

Clause 8 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 25, 2015.

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Contract Award of Office Supplies 2015

Committee of the Whole recommends adoption of the recommendation contained in the report dated June 3, 2015 from the Commissioner of Finance:

1. Recommendations

It is recommended that:

1. Council approve the award of a contract for the supply and delivery of office supplies to Staples Advantage Canada, at an estimated total cost of \$850,000.00, excluding taxes, for a two (2) year term, from September 1, 2015 to August 12, 2017, with the option to renew for an additional one (1) year term.
2. Council authorize the Commissioner of Finance to execute the Master Agreement Adoption Agreement, identifying the terms and conditions which govern the Region's participation in the Ontario Government's Vendor of Record contract.
3. Staff report to Council for approval to exercise the option to renew the contract for an additional term of one (1) year, following determination of the pricing for the renewal term.

2. Purpose

The Region's present contract for the supply and delivery office supplies with Staples Advantage Canada expires on August 31, 2015. The Region has an opportunity to obtain advantageous pricing for the supply and delivery of office supplies through a RFP led by the Ontario Government.

Office supplies include, but are not limited to, the following; office consumables (pens, pencils, notepads, binders, file folders, staplers and calculators),

technology items (headsets and computer monitor stands) small furniture items (filing cabinets and book cases) and miscellaneous items (presentation easels, office recycling containers and meeting room whiteboards).

This contract does not include the annual supply and delivery of copy and print paper used by the Region in print shop operations and departmental requirements.

3. Background

The Region may participate in co-operative purchasing

The Region's Purchasing Bylaw provides for the Region to participate in co-operative purchasing with other government agencies or public authorities, where the appropriate Commissioner determines it is in the best interests of the Region to do so. When it participates in co-operative purchasing, the Region abides by the policies of the agency calling the co-operative bid.

The previous contract for the supply and delivery of office supplies was issued by the Town of Richmond Hill, on behalf of the York Purchasing Co-operative, for a 3 year term with the option to renew for up to 2 additional 1 year terms. The contract was awarded to Staples Advantage Canada and expires on August 31, 2015.

4. Analysis and Options

The existing York Purchasing Co-operative contract for office supplies was compared to the Ontario Government's current Vendor of Record contract for office supplies and the Ontario Education Collaborative Marketplace current contract for office supplies; both permit all broader public sector agencies, including municipalities, to leverage these contracts. As the Ontario Government's Vendor of Record contract represents best value from a cost saving perspective, the York Purchasing Co-operative recommends that its members leverage the contract for office supplies currently in place for the Ontario Government.

The agreement is for an initial term of two (2) years, with an option to renew for a further one (1) year term, subject to renegotiation of pricing.

The Region has been provided with a Master Agreement Adoption Agreement which governs the terms under which the supplies can be purchased. This agreement will obligate the Region to purchase substantially all its office supplies from Staples. The agreement will also bind the Region to the terms of the master

agreement between the Province and Staples, which contains a comprehensive product and pricing list and governs the ordering, delivery and invoicing of supplies.

The projected saving to the York Purchasing Co-operative from participating in the Ontario Government's Vendor of Record contract is estimated at \$160,869.91 or 12.5% annually due to the economies of scale.

The projected saving to the Region is estimated at \$53,125.00 or 12.5% annually.

Link to key Council-approved plans

This report is consistent with the 2015 to 2019 Strategic Plan's priority of good government. It supports the Plan's objective of ensuring a fiscally prudent and efficient Region.

5. Financial Implications

The estimated value of the contract for the initial two year term is \$850,000.00, excluding taxes

The estimated cost of this contract over the initial two year term is based on a point of sale report provided by the incumbent, Staples Advantage Canada, covering the previous two years adjusted by 3% per year to account for estimated staff growth. The Region is not obligated to spend the full value of the award.

The pricing for the renewal term is subject to renegotiation of pricing, which will be undertaken by the Province on behalf of the co-operative group. Following determination of the pricing for the renewal term, staff will report to Council for authority to exercise the option to renew.

Sufficient funding has been included in 2015 departmental budgets and the 2016-17 outlook to cover expenditures associated with this contract.

6. Local Municipal Impact

There is no local municipal impact associated with this report.

7. Conclusion

Office supplies are used on a daily basis by all Regional departments. The award of the contract to Staples Advantage Canada for a 2 year term will enable Regional departments to meet their operational requirements.

For more information on this report, please contact Stan Gal, Director, Supplies and Services Branch, at ext. 71650.

The Senior Management Group has reviewed this report.

June 3, 2015

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Accessible formats or communication supports are available upon request.