



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 10.1.3

**Halifax Regional Council
June 16, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in black ink, appearing to read "Dan English".

SUBMITTED BY:

Dan English, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "G. L. Kaiser".

Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services & Strategy

DATE: April 3, 2009

SUBJECT: Award - Sole Source Lease for Neopost Folder Inserter

ORIGIN

The end of lease for existing mailing equipment.

RECOMMENDATION

It is recommended that in accordance with the Sole Source Policy (Administrative Order 35, Section 7(8), Council award the Sole Source Lease for a Neopost DS86 Folder/Inserter to Neopost Leasing Services Canada Ltd for a period of five (5) years for a total lease cost of \$82,840.42 (net HST included) with funding from Operating Account A124-6203 as outlined in the Budget Implications section of this report.

BACKGROUND

The External and Corporate Affairs Department's lease for their current Neopost Folder Inserter expired on November 31, 2008 and has been paid for under a rental agreement since that time.

DISCUSSION

Neopost Canada is the manufacturer and the only lessor for Neopost mailing equipment,. The equipment is approved by Canada Post and fully compatible with HRM's existing Neopost equipment.

The lease of this Neopost equipment, which is Canada Post approved, includes the transfer of ownership of the existing leased folder/inserter to HRM. As this equipment is modular, parts from the existing folder inserter can be utilized to enhance the performance and provide replacement parts for the new machine.

Future maintenance of this equipment will be done under agreement with Neopost.

BUDGET IMPLICATIONS

Based on the quoted sole source Lease Cost, of \$82,840.42 over a five (5) year term, including net HST, funding is available in the Operating Account A124-6203 . The budget availability has been confirmed by Financial Services.

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


There are no recommended alternatives.

ATTACHMENTS

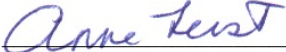
Attachment A - Sole Source Policy, Administrative Order 35, Section 7(8)

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 Storey, Manager of Marketing, Design & Print Services 490-6787

Report Approved by: 

Jennifer Church, Managing Director of External & Corporate Affairs, 490-3677

Financial Approval by: 

Anne Feist, Operations Manager, Procurement, 490-4200

Administrative Order 35
Procurement Policy
Section 7 (8)

8) **Sole Source Purchases:** This occurs when there is only one available supplier of a required product or service that meets the needs of the Municipality. Negotiation is the method of purchase used to complete the terms and conditions for this purchase. A single source purchase occurs:

- (a) 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;
- (b) Where an item is purchased for testing or trial use;
- (c) Where the Municipality purchases supplies for resale;
- (d) Where the Municipality has a rental contract with a purchase option and such purchase option could be beneficial to the Municipality;
- (e) Notwithstanding anything in this policy, where a purchase is determined by Council to be fair and reasonable and is made from a nonprofit corporation supported by the Municipality may make such a purchase as a single source purchase;
- (f) Where items are offered for sale by tender, auction or negotiation such purchase will be deemed to be a single source purchase and the C.A.O. may authorize the submission of a bid or the conduct of negotiations where the C.A.O. determines the purchase to be clearly in the best interest of Halifax Regional Municipality;
- (g) For matters involving security, police matters, or confidential issues, a purchase may be made in a manner that protects the confidentiality of the contractor or the Municipality. Such purchases may be made as a single source purchase. Purchases of this nature must be approved by the C.A.O. Contracts over the value of \$50,000 must be reported to Council (in camera) when appropriate.