



Report to: General Committee

Meeting Date: June 20, 2023

SUBJECT: 136-S-23 Purchase of Computing Devices and Monitors
through the Ontario Government Personal Computing
Devices and Services (PCDS) Agreement #14952

PREPARED BY: Sugun Rao, Ext. 4868
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RECOMMENDATION:

- 1) THAT the report entitled “136-S-23 Purchase of Computing Devices and Monitors through the Ontario Government Personal Computing Devices and Services (PCDS) Agreement #14952” be received;
- 2) THAT the Province of Ontario supplier Compucom Canada Co. (“Compucom”) be the preferred supplier for the City of Markham for a period of five (5) years effective September 1, 2023 at the same itemized prices as those of the Province with an option for an additional two (2) year extension for personal computing devices and services; and,
- 3) THAT the City’s Tender process be waived as the Ontario Government has undergone their own competitive process and in accordance with Purchasing By-Law 2017-8, Part II, Section 7 Non Competitive Procurement, item 1 (g) which states “Where it is in the City’s best interest not to solicit a competitive bid”; and,
- 4) THAT the total award of \$2,074,763.00 inclusive of HST impact, be funded from the 2023 approved capital account 049-6150-23413-005 Computing Device Replacement; and,
- 5) THAT the Chief Information Officer and Sr. Manager, Procurement & Accounts Payable be authorized to approve any new purchases related to this contract needed due to growth during the term of this contract, subject to budget approval, in a form satisfactory to the City Solicitor and at the sole discretion of the City; and,
- 6) THAT the Mayor and City Clerk be authorized to execute a Personal Computing Devices and Service Agreement with the Province of Ontario and Compucom in a form satisfactory to the City Solicitor; and,
- 7) THAT the Mayor and City Clerk be authorized to execute any future Province of Ontario procurement agreements in related to ITS requirements such as, cellular phone acquisition/plans, IT Security products, Printers, Server and computer acquisition etc., where it is in the City’s best interest not to solicit an additional competitive bid where it is within an approved budget and upon receipt of the Chief Administrative Officer’s approval; and,
- 8) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution

PURPOSE:

The purpose of this report is to obtain Council approval to enter into a new Agreement (PCDS #14952) with the Ontario Government to continue to acquire personal computing devices such as desktops, laptops, tablets, field devices, monitors and deployment services from Compucom.

BACKGROUND:

The City has deployed approximately 1400 computing devices such as desktop computers including library public access computers (551), laptops which include standard, performance and light weight laptops (871) tablets (227), field devices including rugged laptops (64) and monitors (1672). The majority of the devices currently in use have passed their useful lifetime of 6 years, and are ready for replacement.

Industry best practices recommend desktops and laptops be replaced after 4 years. With the new and emerging technologies changes, the performance of the older device model degrades. In addition the natural wear and tear on the parts, results in slower operation and the build-up of dust over time impacts the performance of the cooling fan resulting in damaged or destroyed units. Over the last 3 years, the ITS service desk has seen an upward trend in the number of calls to fix or replace devices that are aging out. The number of service calls has continued to increase year over year and with each call requiring an average of 2.0 hours of service, Staff have determined it is necessary to proceed with replacement.

OPTIONS/ DISCUSSION:

The City's RFP process is the standard approach used for retaining a vendor to provide computer replacement. Although the amount/volume of equipment purchased is not significant enough to be an incentive for large price reductions by vendors, the RFP process provides the City with competitive pricing. Over the past many years, leveraging the Province of Ontario's Vendor of Record (VOR) agreements, has proven to be the most cost efficient approach for municipalities and the Broader Public Sector for the purchase of many goods and services including technology acquisition. Through its provisioning for the Broader Public Sector in Ontario, the Provincial Government offers an opportunity for municipalities to benefit from its purchasing power, if they choose to do so, by including such a provisioning in a number of agreements, including those with technology vendors.

Many publicly funded organizations such as universities, health care institutions, school boards, colleges and municipalities continue to leveraging the Ontario Ministry of Government and Consumer Services Vendor of Record for IT related products and services and not just personal computing devices and services.

Since 2011, the City of Markham has taken advantage of these VOR arrangements and acquired various IT related services

Price Comparisons

Substantial savings can be achieved through a standardized desktop service contracting model and associated best pricing/price escalation protection. The prices under the Ontario Provincial Government – Ministry of Government Services Desktop Management Services and Products Purchasing Agreement are up to 40% lower than the current marketplace.

Desktop Pricing

Beginning in 2017, the previous roll-out of desktops was divided between standard models (85%) and higher performance models (15%) dependent on business requirements. When comparing a standard desktop model under the City's 2017-2022 contract with the new provincial VOR, pricing is approximately \$102 lower per unit. The performance option is approximately \$83 cheaper. The COVID-19 pandemic precipitated the replacement of performance desktops with performance laptops to support hybrid and mobile work.

DESKTOP Including Mouse, Keyboard, Warranty, Monitor	2023 Province of Ontario (Pricing)		2017 Province of Ontario (Pricing)	
	Standard Option	Performance Option	Standard Option	Performance Option
	\$603.00	\$923.00	\$705.00	\$1,006.00

Mobile Device Pricing

The 2017 roll out of laptops was divided between standard models (90%) and higher performance models (10%) dependent on business requirements. When comparing a standard laptop model under the City's 2017-2022 contract with the new provincial VOR, pricing is approximately \$147 lower per unit. The performance option is approximately \$94 cheaper.

LAPTOP Including Mouse, Keyboard, Warranty, Monitor, Dock + PS,	2023 Province of Ontario (Pricing)		2017 Province of Ontario (Pricing)	
	Standard Option	Performance Option	Standard Option	Performance Option
	\$1,050.00	\$1,850.00	\$1,197.36	\$1,943.82

Field [Rugged] Devices

Included with the Ontario Provincial Government – Ministry of Government RFP was pricing for rugged devices. These devices are PCs that are touch screen and more suitable for the field work environment which provides the power and flexibility of tablet computing for various departments (Waterworks, By-laws).

FIELD [RUGGED] DEVICES	2023 Province of Ontario (Pricing)		2017 Province of Ontario (Pricing)	
	CF-55	FZ G2	CF-54	FZ
	\$2,500.00	\$2,600.00	\$2,200.96	\$3,319.41

Staff are currently undergoing the process of reviewing business requirements with clients and departments to finalize the roll out of the new personal computing devices.

In summary, continuing to leverage the opportunity to acquire technology equipment and services through the Ministry of Government Services of Ontario provides tremendous value to the City. The City will realize measurable financial benefits through this approach due to the Province's purchasing power, and will save significant time and effort by avoiding the need for a competitive procurement process using internal resources. Based on these factors, staff recommend the City continue to use vendors retained by the Ministry of Government Services – Ontario, to acquire technology equipment and services that may be needed for the City of Markham in the future as required.

Disposal of Computers

The disposal of the old computers will be done in accordance with Purchasing By-Law 2017-8, Part V and shall be disposed by means of public auction, tender, quotation, donation or recycling after approval has been received from the Chief Administrative Officer and the Treasurer. If disposal is required, Staff will work with the Senior Manager of Waste & Environmental Management to recycle these computers in the most environmentally approved methodology and will pursue any stewardship funding for the recycling of these computers.

FINANCIAL CONSIDERATIONS

The cost of award includes the following components:

Capital Costs

The cost for replacement of computer devices is \$2,074,763.00 inclusive of HST. These costs will be funded from Capital Project 049-6150-23413-005 Computing Device Replacement, with an available budget of \$2,136,960.00

Project	Amount
Budget Available	
23413 - Computing Device Replacement	\$2,136,960.00 (A)
Acquisition of desktops, laptops, tablets, field devices and monitors	
Total Capital Costs	<u>\$2,074,763.00</u> (B)
Budget Remaining	\$62,197.00* (C)=(A) - (B)

*The remaining budget in the amount of \$62,197.00 inclusive of HST will be used for funding vehicle mounting bracket for field devices and other required accessories.

OPERATING BUDGET AND LIFECYCLE RESERVE IMPACT

Operating Budget - No impact

Lifecycle Reserve Impact

Desktops, laptops, tablets and field devices are currently on a 6 year lifecycle – No Impact

In 2017, Monitors were extended from a 6 year to a 9 year lifecycle – No Impact

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:

Sumon Acharjee
Chief Information Officer, ITS

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

None