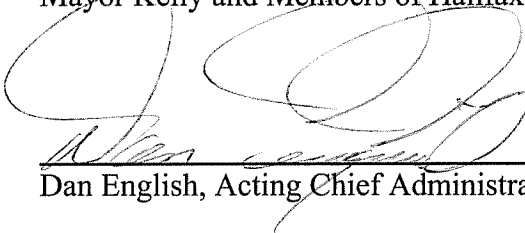


Halifax Regional Council  
October 22, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

  
Dan English, Acting Chief Administrative Officer

DATE: October 16, 2002

SUBJECT: Request for Proposal 02-029R  
Electronic Copying Equipment and Software

**ORIGIN**

A Request for Proposals was advertised to the public in June 2002, for the acquisition of electronic copying equipment and software to replace the photocopier that is presently in the HRM Printing Centre and for which the lease has expired.

**RECOMMENDATION**

It is recommended that :

1. Council authorize the award of Proposal #02-029R to the highest ranking proponent, Office Imaging, for a 60 month lease of two black and white copiers and one colour copier at a total lease cost of \$119,220 plus HST, pending written approval from the Minister of Service Nova Scotia and Municipal Relations as required under Section 88(4) of the Municipal Government Act.
2. Council authorize the award of Proposal #02-029R to the highest ranking proponent, Office Imaging, for the purchase of a Print on Demand system, contingent upon the approval of capital funding in the 2003/04 capital budget. Office Imaging has agreed to hold the price of \$107,042 plus HST quoted in their proposal until the 2003/04 Capital Budget is approved.

## **BACKGROUND**

The mission of Shared Services is to create an internal structure that provides administrative, operational and customer support services to the public, HRM Business Units and ABC's so that services can be enhanced and integrated, resources can be shared and economies of scale achieved.

One of the objectives of Shared Services 2002/2003 business plan is to increase capacity and quality of service in the Printing Centre.

In order to meet this objective, for the next three to five years, it is necessary to expand and improve the services we provide to the business units. This will, in part, be accomplished by retiring the existing twenty year old Multi 1250 printing press, which has become increasingly expensive to service and repair, and the "Silver Master" plate making machine due to its age, condition, and the fact that it requires the handling of toxic chemicals.

As well, with the expiration of the lease on the OCE2600 analogue copier, the opportunity has arisen to upgrade the equipment used in the Printing Centre to create a new largely electronic Printing Centre. Based on our research and the type of requests we routinely receive from our clients, replacing obsolete equipment with new digital technologies will enable us to meet our varied client demands and handle increasing volumes. As well, it will enable us to process electronic job submissions, have digital workflow management, convert hard copy to electronic files, produce Smart Plates from scanned documents and significantly improve the quality and volume of work produced in the Centre. Finally, this new equipment will significantly improve the quality and safety of the workplace environment in the Printing Centre.

## **DISCUSSION**

After a six month period of extensive research into the electronic copying equipment and software now being used in the printing industry and the development of our five year business plan for the Printing Centre, staff of Marketing, Design and Print Services and the HRM Procurement staff developed a Request for Proposal for the lease or purchase of appropriate equipment to enable the

Printing Centre to meet the ever increasing needs of the business units of HRM for copying, printing and bindery services. A total of five companies responded to our Request for Proposals:

Compass  
Ikon  
Minolta  
Office Imaging  
Xerox

Proposals were evaluated on five key areas: expertise; implementation/warranty/expansion; technical/technological; training/service; and costs/financial. The evaluation process consisted of an in depth analysis of the first four components of the proposal by a team of five staff from Shared Services, IS, Procurement and the Municipal Clerk's Office. Once these areas were scored, the Evaluation Team reviewed the cost/financial part of the proposal, at which time an HRM Financial Consultant joined the evaluation team. The Office Imaging proposal received the highest overall score, based on operational requirements, as follows:

The first phase (Recommendations 1) is to replace the equipment being retired to ensure that the Printing Centre can continue to provide printing services to its clients. This will not only be met with the acquisition of the two black and white copiers and one colour copier, but will allow for service enhancements through increased capacity and quality and meet the need for colour copying.

The second phase (Recommendation 2) introduces hardware and software that will enhance the Printing Centre's ability to efficiently service a broader range and increasing volume of print requirements, as well as implement process improvements. This includes the ability to electronically schedule, manage and monitor print jobs, to accept files from Business Units in a wide variety of formats and software programs without having to invest in these programs in the Printing Centre, to schedule jobs to print overnight without operator intervention, to store files electronically for future printing, such as forms, and to do variable data printing. In addition, this Print on Demand system will allow the Printing Centre to use the colour copier for jobs that would have been printed externally or on the old Multi 1250 printing press, as it will enable digital colour proofing and correction. This will represent a significant saving as we will not have to replace the old printing press.

### **BUDGET IMPLICATIONS**

#### **Recommendation #1:**

Funds exist within the Printing Centre's 2002/03 operating budget for cost centre A124 (Office Services) to cover monthly lease payments for the two black and white copiers and the colour copier, as well as per copy charges based on actual usage. It is our intention to continue to charge Business

Units for colour copies, based on a lower internal charge compared to the existing cost of external colour copying.

Minimum annual lease payments and per copy charges will be funded from the operating budget of cost centre A124 for Years 2 through 5 of the lease.

#### **Recommendation #2:**

The purchase of the Print on Demand System, if approved in the 2003/2004 Capital Budget, would represent an expenditure of \$107,042 (plus HST).

**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**

The lease on the present OCE2600 black and white analogue copier has expired, necessitating an evaluation of alternatives for replacement equipment. Prior to the RFP process, various alternatives were evaluated in light of core business requirements. The following two alternatives were not deemed acceptable to meet the Printing Centre's requirements, and would require a new RFP process to pursue further.

**Alternative A: Purchase only one higher capacity black and white copier.**

This alternative was deemed to be unacceptable for the following reasons:

- would not provide a back-up solution in the event that the copier failed
- would not provide for simultaneous printing of a large job on two copiers
- would not allow for simultaneous printing of two jobs, one on each copier
- would reduce flexibility and capacity to do overnight printing.

**Alternative B: Replace existing Multi 1250 2-colour printing press with a new 2-colour press.**

This alternative was deemed to be unacceptable for the following reasons:

- would result in higher costs to HRM than the cost of a colour copier
- would provide more limited colour capability, eliminating the possibility of creating full colour copies
- would limit the flexibility to produce short run full colour jobs.

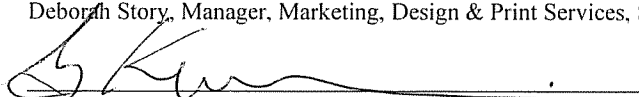
**ATTACHMENTS**

Appendix A: Summary of Evaluation Criteria.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Deborah Story, Manager, Marketing, Design & Print Services, Shared Services

Report Approved by:

  
Geri Kaiser, Director, Shared Services 490-4630

**APPENDIX A**

**HALIFAX REGIONAL MUNICIPALITY**  
**RFP 02-029R ELECTRONIC COPYING EQUIPMENT & SOFTWARE**  
**SUMMARY OF PROPOSAL EVALUATION**

CRITERIA	MAX SCORE	SUBMISSION				
		COMPASS	IKON	MINOLTA	OFFICE IMAGING	XEROX
<b>1.0 Expertise</b> (a) relevant experience of firm (b) relevant experience of the project manager (c) recent experiences relate to projects of a similar nature (d) references & reference sites	15	8	1	7	12	12
<b>2/0 Implementation / Warranty / Expansion</b> (a) implementation plan (b) delivery schedule (c) warranty (d) expansion path	10	1	2	8	10	6
<b>3.0 Technical / Technological</b> (a) technical proficiency - evaluation of base requirements (b) technical proficiency - evaluation of features and benefits of each system (c) samples (d) technological proficiency (e) Bertyl results	30	11	18	16	20	21
<b>4.0 Training / Service</b> (a) training (b) service plan (c) single point of service for service	25	22	14	23	24	21
<b>5.0 Costs / Financial *</b> (based on NPV for 60-month lease, excl. HST)	20	20	19	15	15	0
Total Cash Flow (based on 60-month lease, excl. HST)		\$462,774	\$489,776	\$589,046	\$577,049	\$935,743
<b>TOTAL</b>	100	62	54	69	81 **	60
<b>** Recommended Proponent</b>						
RANKING		3	5	2	1	4

\* **Cost:** Includes base lease charges over 60 months for all equipment specified in the RFP and all other costs identified by the proponents as necessary to the successful implementation and operation of the proposed equipment. For comparability, all proposals were evaluated based on 8,000,000 black & white copies per year and 60,000 colour copies per year.