

Clause 10 in Report No. 5 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 29, 2018.

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Contract Awards for the Maintenance and Service
of Print Shop Equipment

Committee of the Whole recommends adoption of the following recommendations contained in the report dated March 1, 2018 from the Commissioner of Finance:

1. Council approve the following direct purchase awards for the maintenance and service of Print Shop equipment:
 - a. Sydney R. Stone & Co. Limited for a three-year term for \$14,155.00, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$5,131.54 per year
 - b. ACCO Brands Canada Inc. for a three-year term for \$18,816.32 for maintenance and service and \$21,400.00 for major parts, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$7,154.00 per year
 - c. Pitney Bowes of Canada Ltd. for a three-year term for \$13,920.00, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$5,500.00 per year
 - d. Bryte Com Incorporated for a three-year term for \$15,900.00, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$5,300.00 per year
2. The Commissioner of Finance be authorized to execute these agreements on behalf of the Region and to exercise the option to renew the agreements for a further term of two years in one year increments, provided that the contractor has performed the services to the satisfaction of the Commissioner.

Report dated March 1, 2018 from the Commissioner of Finance now follows:

Contract Awards for the Maintenance and Service of Print Shop Equipment

1. Recommendations

It is recommended that:

1. Council approve the following direct purchase awards for the maintenance and service of Print Shop equipment:
 - a. Sydney R. Stone & Co. Limited for a three-year term for \$14,155.00, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$5,131.54 per year
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 - d. Bryte Com Incorporated for a three-year term for \$15,900.00, commencing on April 1, 2018 and expiring on March 31, 2021, with an option to renew for two additional one-year terms at \$5,300.00 per year
2. The Commissioner of Finance be authorized to execute these agreements on behalf of the Region and to exercise the option to renew the agreements for a further term of two years in one year increments, provided that the contractor has performed the services to the satisfaction of the Commissioner.

2. Purpose

This report seeks approval for the Region to enter into contracts with Sydney R. Stone & Co. Limited, ACCO Brands Canada Inc., Pitney Bowes of Canada Ltd. and Bryte Com Incorporated for the maintenance and services required for equipment used in the Region's Print Shop.

Council approval is required under Section 18.1 of the Purchasing Bylaw where the term of a proposed contract is for a period greater than five years or where the extension or renewal of a contract or a direct purchase would result in an

aggregate term of greater than five years. Council approval would ensure that Print Shop service contracts are compliant with the bylaw, while helping make contract administration more efficient through the consolidation and harmonization of several agreements.

3. Background

The Region's Print Shop houses several types of equipment to meet the corporation's printing needs

The Region's Print Shop produces a wide variety of printed materials, including reports to Regional Council, booklets, postcards, maps and banners. The Region owns and leases a variety of equipment to produce these materials for all Regional departments and York Regional Police.

Most of the equipment that the Print Shop uses for bindery work (e.g., folding, laminating) is owned, while most of the printers are leased. The age of the equipment in the Print Shop ranges from two years to over twenty-five years.

The Region has long-standing relationships with Sydney R. Stone & Co. Limited, ACCO Brands Canada Inc., Pitney Bowes of Canada Ltd. and Bryte Com Incorporated to maintain and service equipment used in the Print Shop

The Region purchased folding equipment from Sydney R. Stone & Co. Limited in 2009. This machine is used predominantly to fold transit route maps and mail inserts. Sydney R. Stone & Co. Limited has been servicing the folder equipment through a series of one-to-two year agreements. The current agreement expired in 2017.

The Region initially purchased bindery equipment from ACCO Brands Canada Inc. approximately twenty-five years ago. The Region has since purchased various pieces of bindery equipment over the years. The Region currently has a number of service agreements with ACCO Brands Canada Inc. for these various pieces of equipment, with expiry dates ranging from January 1, 2018 through to September 14, 2018.

The Region has an agreement with Pitney Bowes of Canada Ltd. to service equipment used to insert contents into envelopes. This equipment is predominantly used for Ontario Works cheques, immunizations, payroll cheques, and other mail-outs for the Region. The current agreement expires in April 2018.

The Region has an agreement with Bryte Com Incorporated for an ink printer used mainly for envelopes. The agreement is based on a per imprint charge

(e.g., if printing on two sides, each side counts as one imprint). The current agreement expires on March 31, 2018.

4. Analysis and Implications

Maintenance and service agreements are required to maintain Print Shop equipment and support service delivery

Proper maintenance of equipment enables the Print Shop to continue to deliver high quality print material within requested timelines. The Print Shop completed over 6,100 print requests in 2016, or approximately 25 print jobs per business day, for a wide range of materials, including documents and agendas for Regional Council, reports, bookmarks, banners, and maps for Regional departments and various items for York Regional Police. Through proper maintenance, the Print Shop has been able to maximize the useful life of the equipment.

Established agreements help staff efficiently and effectively manage Print Shop equipment

The Print Shop equipment needs to be covered by maintenance and service agreements to ensure that technical support is available. Ad hoc maintenance and service can be disruptive and time consuming and may affect the delivery of printed materials to clients. Consolidated contracts with aligned expiry dates are also easier to manage.

Contracting with the equipment provider ensures that the parts and service are compatible with the specialized equipment

Given the specialized nature of Print Shop operations, a direct purchase with the original equipment providers will ensure that the parts and materials used are ones truly designed for the equipment. This arrangement will also allow for service from the most knowledgeable technicians. This ensures that any required maintenance and repairs are done efficiently and effectively.

Given that the aggregate term of each existing agreement exceeds the five-year bylaw threshold, Council approval is required

Given the longevity of arrangements with the current Print Shop maintenance and service providers, the term of each of the agreements exceeds the five-year threshold permitted under the Purchasing Bylaw. Council approval is therefore required to consolidate, harmonize and establish new agreements with Sydney

R. Stone & Co. Limited, ACCO Brands Canada Inc., Pitney Bowes of Canada Ltd. and Bryte Com Incorporated.

5. Financial Considerations

The new contracts will harmonize several separate agreements, provide certainty in equipment servicing and pricing, and allow for some cost savings

The proposed contract with Sydney R. Stone & Co. Limited is valued at \$14,155.00 (excluding taxes) over three years, which covers the estimated cost of labour and materials. The three-year term represents savings of approximately \$415.00 per year or 8 per cent of the annual renewal cost for years 4 and 5 of \$5,131.54.

The proposed contract with ACCO Brands Canada Inc. is valued at \$18,816.32 for labour and materials and \$21,400.00 for major parts (excluding taxes) over three years. The three-year term for labour and materials represents savings of approximately \$880.00 per year or 12 per cent of the annual renewal cost for years 4 and 5 of \$7,154.00. A relatively significant provision for parts has been included in the three-year term given the anticipated need to replace major components of various pieces of equipment over the next three years.

The proposed contract with Pitney Bowes of Canada Ltd. is valued at \$13,920.00 over three years (excluding taxes), which covers the estimated cost of labour and materials. The Region has the option to renew for two additional one-year terms at approximately \$5,500.00 per year. The three-year contract provides annual savings of approximately \$860.00 or 16 per cent of the renewal cost for years 4 and 5.

Under the proposed contract with Bryte Com Incorporated, the Region will pay \$125.00 per month plus \$0.0025 per imprint (excluding taxes) for the first three years. Based on historical usage, the estimated annual cost for 2018 for this contract is \$5,300.00, for a total three-year cost of \$15,900.00. The optional annual renewal cost for years 4 and 5 is \$5,300.00 per year.

The cost of the proposed contracts is included in the 2018 Budget

There is sufficient room in the 2018 Print Shop budget to cover the costs of these service agreements. Costs for future years will be reflected in the 2019-2022 budget.

6. Local Municipal Impact

There is no local municipal impact associated with this report.

7. Conclusion

Maintenance and service agreements are necessary to ensure the continued efficient operation of Print Shop equipment to meet the printing needs of the Region and York Regional Police. The proposed agreements will ensure that Print Shop contracts are compliant with the Purchasing Bylaw and are expected to result in efficiencies and cost savings to the Region.

For more information on this report, please contact Joseph Silva, Director, Strategy and Transformation, at 1-877-464-9675 ext. 77201.

The Senior Management Group has reviewed this report.

March 1, 2018

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