




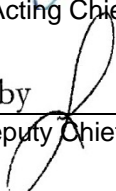
P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.1.1
Halifax Regional Council
January 26, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: December 21, 2015

SUBJECT: Sole Source Award- **Konica Minolta for Halifax Public Libraries**

ORIGIN

Halifax Public Libraries approved 2015/16 Operating Budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award in accordance with sole source provisions of Administrative Order 35, Section 8(11) (A) (a), "To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative," award the contract for public multifunction printing devices for the Halifax Public Libraries to Konica Minolta, for a Total Price \$75,612.32 (net HST included), with funding from Operating Account # B012 6701, as outlined in the Financial Implications section of this report.

BACKGROUND

Halifax Public Libraries offers public copying, faxing and scanning for a fee as part of its service offering.

In late 2013, RFP # P13-341 was issued for a Print Management and PC Time Management solution for the public printers and PCs at Halifax Public Libraries and the highest scoring proponent, Convergent Library Systems was awarded the contract by the CEO of Halifax Public Libraries. The Library does not use the same HRM printing contract because they have a separate ICT department which is not governed by HRM. The printing devices are not for internal use and are a copy for fee solution.

The Convergent software solution requires an integrated payment solution which is installed on the public facing printers and multifunction devices.

DISCUSSION

Konica Minolta is an authorized dealer for the payment hardware required by the Convergent Print Management Solution. The original purchase of the multifunction devices and coin operated controllers for the Halifax Central Library was identified in the capital project scope and was part of the Fixtures, Furniture & Equipment budget. The devices and coin operated controllers for the Central Library were purchased from Konica Minolta as approved by the CAO based on compatibility with the integrated payment solution from Convergent. Konica Minolta is uniquely positioned to provide warranty service and maintenance on both the multi-function copiers and the integrated payment solution. With the goal of providing a consistent public experience throughout all branches, as well as efficient operations, staff have solicited pricing from Konica Minolta for additional multifunction devices including the coin operated controllers required by the payment management software for other libraries. The Konica printing solutions includes eight (8) complete devices which will be placed in six (6) different libraries to accommodate accessibility to the public and five (5) additional Fusion, coin operated controllers to install on current Konica Minolta multifunction devices already purchased for use at other library locations.

FINANCIAL IMPLICATIONS

Based on the Konica Minolta cost of \$72,504.77 plus net HST of \$3,107.55 for a total cost of \$75,612.32 (net HST included), funds are available from Operating Budget B012 6701. Budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. B012 6701 – Operating Budget</u>	
	Cumulative Unspent Budget	\$120,663.00
	Less: Konica Minolta costs	<u>\$ 75,612.32</u>
	Balance	\$ 45,050.68

The pricing detailed in the Budget summary includes delivery installation and training but does not include cost per copy rates which will pay for supplies and maintenance.

The cost per copy charges for supplies and maintenance (including maintenance of the Coin-Op equipment) are consistent with other cost per copy charges for similar equipment at Halifax Public Libraries and will be held firm for three (3) years. Subsequent increases are limited to 5% per year. It can be fairly expected that the normal life-cycle of the equipment will be five (5) years or more, subject to usage.

The cost per copy charges are offset in their entirety by revenue from the coin operations.

ENVIRONMENTAL IMPLICATIONS

There are no known Environmental Implications

ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

Attachment A: Administrative Order 35- Procurement Policy Section 8 (11) (A)

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Tracy LeBlanc, Finance Assistant, Halifax Public Libraries, 490-5051

Report Approved by: _____
Margaret Barry, Director, Finance and Facilities, Halifax Public Libraries, 490-5836

Procurement Review: _____
Jane Pryor, Manager, Procurement, 902.490-4200

Report Approved by: _____
Åsa Kachan, Chief Librarian and CEO, Halifax Public Libraries, 490-5868

Attachment A
Administrative Order 35
Procurement Policy Section 8 (11) (A)
Sole Source/Single Source Purchases

(11) **Alternative Procurement Practices** may be used as follows:

A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.
- (l) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.

The terms and conditions of a sole source/single source purchase shall be negotiated. Sole source/single source purchases over \$25,000 and not exceeding \$50,000 shall be approved by the CAO.