



## ADMINISTRATIVE REPORT

Report Date: August 20, 2014  
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Meeting Date: September 16, 2014

TO: Vancouver City Council

FROM: General Manager of Financial Services Group, Chief Information Officer  
and Chief Purchasing Official

SUBJECT: Contract Award for the Provision of Managed Print Services

### ***RECOMMENDATION***

THAT Council receive this report for information.

### ***REPORT SUMMARY***

The City issued a Request for Proposal ("RFP") PS20140090 March 2014 for Provision of Managed Print Services. The RFP was advertised on the City of Vancouver's website and BC Bid. The RFP for the work was called in accordance with the terms and conditions of the Procurement Policy. City staff on the RFP evaluation committee, and subsequently, the Bid Committee considered the proposals received and determined that the City should enter into a contract with Ricoh Canada Inc. (Ricoh) for the provision of Managed Print Services for a term of three (3) years with the option to extend the contract for two additional one-year terms, with an estimated value of \$2.029 million plus applicable taxes over the initial three (3) year term with funding to be provided from departmental operating budgets across the organization.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

Under Section 12.6 of City's Procurement Policy (AF-015-01), the Bid Committee's authority to approve the entry into a contract is extended during the summer recess of Council. The services under this contract are continuously required throughout the City. As these services are required in daily operations, the approval during summer recess allows sufficient time to negotiate and enter into an agreement before the expiry of the existing agreement in December. It also allows for the City and the

service provider to plan, implement and execute the services required across the City and avoiding any service interruptions.

## **REPORT**

### ***Background/Context***

As part of daily operations, the City uses a combination of multi-functional print devices, facsimile, scanners, printers, consumables, and related maintenance and support services. Over the past 13 years, the City's print devices were acquired through a combination of leases, purchases, and contract for services. Most of the City's print devices are now nearing or past their useful life, require frequent maintenance, and are not economical to maintain.

The City engaged an industry expert from Forrester to provide us input on current industry trends and corporate best practices regarding print management. The consultation and industry literature points to Managed Print Services (MPS), a pay per use service, as industry's best practice to reduce print costs, reduce environmental footprint, and improve productivity.

Through this RFP, the City sought a service provider with demonstrated capability and experience to transform the City's current print environment to a future state of MPS in which printing services are available, reliable, cost efficient and environmentally responsible.

### ***Strategic Analysis***

The RFP was issued in accordance with the City's Procurement Policy. The City received proposals from five proponents in response to the RFP. The proposals were evaluated through the work of an evaluation team under the stewardship of Supply Chain Management to determine which offered the best overall value to the City. The team comprised of representatives from Information Technology, Vancouver Police Department, Vancouver Park Board, Engineering Services, Sustainability, Finance and Supply Chain Management. In determining which proposals offered the best overall value to the City, both quantitative and qualitative factors such as Managed Print Service ("MPS") experience, price, product and service offerings, business technology and sustainability were considered, among other factors.

Some of the criteria considered in the overall evaluation process included:

- MPS experience
- Financial offerings
- Ability to offer a range of vendor-agnostic and eco-certified (Energy star and UL EcoLogo or Blue Angel) print devices
- Asset management services
- Demand management
- Print fleet optimization
- Consumables and consumables management
- Help desk support services

- Remote monitoring and reporting of print devices
- Move, add, change and dispose (“MACD”) services with a focus on sustainability and cost reduction
- Sustainability initiatives and goals
- End user training

Based on the overall evaluation, the team concluded that the proposal submitted by Ricoh Canada Inc. best met the City’s requirements and provided best overall value to the City.

### *Financial*

The estimated value of the contract is \$2.03M for the three-year contract term, based on an analysis of 2013 print volumes, the current proportion of colour versus black and white printing, and the vendor’s estimated number of print devices required to support the City’s needs.

This estimated contract value reflects a lower cost to the City, however the actual contract value may vary, depending on changes in print behaviour over the term of the contract including:

- changes in print volume
- changes in the proportion of black and white versus colour print
- purchase of additional printers above the contracted number

### *Risks and Considerations - Environmental*

The City expects to see measurable sustainability improvements over the term of the contract which will support the IT Green Operations Plan, including:

- Reporting on energy consumption, paper and toner usage, and end-of-life disposition
- Robust demand management and energy management tools to reduce paper and energy consumption
- A full suite of eco-certified (Energy star and UL EcoLogo or Blue Angel) print devices deployed

### *CONCLUSION*

In summary, the City will enter into a three year contract (with the option to extend for two additional one-year periods, with Ricoh Canada Inc. for the provision of Managed Print Services given that this company’s proposal offered the best overall value to the City.

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