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**Item No. 15.1.1**  
**Halifax Regional Council**  
**October 18, 2022**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** September 23, 2022

**SUBJECT:** **Award – 21-457, RFP Managed Print Services**

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**ORIGIN**

The Halifax Regional Municipality requires Managed Print Services for all business units across the municipality. RFP No 21-457 Managed Print Services was awarded to the highest scoring proponent, Konica Minolta.

**LEGISLATIVE AUTHORITY**

**Halifax Regional Municipality Charter**, S.N.S. 2008, c. 39, subsection 79A(1) provides:

Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
- (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
- (c) the expenditure is legally required to be paid.

**Administrative Order 2020-004-ADM**, the *Procurement Policy*, subsection 28(1) provides:

28(1) The approval authority limits for the awarding of contracts are as follows:

Method	Manager	Director	CAO	Council
Low Value Purchase	\$10,000	\$10,000	\$10,000	\$10,000
Competitive Procurement	Per delegation of authority from Director [not to exceed \$100,000]	\$100,000	\$1,250,000	Any amount

Method	Manager	Director	CAO	Council
Competitive Procurement – Street, sidewalk, & active transportation Construction projects	Per delegation of authority from Director	\$100,000	Any amount	Any amount
Competitive Procurement – Establishment of Standing Offer	\$5,000,000 (Manager of Procurement only)	\$5,000,000 (Director of Finance only)	\$5,000,000	Any Amount
Alternative Procurement	Per delegation of authority from Director	\$100,000	\$1,250,000	Any amount
Alternative Procurement – Urgent Circumstances per 16(1)(d)	Per delegation of authority from Director	\$100,000	Any amount	Any amount

**RECOMMENDATION**

It is recommended that Halifax Regional Council Award the implementation and management of the Managed Print Services Contract to the highest scoring proponent Konica Minolta with the following supporting recommendations:

1. Provision of a full Managed Print Solution for an initial term of five years for an overall total projected cost of \$2,216,391 including net HST as outlined in the financial implications section of this report.
2. Delegate their authority to direct the Chief Administrative Officer (CAO) to execute the agreement resulting in the contract for the installation and operation of the Managed Print Services.
3. Delegate their authority to the Executive Director, IT and CIO to approve a 60-month (5 year) extension and two one-year extensions.

**BACKGROUND**

Managed Print Services (MPS) is a method of managing multi-function devices in a unified manner. While this can be done with internal resources, it is usually associated with outsourcing the fleet to an external vendor, and consists of the following components:

- Provision of hardware devices, software solutions, integration and deployment services;
- Provision of management information through usage reporting and consolidated billing;
- Proactive maintenance of equipment, software and repair services;
- Provision of consumables (i.e. toner, staples); and
- On-going optimization throughout the lifecycle of the contract.

Halifax Regional Municipality (HRM) has contracted the existing managed print service with Xerox since 2013. The overall goals of the managed solution of the 275+ printers of varying classes in the municipality's 100+ facilities is to provide consistency across all fleet models, allowing users to print from any model utilizing cloud printing capabilities. The benefits of a managed service, the multi-function capabilities, and overall appropriate size of the print fleet will allow for an efficient and cost-effective model for the municipality. The current fleet is aging and needs replacing.

## **DISCUSSION**

RFP 21-457 Managed Print Services was publicly advertised on December 15, 2021, closed on February 08, 2022 and HRM entered into contract negotiations with the highest scoring proponent, Konica Minolta with the intent to award a contract in the amount of \$2,216,391 (net HST included).

The benefits to the municipality, once migrated from the existing service, will be dedicated client delivery management, custom reporting on device usage, customized training, strong service level terms, proactive fleet maintenance and monitoring to name just a few of the significant number of managed print service delivery initiatives.

## **FINANCIAL IMPLICATIONS**

The total cost for the initial five-year term of the contract is \$2,216,391 (net HST included). The annual cost of the contract is \$443,278 which is an increase of \$33,278 over the existing budget in A743 – 6205 (IT Client Services – Printing & Reproduction).

There is an expectation that there may be up to one month of overlap between the existing contract and the new contract, which can be accommodated within IT's existing budget for 22/23. The increase to annual contract cost starting in 23/24 fiscal year will be addressed through the regular budget approval process.

Konica will provide monthly invoicing to HRM. The invoice will include an overall summary and a detailed breakdown by device serial number and model, building name, address, depicting monthly device lease cost, mono and color volume, impression cost, as well as Service fees. Costing will also reflect devices being replenished at the five (5) year mark, and the "new" cost at the ten (10) year mark.

## **RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low.

To reach this conclusion, consideration was given to operational, financial, and strategic risks.

## **ENVIRONMENTAL IMPLICATIONS**

Articulated in the discussion section of this report.

## **ALTERNATIVES**

1. Council could direct staff to provide these services through traditional single purposes devices without a managed services agreement. This alternative is not recommended as it would eliminate the financial, environmental, and service improvement benefits of continuing with a managed print solution.

## **ATTACHMENTS**

No attachments.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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