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Halifax Regional Council
October 11, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Dan English", written over a horizontal line.

Dan English, Acting Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Wayne Anstey", written over a horizontal line.

Wayne Anstey, Acting Deputy Chief Administrative Officer

DATE: October 3, 2005

SUBJECT: **RFP #05-123 - Lease of Mail Folding/Inserter for HRM Printing Centre**

ORIGIN

This report originates from a need to lease a second mail folder/inserter for the HRM Printing Centre.

RECOMMENDATION

IT IS RECOMMENDED THAT HRM AWARD the lease of a second mail folder/inserter for the HRM Printing Centre from Office Interiors at a cost of \$81,557 including net HST for a 60 month lease with funding from Operating Account No. A124 - 6203, Office Services-Office Furniture and Equipment, as per the Budget Implications section of this report.

BACKGROUND

In 2002, the HRM Printing Centre acquired the technology and equipment that enables them to perform variable data printing. This has resulted in the enhanced printing services such as printing of tax bills, pay notices, election notices, summons and other printed pieces that require merging personalized information with pre-printed forms. A very important part of this function is the folding and insertion of these items in envelopes for distribution. The piece of equipment that is needed for this part of the process is a mail folder/insertter. The HRM Printing Centre presently has two mail folder/insertters, one that has an OMR capability and one without. The OMR function enables the mail folder/insertter to read the magnetic code on the bottom of the bill and insert the proper number of sheets for each bill in the correct pre-addressed envelope. This function becomes critical when there are personalized bills or notices that are more than one page, such as the tax bill. With increased messaging on the tax bill along with additional information, more and more of the tax bills are being produced that are more than one page thus making it necessary to process them on a mail folder/insertter that has an OMR capability.

DISCUSSION

A Request for Proposals was advertised to lease a mail folder/insertter to replace one of the existing leased machines that does not have the OMR capability and increased processing speed. Two companies submitted proposals and were evaluated and weighted by a committee of four staff. The following scores were achieved by the two proponents:

Pitney Bowes	84.5
Office Interiors	90.0

Based on these scores, staff are recommending that the mail folder/insertter be leased from Office Interiors at a total cost of \$78,853, exclusive of taxes, for a term of 60 months.

BUDGET IMPLICATIONS

Based on the evaluation process and negotiated price of \$78,853 plus net HST for a total lease payment of \$81,557, funding is available in the Office Services Operating Account, A124-6203. The lease payment will be as follows:

		Including <u>Net of HST</u>
Year One	\$11,393	\$11,784
Year Two	\$16,280	\$16,838
Year Three	\$15,820	\$16,362
Year Four	\$16,294	\$16,853
Year Five	<u>\$19,066</u>	<u>\$19,720</u>
Total	\$78,853	\$81,557

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Maintaining the present level of equipment will result in our inability to process the current or future volumes of tax bills that have more than one page. This is not recommended.

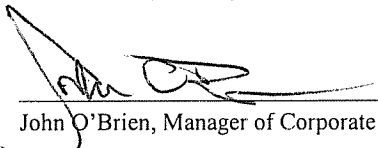
ATTACHMENTS

Schedule "A" - Scoring Sheets


A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Deborah Story, Manager of Marketing, Design & Print Services, 490-6787

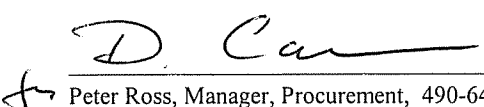
Business Unit Review by:


John O'Brien, Manager of Corporate Communications, 490-6531

Financial Review by:


Barb Palmeter, Financial Consultant, 490-7221

Procurement Process Review by:


Peter Ross, Manager, Procurement, 490-6499

RFP #05-123
Mail/Folding/Inserting Machine
SUMMARY OF PROPOSAL EVALUATION CRITERIA

		Office Interiors*	Pitney Bowes
	MAXIMUM		SCORE
1.0 Expertise			
(a) relevant experience of firm and references & reference sites	10	8	7
2.0 Warranty, Maintenance, & Technical Support	15	15	10.5
(b) warranty			
(c) maintenance and technical support plan			
3.0 Technical	30	28	26
(a) meets or exceeds minimum specifications in Appendix A			
(b) results of demonstration (short listed proponents only)			
4.0 Delivery, Training & Service	25	25	21
(a) delivery & installation schedule			
(b) training plan			
(c) service plan			
(d) response time for service calls			
5.0 Costs & Financial	20	14	20
(a) fixed purchase price and/or			
(b) monthly price based on 60 month lease and/or buy-out price			
(c) insertion rate and applicable coverage, if required			
(d) maintenance cost			
(e) any other applicable costs not included in the above			
Lease Cost based upon 60 month lease		\$94,651	\$ 7 1 , 8 7 5
(Cost including net HST)		(\$97,897)	(\$74,340)
TOTAL	100	90	84.5

* DENOTES HIGHEST RANKING PROPONENT - it should also be noted that staff negotiated a price of \$78,853 PLUS NET HST \$81,557.