

ITEM 10. TENDER - PURCHASE OF ONE PRODUCTION COPIER, INCLUDING ONGOING SERVICING

FILE NO: X005638

TENDER NO: 1651

SUMMARY

This report provides details of the tenders received for the purchase of one production copier, including ongoing servicing.

The City of Sydney's Digital Print Centre needs to replace its current colour production copier as it has reached its end of life contract. The commitment from the supplier, Canon, to honour the existing service agreement is coming to an end and a new device is required.

The tender called for the inclusion of all upfront costs, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation.

This report recommends that no tenders be accepted and that Council enter into negotiations with suitable companies for the purchase of one production copier, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation.

RECOMMENDATION

It is resolved that:

- (A) Council reject tenders received for the purchase of one production copier, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation;
- (B) Council enter into negotiations with suitable companies for the purchase of one production copier, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation;
- (C) authority be delegated to the Chief Executive Officer to enter into a contract, subject to the conclusion of negotiations with suitable companies for the purchase of one production copier, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation; and
- (D) a report be provided to Councillors via the CEO Update immediately following the signing of the contract relating to the tender.

ATTACHMENTS

Attachment A: Tender Evaluation Summary (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The City of Sydney produces a vast array of printed material items, including all Committee and Council business papers, letters, pamphlets, brochures, booklets, newsletters, calendars, cards and flyers. A large percentage of these products are currently being produced in our on demand "Digital Print Centre".
2. The current device (Canon C700) is approximately eight years old and has reached its end of life. Canon will cease its service commitment in approximately four months.
3. To ensure the current levels of service are maintained, a replacement device is required.
4. The tender is to include all upfront costs, including maintenance service calls and the provision of consumables and spare parts, for a period of five years from date of installation.

INVITATION TO TENDER

5. The Tender was advertised in The Sydney Morning Herald, The Daily Telegraph and e-Tender on 5 July 2016. Tender submissions closed on 19 July 2016.

TENDER SUBMISSIONS

6. Five submissions were received from the following organisations (listed alphabetically):
 - Cannon Australia Pty Limited
 - Fuji Xerox Australia Pty Ltd
 - GBC Fordigraph Pty Ltd t/as Neopost Australia Pty Ltd
 - Konica Minolta Business Solutions
 - Ricoh Australia Pty Ltd
7. No late submissions were received.

TENDER EVALUATION

8. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
9. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
10. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) proposed production device and functionality;
 - (b) response times from service technicians;
 - (c) service level agreements;

- (d) delivery time from supply of purchase order;
- (e) experience in servicing organisation of similar size and nature;
- (f) environmental management including recycling and energy savings;
- (g) proposed training of staff;
- (h) Work Health and Safety;
- (i) financial and commercial trading integrity including insurance; and
- (j) lump sum price and schedule of rates.

PERFORMANCE MEASUREMENT

11. The City of Sydney Digital Print Centre will manage the contract and ensure delivery and installation of the device and ongoing servicing will be met, by meeting regularly with the successful provider to discuss Key Performance Indicators.
12. The successful provider will be required to deliver services, repairs and maintenance in accordance with their proposed Service Level Agreement.
13. The City will use the following General Key Performance Indicators to evaluate performance of the successful bidder:
 - (a) key objectives / deliverables;
 - (b) quality of work;
 - (c) time;
 - (d) reporting;
 - (e) communication; and
 - (f) WH&S compliance.

FINANCIAL IMPLICATIONS

14. There are sufficient funds allocated for this project within the current year's capital works/operating budget and future years' forward estimates.

RELEVANT LEGISLATION

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.

17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

18. The current device in the City of Sydney Digital Print Room has reached its end of life. A replacement machine is required by September 2016.

OPTIONS

19. The option to reject and not proceed with the tender is not recommended as the implications result in the decommissioning of the current production copier. This will have implications for the Digital Print Centres capacity to produce all colour work for the City, including Committee and Council business papers.

PUBLIC CONSULTATION

20. No public consultation process was required for this procurement.

SYD CASSIDY

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