents also did not meet this first copy speed requirement.

Based on discussions with Legal Department, it was agreed to proceed with an award to the lowest bidder as none of the respondents were able to meet this specification and as this requirement for the first copy speed is not considered a critical requirement.

4 Office is the current supplier of photocopiers and their performance has been satisfactory. Therefore, they are recommended for the award of the supply of photocopiers for a 5 year term.

The recommended upset limit amount includes a 25% contingency allowance to cover variation in usage over the 5 years of the contract. A price comparison is not available as none of the products offered are the same as current products due to model changes and upgrades.

All of the 5 remaining proponents are listed in Appendix A and all are considered acceptable.

Category 2 – Facsimile Equipment:

This category requested proponents to submit pricing on Low, Mid and High Volume Laser Fax machines in addition to the Internet Laser Fax machines for which a total of seven proposals were received as listed on Appendix A and all are considered commercially compliant. However, they are all considered technically non-compliant for various reasons (i.e. unable to meet the capacities stated in the RFP for effective scanning width, image memory, auto-dialer, etc.).

All of the proposals received for this category are considered technically non-compliant due to different deficiencies for each proponent on their proposed equipment relative to the RFP requirements. As a result staff recommends canceling this category and to re-issue a new RFP with more generic requirements.

**JUSTIFICATION**

The issuance of this contract will ensure timely delivery of approved photocopier equipment for the existing business environment and for new requirements; and ensure that the Commission's photocopier infrastructure is maintained in a state of good repair for the next five years.

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August 27, 2007

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Attachment: Appendix 'A'

**APPENDIX A**

**THE SUPPLY OF PHOTOCOPIER AND FACSIMILE EQUIPMENT**

**PROPOSAL SUMMARY**

<b>PROPONENTS</b>	<b>Category 1 – Photocopiers</b>	<b>Category 2 - Facsimile **</b>
	<b>5 YEAR TOTAL</b>	<b>5 YEAR TOTAL</b>
4 OFFICE AUTOMATION	\$ 1,303,000 *	\$112,028
TOSHIBA OF CANADA LTD.	\$ 1,444,000	\$ 95,486
RICOH CANADA	\$ 1,738,000	\$ 110,864
CANON CANADA	\$ 1,798,000	\$ 151,581
SHARP ELECTRONICS OF CANADA LTD.	\$ 1,840,000	\$ 117,397
IKON OFFICE SOLUTIONS INC.	\$ 2,238,000	\$ 612,798
AXIDATA INC.	NO BID	\$75,243

\* Recommended for award.

\*\* Recommended to cancel Category 2 – Facsimile and reissue a new RFP to the seven companies as all submissions are considered technically non-compliant on various items.

