

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: April 27, 2009

SUBJECT: PROCUREMENT AUTHORIZATION – ACQUISITION OF A
XEROX HIGH SPEED COLOUR COPIER

ACTION ITEM:

RECOMMENDATION

It is recommended that the Commission authorize the issuance of a purchase order to Xerox Canada Ltd. (Xerox) in the upset limit amount of \$741,143.27 (including taxes) for the acquisition of a Xerox high speed colour copier (demonstrator model) including five year maintenance, commencing upon delivery of the copier.

FUNDING


Sufficient funds for the purchase of Xerox high speed colour copier have been included in Project 9.1 of the Graphic Services Equipment Replacement Program on pages 1449 – 1456 of the 2009 – 2014 Capital Budget. In addition, funds have been included in the 2009 Operating Budget to cover the first year maintenance cost and sufficient funds will be included in future Operating Budgets to cover service maintenance charges for the remaining four year term.

BACKGROUND

The Commission currently has two Canon high speed colour copiers; one is fairly new and the other has reached its end of life and needs to be replaced. Hence, a new high speed colour copier is required to meet the Commission's current and future anticipated printing requirements.

DISCUSSION

Xerox was requested to submit a sole source proposal for the supply of a Xerox 7000 high speed colour copier (Xerox Copier). Approval for sole source was received on Staff Summary Sheet No. 12274.

The Printing Services section of Graphic Services currently produces approximately 1.3 million colour copies per year. Due to significant expansion of the transit system, increase in  ty related items and staff training requirements, this number is expected to grow to more than 1.7 million copies, based on estimates in the next year. Much of the work

produced is still from customer hard copy, which must be scanned prior to production. The work produced is for Toronto Transit Commission's (TTC) Human Resources, Training, Safety (Including Work Safe Home Safe initiatives) and Rail Transportation departments and to a lesser degree other TTC departments.

The acquisition of the Xerox Copier will satisfy the current print needs estimated while allowing flexibility and expanded capacity in the future. There is no faster competitive equipment in this class currently available in the market. Xerox does offer several models which are faster, however, they are well outside the budget.

The Xerox Copier has a "plug and play" technology already supported by ITS. This technology has successfully been tested and verified by ITS for security and compatibility purposes as a result of three previous successful Xerox installations within Graphic Services, hence, requiring minimal training requirements for both ITS and Graphics. Purchasing equipment other than the Xerox Copier may involve unforeseen testing, evaluations and costs. The Xerox Copier is a proven platform that has successfully been installed globally for more than five years. Staff expects that the Xerox Copier will not only meet the printing requirements, it will also help to minimize overtime requirements during peak periods.

One of Graphic Services primary requirements is that the new digital production equipment interface directly with the new newest version of Avanti software. The Avanti system is a Print Management Information System designed for in-plant production print facilities and has been used by Graphics for approximately 20 years. The system is capable of covering all aspects of the printing process from electronic order entry, plant loading and production control, measures capacity utilization, shipping and permits data sharing/interfaces with other printers (i.e. colour and black and white).

The Xerox Copier is the only copier in the market that is able to interface directly with the Avanti software and is able to export production data directly to the system.

Xerox is offering a demonstrator model to the TTC in the amount of \$198,679 (excluding taxes) which represents a savings to the Commission of \$75,000 off the retail price and will be covered by a Full Service Maintenance Agreement (FSMA) that includes all parts and labour for the duration of the contract.

The cost of the anticipated five year FSMA is approximately \$457,200 (excluding taxes), reference the attached Appendix "A".

It is staff's opinion that the Xerox Copier is the best and most appropriate technology available on the market which is able to meet the current and future needs of the Graphics – Print Services Section.

Xerox submitted an agreement which was reviewed by Legal and is considered acceptable.

Their proposal is considered commercially and technically acceptable and is recommended for award on a sole source basis based on maintaining consistency in related work of knowledge and a significant financial advantage to the Commission.

JUSTIFICATION

This Xerox Copier is integral to the production of critical documents used in the day to day operations of the Commission. Without it, work will need to be outsourced at significantly higher prices as not producing the work associated with this equipment is not an option, as failure to provide these services will negatively impact safety, training, E&C Capital Projects and various other operations throughout the Commission.

April 27, 2009
Attachment: Appendix 'A'

APPENDIX 'A'

PROCUREMENT AUTHORIZATION - ACQUISITION OF A XEROX HIGH SPEED COLOUR COPIER

PROPOSAL SUMMARY

DESCRIPTION	COST
XEROX 7000 HIGH SPEED COLOUR COPIER	\$ 198,679
5-YEAR MAINTENANCE COST	\$ 457,200
SUB-TOTAL	\$ 655,879
GST	\$ 32,793.95
PST	\$ 52,470.32
TOTAL (rounded to 3 digits)	\$ 741,143.27