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**Halifax Regional Council**

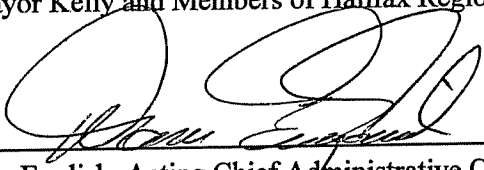
**October 11, 2005**

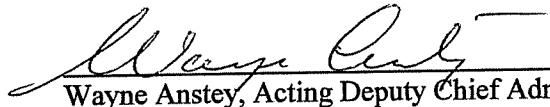
*October 18, 2005*

**TO:**

Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
Dan English, Acting Chief Administrative Officer

  
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Wayne Anstey, Acting Deputy Chief Administrative Officer

**DATE:**

October 3, 2005

**SUBJECT:**

**HRM Printing Centre- Sole Source Lease-Copier**

**ORIGIN**

This report originates from a need to lease a black and white, high-speed copier for the HRM Printing Centre.

**RECOMMENDATION**

**IT IS RECOMMENDED THAT HRM AWARD** the lease of a black/ white copier from Office Interiors at a cost of \$74,220, 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 the past five years, Corporate Communications has invested in the acquisition of new equipment that has moved the Printing Centre from an internal manual printing and copying service provider that used old and unsafe equipment that had fallen behind today's printing technology to a highly functioning electronic printing and copying service provider, using up to date, time and cost efficient equipment. As a result, the HRM Printing Centre is able to provide enhanced services such as variable data printing, used to print the tax bills, pay notices, parking advices and summons and the election notices, thus saving the organization both time and money and keeping these services in-house. In addition, the Printing Centre is able to handle increased volumes of copying from the business units with faster turnaround times and increased quality. With these enhancements, there is more of a demand on the services of the Printing Centre and to meet these increasing demands, we need to add a black and white copier to the existing system.

## **DISCUSSION**

The volume of black and white high speed copying that is being done in the Printing Centre has already exceeded the maximum number of 800,000 copies per month that are recommended for the present copiers, thus placing the maintenance agreement we have with the supplier, Office Interiors, in jeopardy. As all of the high speed copy hardware and software has been either purchased or leased from Office Interiors, it is recommended that all additional equipment connected to this system be leased from Office Interiors to ensure compatibility and the integrity of the service and maintenance agreements we have for the system. It has been our experience in the past that when equipment connected to a single system that is not all from the same supplier, there tends to be reluctance on the part of all the different suppliers to accept responsibility for the problems. We are now receiving excellent customer service from our supplier and have minimal downtime due to equipment failure. In addition, as part of the RFP 02-029R for Electronic Copying Equipment and Software that was awarded to Office Interiors in October 2002, the Maintenance Requirements and Systems Support that was approved clearly states that the Service Provider, Office Interiors, "will be the sole interface with HRM for all equipment proposed in this solution. All service calls are to be placed through the Office Interiors centralized dispatch centre and the response to these calls will be by the Office Interiors service technicians dedicated to the HRM account." As the copy engine is to be connected to the existing Micropress that was purchased from Office Interiors, it should be leased through Office Interiors.

It is preferred that we enter into a 60 month lease rather than purchase the new copier as the technology and requirements for this function frequently change and a lease enables us to upgrade as necessary to adapt to the changes in the scope and volume of the work that is required. Also, the life span of this type of machinery is generally not more than five years based on the yearly volumes that are processed in the Printing Centre.

This equipment is being leased under the "sole source purchase section 7.8.1" of the Procurement Policy which states:

*"Where the compatibility of a purchase with existing equipment, facilities or service is a paramount consideration and the purchase must be made from a single source."*

**BUDGET IMPLICATIONS**

Based on the quoted price of \$71,760 for a 60 month term, plus net HST for a total cost of \$74,220, funding is available in the Office Services operating account, A124 - 6203 to cover the cost of leasing the copier. The lease payments will be as follows:

		Including Net of HST
Year One	\$14,352	\$14,844
Year Two	\$14,352.	\$14,844
Year Three	\$14,352	\$14,844
Year Four	\$14,352	\$14,844
Year Five	<u>\$14,352</u>	<u>\$14,844</u>
Total	<b>\$71,760</b>	<b>\$74,220</b>

**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**

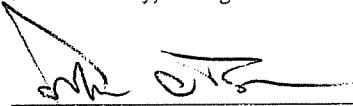
Maintain the present level of equipment currently in the HRM Printing Centre. This would result in increased costs of more printing being contracted outside and the loss of flexibility of having the work done on site. It may also jeopardize current maintenance agreements. This is not recommended.

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.

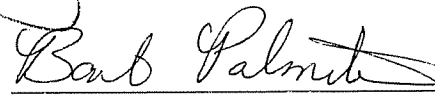
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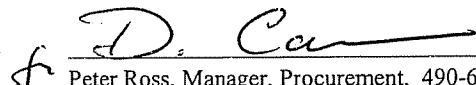
Business Unit Review by:

  
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Financial Review by:

  
Barb Palmeter, Financial Consultant, 490-7221

Procurement Process Review by:

  
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