



Report to: General Committee

Meeting Date: November 14, 2016

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**SUBJECT:** Request for Proposal 197-R-16 Printing and Delivery of Markham Life Magazine

**PREPARED BY:** Emma Girard, Senior Coordinator, Production & Advertising, ext. 2500  
Flora Chan, Senior Buyer, ext. 3189

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**RECOMMENDATION:**

- 1) THAT the report "Request for Proposal 197-R-16 Printing and Delivery of Markham Life Magazine" be received;
- 2) AND THAT the Contract 197-R-16 Printing and Delivery of Markham Life Magazine be awarded to the highest ranked / 2<sup>nd</sup> highest priced bidder, Canmark Communications in the estimated amount of \$723,763.92 inclusive of HST for a period of three (3) years (2017-2019);  
  
2017 - \$241,254.64  
2018 - \$241,254.64  
2019 - \$241,254.64
- 3) AND THAT the Commissioner of Corporate Services be authorized to extend the contract for two (2) additional years (2020-2021) at the same terms and conditions, subject to Council approval of the 2020- 2021 operating budget;
- 4) AND THAT the 2018-2021 Operating Budgets/Purchase Orders will be adjusted for price escalation allowance based on the pulp and paper price index;
- 5) AND THAT the award be funded from Corporate Communication operating budget account 795-796-5874 Markham Life Magazine as identified within the Financial Considerations Section subject to Council approval of the 2017, 2018 and 2019 operating budget;
- 6) AND THAT this report be taken to November 29, 2016 Council meeting;
- 7) AND 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 approval to award the contract for the printing and delivery of Markham Life magazine for a period of three (3) years, with an option to renew for an additional two (2) years, subject to the supplier performance and sole discretion of the City.

**BACKGROUND:**

City of Markham prints four (4) magazines per year (spring, summer, fall and winter) and distributes 86,000 copies per season directly to resident households and for pick-up at various City facilities. The number of copies has increased year-to-year along with the City's continued growth. The magazine provides residents with information on all recreational, cultural and library programming offered by the City, as well as general information and latest City-related news items. Each issue of the magazine has approximately 168 pages of text including a 4-page cover in color, at a size of 7.75" x 10.75".

**PROPOSAL INFORMATION:**

Advertised	Electronic Tendering Network
Bids closed on	September 29, 2016
Number picking up bid documents	5
Number responding to bid	3

The Bid Evaluation team was comprised of staff from Corporate Communications, with staff from Purchasing acting as the evaluation facilitator.

The evaluation was based on the pre-established evaluation criteria as listed in the Request for Proposal: Price 30%, Qualifications and Experience of the Bidder 42%, Demonstrated Understanding of the Project 22%, and Project Management 6%, for a total of 100% with resulting scores as follows:

<b>Bidder</b>	<b>Total Score</b>	<b>Rank</b>
<b>Canmark Communications</b>	<b>81.6</b>	<b>1</b>
Trade Secrets Web Printing Inc.	74.7	2
St. Joseph Communications	71.3	3

\*Bid prices ranged from \$210,679.02 to \$274,328.38 inclusive of HST Impact.

Canmark Communications scored the highest on the technical submission and their proposal demonstrated to the City's satisfaction that they have the experience, equipment and capability to undertake this project and they have a strong understanding of the project related requirements, such as timeline, press check and delivery. Through the evaluation process, Canmark Communications also demonstrated their commitment to the environmentally-friendly yet cost-effective printing solution.

In addition, Canmark Communications has successfully completed similar work, including past issues of Markham Life magazine, for the City with satisfactory performance. Staff is confident of their ability to fulfil all requirements of this contract.

## OPTIONS/DISCUSSIONS

To meet the annual budget, Staff reviewed distribution strategy and recommend reducing each print run by 3,000 copies, from 86,000 to 83,000. Staff have and will continue to provide a communication strategy targeted to residents to increase online viewership of Markham Life, therefore reducing dependency on hard copies. Since 2010, the distribution strategy has allowed the number of paper copies to decrease by 9% (91,000 to 86,000 to 83,000).

Over the past five years staff have been successful in offsetting the majority of the printing and distribution costs of Markham Life through magazine advertising. During the past three years advertising revenue has offset, on average, more than 95% of the external printing and distribution costs.

## FINANCIAL CONSIDERATIONS AND TEMPLATE:

Original Budget and Account #	\$ 287,447.00	795-796-5874 Markham Life Magazine
Current budget available	\$ 250,000.00	Budget allocated for this award
Less cost of award	\$ 241,254.64	2017 Award*
	\$ 241,254.64	2018 Award**
	\$ 241,254.64	2019 Award**
	\$ 780,700.16	Total award (inclusive of HST impact)
Budget remaining after this award	\$ 8,745.36	(\$250,000.00 - \$241,254.64)***

\*The contract award will be funded from the 2017 Operating Budget and subject to Council approval of the annual Operating Budgets. Compared to the current 2016 contract, the cost-per-copy increased by \$0.05, however, by decreasing the copies by 3,000, the City is able to stay within budget.

\*\* The Successful Bidder is able to maintain pricing quoted in the first year, however, due to uncertainty with pulp prices (expected to increase by 8-10% in 2017). Staff will adjust the prices in years 2018-2021 based on the pulp and paper price index.

\*\*\*The remaining budget in the amount of \$8,745.36 may be used for inserts or increase in printing (if required) and will be approved per the expenditure control policy. Any favourable balance will be reported as part of the year-end operating variance and the 2017 operating budget

**LIFECYCLE IMPACT**

Not applicable.

**ENVIRONMENTAL CONSIDERATIONS:**

As stipulated in the bid document, the successful bidder must be Forest Stewardship Council (FSC) certified. FSC is an organization established to promote the responsible management of the world's forests. The FSC certification provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment as well as providing ongoing business value.

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

All affected business units have been consulted and have approved going forward with the award.

**RECOMMENDED BY:**

22/11/2016

X



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Dennis Flaherty  
Director of Corporate Communications

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Trinela Cane  
Commissioner, Corporate Services