



## **Procurement Authorization – Personal Computing Devices and Services**

**Date:** January 25, 2024  
**To:** TTC Board  
**From:** Chief Financial Officer

### **Summary**

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The purpose of this report is to seek the Board’s authorization to award a contract to CompuCom Canada Company (CompuCom) for the non-exclusive supply of personal computing devices and services for desktops, laptops, tablets, monitors and other associated accessories, with a total contract value of \$7,650,000, inclusive of HST, for a period commencing upon notification of award and until May 15, 2025, with up to two optional one-year extension terms, at the TTC’s sole discretion.

Personal Computing Devices (PCDs), encompassing desktops, laptops, tablets and monitors serve as critical components of the TTC’s corporate IT network, enabling employees to fulfill their day-to-day responsibilities, seamlessly access essential business systems and applications, and deliver transit operations.

To address the evolving demands of the modern workplace, the TTC annually acquires new PCDs for various purposes, including provisioning equipment for new positions, temporary roles, replacing malfunctioning or obsolete devices, and provisioning of “Work from Home” kits.

For the previous contract, the TTC leveraged the City of Toronto contract with CompuCom. However, as that contract expired on September 19, 2023, a new contract is required in order to meet ongoing requirements.

This newly established contract leverages the Province of Ontario’s Vendor of Record agreement #14952, awarded in May 2022, through an open competitive procurement process. This allows the TTC to benefit from preferred pricing discounts while meeting the TTC’s specific hardware requirements and terms and conditions.

## Recommendations

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It is recommended that the TTC Board:

1. Authorize the award of a contract for the non-exclusive supply of personal computing devices and services for desktops, laptops, tablets, monitors and other associated accessories to CompuCom Canada Company in the amount of \$7,650,000, inclusive of HST, to commence upon notification of award and until May 15, 2025, with up to two optional one-year extension terms, at the TTC’s sole discretion; and
2. Delegate authority to the TTC’s Chief Executive Officer to execute the first one-year term extension option valued at \$3,643,000, inclusive of HST, and the second one-year term extension option valued at \$3,200,000, inclusive of HST, for a total contract value of \$14.493 million.

## Financial Summary

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The total value of the Personal Computing Devices and Services contract award for the initial term commencing upon notification of award to May 15, 2025 is \$7,650,000, inclusive of HST. Additionally, the contract includes two optional one-year extensions at the TTC’s sole discretion. The first extension, covering the period from May 16, 2025 to May 15, 2026, has a value of \$3,643,000, inclusive of HST. Similarly, the second extension, spanning the term from May 16, 2026 to May 15, 2027 has a value of \$3,200,000, inclusive of HST. Table 1 below, summarizes the total contract value of the initial and optional extension terms:

**Table 1: Contract Value of Initial and Extension Terms**

	<b>Initial Term (2024-2025)</b>	<b>Extension 1 (2025-2026)</b>	<b>Extension 2 (2026-2027)</b>	<b>Total</b>
Total Contract expenditure (without HST)	<b>6,770</b>	<b>3,224</b>	<b>2,832</b>	<b>12,826</b>
Non Rebatable HST 1.76%	119	57	50	226
<b>Total Contract Expense</b>	<b>6,889</b>	<b>3,281</b>	<b>2,882</b>	<b>13,052</b>
Rebatable HST	761	362	318	1,441
<b>Total Authority (including HST)</b>	<b>7,650</b>	<b>3,643</b>	<b>3,200</b>	<b>14,493</b>

*(in \$ thousands)*

## Funding and Expenditures

Funds for these expenditures are included in the TTC’s 2024-2033 Capital Budget and Plan, which was approved by the TTC Board at its meeting on December 20, 2023, and will be before City Council for consideration on February 14, 2024.

The capital costs associated with the contract amounts total \$14.493 million, net of HST rebate, for the initial and option years. These costs cover the acquisition of devices for the life cycle management of personal computing devices and services for desktops,

notebooks, laptops, monitors and other associated accessories. The capital expenditures by each year are outlined in Table 2 below:

**Table 2: Capital Expenditures by Year**

Hardware	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	Total Contract Amount
Desktops	971	600	402	198	2,171
Laptops	2,060	1,814	1,373	733	5,980
Rugged Laptops	304	477	401	270	1,452
Monitors	218	522	591	113	1,444
Android Tablets	143	166	143	71	523
Accessories	353	442	350	112	1,257
<b>Total Contract Expenditure (without HST)</b>	<b>4,049</b>	<b>4,021</b>	<b>3,260</b>	<b>1,497</b>	<b>12,827</b>
Non Rebatable HST 1.76%	71	71	57	26	225
<b>Total Contract Expense</b>	<b>4,120</b>	<b>4,092</b>	<b>3,317</b>	<b>1,523</b>	<b>13,052</b>
Rebatable HST	455	452	366	168	1,441
<b>Total Contract (including HST)</b>	<b>4,575</b>	<b>4,544</b>	<b>3,683</b>	<b>1,691</b>	<b>14,493</b>

*(in \$ thousands)*

The 10-Year Capital Plan includes a total of \$46.606 million for the End-User Devices State of Good Repair program, which funds the acquisition of devices to support the life cycle replacement, and the ModernTO: Technology Initiatives project, which funds the equipment for the rollout of “Work from Home” kits, with sufficient funding available over the entire term of the contract between 2024 and 2027, as outlined in Table 3 below:

**Table 3: 2024-2033 Capital Budget and Plan – 7.1 Information Technology**

Project Name	2024	2025	2026	2027	2028-2033	10-Year Total
	Budget					
End-User Devices	5,428	5,419	5,023	2,264	22,844	40,978
ModernTO: Technology Initiatives	1,137	2,165	2,134	193	-	5,628
<b>Total</b>	<b>6,565</b>	<b>7,584</b>	<b>7,157</b>	<b>2,457</b>	<b>22,844</b>	<b>46,606</b>

*(in \$ thousands)*

## **Equity/Accessibility Matters**

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A cornerstone of the TTC's Corporate Plan is accessibility, and as a proud leader in providing accessible public transit in the city of Toronto, one of the TTC's service objectives is a commitment to ensuring a reliable, safe and inclusive workplace for all our employees. This service objective is supported through the continued work of the TTC to acquire and deploy modern and accessible personal computing devices to support the workforce.

Equipping employees with these devices facilitates seamless communication and information sharing, fostering equity for employees, regardless of their physical location or role within the TTC. Furthermore, personal computing devices empower employees with tools that promote inclusivity, such as accessibility features and assistive technologies, ensuring that individuals of diverse abilities can actively participate in the workforce. Also, this contract enables the TTC to address diverse requests by acquiring accessories, such as ergonomic keyboards, mice and monitors tailored to accommodation needs.

## **Decision History**

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The previous contract with CompuCom leveraged the City of Toronto's contract, which was awarded on September 28, 2021 with an expiry date of September 19, 2022 and included an optional one-year extension term. The contract was issued in the total amount of \$4,120,000 (including applicable taxes) and was authorized by staff in accordance with the TTC's Authorization for Expenditures and Other Commitments Policy.

On September 20, 2022, the CEO, as delegated by the Board during the election recess, approved an amendment to exercise the optional one-year extension from September 19, 2022 to September 19, 2023 and to increase the total contract value by \$3,585,000 to \$7,705,000, inclusive of HST.

[Delegation of Authority Exercised during the Board Recess](#)

## **Issue Background**

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Desktops, laptops, tablets and monitors, collectively referred to as Personal Computing Devices (PCDs), play an important role in enhancing the operational efficiency and productivity of the TTC workforce, and remain imperative to meet the evolving demands of the modern workplace. These essential tools serve as foundational of the TTC's corporate IT network, equipping employees with the necessary resources to execute their day-to-day job responsibilities. PCDs facilitate seamless access to critical business systems and applications. Additionally, these devices empower the TTC workforce to efficiently manage and deliver transit operations.

The TTC has approximately 14,920 computing devices deployed across the company, comprising 2,040 desktop computers; 4,050 laptops that include standard lightweight

laptops (3,560) and tablets (490); 230 field devices, including rugged laptops; and 8,600 monitors.

Each year, the TTC acquires new PCDs. This acquisition serves various purposes, including the provision of equipment for newly established positions or temporary roles associated with specific projects or initiatives that necessitate such equipment. Additionally, new devices are acquired to address the replacement of malfunctioning equipment, as well as to substitute existing devices that have reached the end of their useful lifespan and are due for replacement. Over the course of prolonged usage, the operational efficacy of aging device models experiences degradation. This decline in performance is attributable to the natural wear and tear of components and the accumulation of dust, leading to impaired functionality and damaged units over time. Adhering to industry standards, the TTC systematically replaces laptops and tablets after five years of use and desktops after seven years of use.

Finally, as part of the TTC's workplace modernization efforts, consideration is being given to meeting new mobility requirements, as the TTC transitions to shared workspaces with the phased relocation of TTC corporate functions to City office space as part of the City's ModernTO program. As a result, the TTC is also acquiring additional monitors and accessories to provide eligible employees with a "Work from Home" kit to support remote working by ensuring employees have the necessary tools to set up functional remote capabilities.

Previously, the TTC used the City of Toronto contract, specifically awarded to CompuCom Canada Co. under Agreement No. C25PZ21472, to procure the required computing devices. This approach afforded the TTC the advantage of leveraging consistent terms, conditions and pricing, thereby capitalizing on economies of scale for more favourable cost structures. However, the contract with CompuCom reached its expiration on September 19, 2023. Consequently, procurement of a new contract is essential to facilitate the acquisition of new devices in alignment with the TTC's needs.

## **Comments**

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Initially, the TTC and the City of Toronto considered jointly issuing a Request for Proposal. Subsequently, during Q3 2023, the City of Toronto communicated its decision to utilize the Provincial Vendor of Record (VOR) for this requirement. In response to this decision, the TTC aligned its approach accordingly. To mitigate any potential supply disruptions between contracts, the TTC proactively secured an ample inventory before the expiration of the previous contractual arrangement.

This contract leverages the Province of Ontario's VOR Agreement No. 14952, which was established through an open competitive procurement process for the acquisition of personal computing devices and services, which was awarded in May 2022. The use of this VOR allows public-sector organizations, such as the TTC, to leverage preferred pricing discounts while meeting the TTC's hardware specification requirements and its own terms and conditions.

The TTC issued a Request for Quotation (RFQ) to CompuCom on October 4, 2023, with the TTC's specifications for desktops, laptops, tablets, monitors and other associated

accessories. In accordance with the VOR Agreement No. 14952, CompuCom submitted a quote to the TTC on November 20, 2023, with the applicable fixed percentage discount off the Manufacturer's Suggested Retail Price (MSRP), which vary among device types and manufacturers. The pricing model will apply for the duration of the contract term for all products and services, including the optional extension terms.

CompuCom's submission is considered commercially acceptable and is recommended for award. The authorization of this award, and the delegated authority for execution of the option years, will allow the TTC to continue to acquire devices as part of its personal computing device asset life cycle management over the entire term of the contract period.

## **Contact**

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## **Signature**

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