
DATE: February 3, 2012

REPORT TITLE: **CONTRACT EXTENSION FOR MULTIFUNCTIONAL DEVICES
DOCUMENT 2006-382P**

FROM: R. Kent Gillespie, Commissioner of Employee and Business Services

RECOMMENDATION

That the contract (Document 2006-382P) with Ricoh Canada Inc. for the supply of multifunctional devices for the Region of Peel and Peel Regional Police be extended for a six month period in the estimated amount of \$700,000 (exclusive of applicable taxes) in accordance with Purchasing By-law 63-2008;

And further, that contract (Document 2006-382P) with Xerox Canada Ltd. for the supply of colour multifunctional imaging devices for the Region of Peel's Print and Distribution Services be extended for a six month period in the estimated amount of \$60,000 (exclusive of applicable taxes);

And further, that authority be granted to extend the contracts at the conclusion of the six month term for two optional three month periods, subject to satisfactory service, performance and pricing.

REPORT HIGHLIGHTS

- In December 2006, Council approved a four year contract award with optional twelve month extension to Ricoh Canada Inc. for the lease of multifunction devices and high speed copiers for the Region of Peel and Peel Regional Police and to Xerox Canada Ltd. for the lease of print shop copiers. The optional twelve month extension has been exercised and the existing contract will expire on March 31, 2012.
- A Request for Proposal (RFP) to establish a new contract for print and copier needs for the Region of Peel and Peel Regional Police will be issued to the market place in early 2012.
- Staff recommend extension of the existing Ricoh and Xerox contracts and allow for timely completion of the RFP process without causing an interruption in print and copier services.

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DISCUSSION

1. Background

In December 2006, Council Resolution 2006-1177 authorized a contract award to Ricoh Canada Inc. and Xerox Canada Ltd. for the lease of approximately 170 multifunctional devices and high speed copiers by the Region of Peel and Peel Regional Police based on their response to Request for Proposal 2006 – 382P. The contract was awarded for an initial period of four years commencing April 2007 with one optional twelve month extension subject to satisfactory service, performance and pricing. The twelve month extension has been exercised and the existing contract is set to expire March 31, 2012.

There are approximately 350 units that are currently being leased under the existing contract and include approximately 200 black and white units and 70 colour units at the Region of Peel and approximately 80 black and white units at Peel Regional Police. The Region's Print and Distribution Services also operates two Ricoh high speed black and white copy machines for large volume print jobs and two Xerox colour multifunctional imaging devices for all Regional programs. Since the installation of the initial fleet of 170 units in April 2007, approximately 180 additional units were installed over the last five years related to growth in Regional and Peel Police programs and new facilities requiring copy capability.

2. Findings

Over the last year, Information, Systems and Technology Services (ISTS) has been reviewing print and copy usage requirements across all Regional departments to identify efficiencies and develop a strategy to better meet the print and copier needs in the various program areas. Staff also reviewed the merits of leveraging the Ontario Ministry of Government Services (MGS) existing print and copier contract established in early 2010 as the pricing under the MGS contract was extended to the broader public sector including the Ontario Municipalities. Based on their review, staff has concluded that it would be in the best interest of the Region of Peel and Peel Regional Police to seek further potential cost efficiencies in the marketplace for printer and copier requirements by issuing a RFP to the market place in early 2012.

In order to accommodate the completion of the RFP process, authority is being sought to extend the current contract for six months with Ricoh Canada Inc. and Xerox Canada Ltd. for the supply of multifunctional devices and print shop copiers with the option to extend for two optional three month periods.

The proposed direction will allow the Region of Peel and Peel Regional Police employees to have continued access to industry standard technology to assist them in providing quality service to Peel residents. Ricoh Canada Inc. and Xerox Canada Ltd. have been reliable and responsive in providing services over the term of the existing contracts.

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FINANCIAL IMPLICATIONS

Funding is available in the operating budgets in Information, Systems and Technology Services and Peel Regional Police for the contract extension. The rates proposed by the existing vendor for the contract extension period include a 40 per cent reduction in lease costs from the original term of the contract to take into account the age of the fleet.

CONCLUSION

The extension of the existing contract with Ricoh Canada Inc. and Xerox Canada Ltd. will facilitate the completion of the RFP process, to be initiated in early 2012, to seek potential cost efficiencies and to establish a new contract for the supply of print and copier services for the Region of Peel and Peel Regional Police.



R. Kent Gillespie
Commissioner of Employee
and Business Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

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