

TO: CITY MANAGER

2000 April 4

FROM: DIRECTOR FINANCE

SUBJECT: REQUEST FOR PROPOSAL FOR CONVENIENCE COPIERS

PURPOSE: To obtain approval to enter into an agreement for convenience copiers.

RECOMMENDATION:

1. **THAT** the City enter into an agreement with Danka Canada Inc. to supply, install, and support for a five year period a fleet of 57 digital copier/printers at an estimated average monthly cost per copier of \$249, and a digital copier/printer for the Print Shop for an estimated monthly cost of \$630, for a total estimated cost of \$895,000 with final payment based on actual copy and print volumes.

REPORT

1.0 BACKGROUND

At present, the City has 56 convenience copiers located throughout its offices, centres and facilities. All but four of these copiers employ analog technology and are used solely for making copies of existing documents. The remaining four are digital copier/printers which have been in place for the past 18 months. These machines are used both as copiers and as network printers.

The lease for the existing copiers is now due, and the equipment itself is at or near the end of its useful life. When the equipment is replaced, it will be removed by the current supplier, Konica Business Technologies Canada Inc. Ownership will be retained by Konica.

In addition to the fleet of convenience copiers, the Print Shop located in City Hall offers copying services for larger and more sophisticated copying jobs. Included in the proposed fleet is a networked, high speed, well-featured, digital copier/printer which will be used to process print and copy jobs considered too large, complex or labour-intensive for the convenience copier/printers.

2.0 REQUEST FOR PROPOSAL

In response to the City's Request for Proposal, nine firms submitted Proposals for the supply,

installation, training and support of a fleet of 58 photocopiers. The proposed fleet includes replacement units for the existing 56 convenience copiers, an additional unit for an office at the Parks Nursery, as well as a networked digital copier/printer for the Print Shop.

Proposals were received from the following firms:

Danka Canada Inc.	Pitney Bowes of Canada
Konica Business Technologies Canada Inc.	Ricoh Canada Inc.
Minolta Business Equipment (Canada) Ltd.	Ikon Office Solutions
Panasonic Canada Inc.	Xerox Canada Inc.
Lexmark Canada Inc.	

The terms of reference for this Request for Proposal set out the City's requirements with respect to the speed, capacities and features of each copier, as well as the City's expectations regarding service, training and support. Bidders were invited to offer a blend of analog and digital equipment, and were encouraged to offer full-digital solutions as well.

3.0 ANALYSIS OF PROPOSALS

Included in the terms of reference was a menu of evaluation criteria which listed, in part: the equipment's and the bidder's track record for performance and reliability; the performance characteristics of the proposed equipment, including functionality, ease of operation, future enhancements, etc; the financial stability of the bidder; the impact on existing systems and facilities; the value of any benefits not specifically called for in the terms of reference; and the total cost implications.

The Proposals were reviewed by the Print Shop Supervisor, the Assistant Director Information Services and the Purchasing Supervisor, resulting in the following Bidders being short-listed: Konica Business Technologies Canada Inc., Panasonic Canada Inc. and Danka Canada Inc.

The group attended product demonstrations at the short-listed Bidders' premises. The Sharp digital copier/printers demonstrated by Danka performed well, both as printers and copiers, and ranked highest overall in terms of ease of use, graphic displays and functionality.

Five pilot departments were chosen, and Sharp digital copier/printers were installed, connected and tested for approximately six weeks under actual conditions. The equipment performed well, both as network printers and as copiers. Feedback from staff confirm that the equipment is easy to use, the print software works well, and the functionality is useful. The training provided was comprehensive and easy to follow.

The Sharp models selected enjoy a favourable reputation in the marketplace. Similarly, Danka's references suggest that the service and support provided by them continually meet or exceed their customers' expectations.

4.0 TECHNOLOGICAL ADVANCES

Over the past 2 years, the copier industry has experienced significant changes resulting, to a large degree, from advances in copying/printing technology. Until recently, photocopying used only analog processes. Now, with the advent of digital technology, imaging and printing are processed digitally.

The new digital technology offers a number of advantages, namely:

- (i) It is significantly cheaper to print original documents on a digital copier/printer than on a laser printer (less than 5 cents per page on the digital copier/printer, compared with anywhere between 10 and 25 cents per page on a laser printer)
- (ii) Digital copier/printers print at higher speeds than laser printers
- (iii) Copy quality is enhanced, as are the available copy and print options
- (iv) Digital copier/printers can be connected via the network to desktops (serving as printers for any connected desktop, but with enhanced options for page layout, document finishing, etc.)
- (v) Large print jobs can be sent directly to the networked high speed copier in the Print Shop
- (vi) The equipment itself is expected to be more reliable than analog copiers as they have fewer moving parts

By sending large print and copy jobs to the Print Shop (via the network, the Internet or by conventional means), client departments' staff are freed, and queuing at the convenience copier/printers is minimized. In addition, the cost of printing and copying on the Print Shop's networked copier/printer will be lower than that for the convenience copier/printers.

5.0 SUMMARY

Of the nine proposals received, that from Danka represents the greater value overall. Danka is considered to be a capable service provider and is committed to its customers' satisfaction. The Sharp digital copier/printers enjoy a favourable reputation as well, with their reliability, ease of use and enhanced functionality cited as the more attractive attributes.

The all-inclusive cost per copy would see the first 3.8 million copies per year charged at 4.485 cents, and all additional copies at 1.27 cents. In year five, the cost per copy will drop to 1.72

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cents. As before, the proposed lease does not confer any ownership or buyout options to the City.


The estimated volume of 3.8 million copies may prove somewhat conservative should staff more enthusiastically embrace the new technology, thereby diverting more laser-printed originals to the digital copier/printers. It bears noting that the greater the volume through the recommended contract, the greater the overall savings (due to the higher cost of laser printing).

By having a networked, high speed copier/printer in the Print Shop, client departments can more easily than ever manage their large and complex print and copy jobs, in a cost-effective way. Print jobs can be sent via the network, while copy work would be managed in the conventional way. The cost for printing and copying on this equipment would be roughly half of that for the convenience copier/printers.

The recommended solution maximizes the City's resources by: combining copy and print functions into single networked devices; improving the print and copy options and destinations available to staff; facilitating the printing and copying of large and complex jobs through the networked device in the Print Shop; and achieving good value for the City's convenience copier fleet through a competitive, all-inclusive cost per copy lease, and realizing substantial savings by reducing the volume of more costly laser-printed originals.

By opting for a full digital solution to its fleet of copiers, the City is positioned to take advantage of future advances in technology, and is better able to capitalize on future cost-saving opportunities with respect to laser printers, facsimile machines and other document management strategies. This is in keeping with the current trend toward full digital solutions to copier fleets.

Funding for the copiers is provided in the individual department's budgets.



for

Rick Earle
DIRECTOR FINANCE

RR/ba