

To: Corporate and Finance Services Committee

From: Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

Report Number: CF-23-84

Date of Report: November 1, 2023

Date of Meeting: November 6, 2023

Subject: Request for Tender C2023-090 Computer Equipment and
C2023-092 Microsoft Surfaces and Accessories

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to recommend the contract award for the supply and delivery of computer equipment, Microsoft surfaces and accessories to the lowest responsible bidders meeting specifications, in accordance with the Purchasing By-law 80-2020.

2.0 Recommendation

That the Corporate and Finance Services Committee recommend to City Council:

1. That the Manager, Procurement be authorized to award contracts, as detailed in Report CF-23-84 dated November 1, 2023, being the low compliant bids meeting specifications as follows:
 - a. Request for Tender (R.F.T.) C2023-090 Supply & Delivery of Computer Equipment to CDW Canada Corp., in the amount of \$351,321 excluding all taxes (leasing company Macquarie Equipment Finance Ltd. to pay equipment supplier directly);
 - b. Request for Tender (R.F.T.) C2023-092 Microsoft Surfaces and Accessories to Nova Networks, in the amount of \$188,890 excluding all taxes (leasing company Macquarie Equipment Finance Ltd. to pay equipment supplier directly);
2. That additional funding of \$30,000 excluding all taxes be made available from the Information Technology Reserve to cover other miscellaneous components as required for the computer hardware rollout; and,

3. That, pursuant to the requirements of Ontario Regulation 46/94, the Treasurer of the Regional Municipality of Durham be advised that the City will be entering into a financing lease with Macquarie Equipment Finance Ltd. on the terms stated in Report CF-23-84.

3.0 Executive Summary

The City issued Request for Tenders (R.F.T.) for the annual acquisition of computer hardware, including computers, servers, tablets and accessories necessary to meet the technology requirements of the City. To increase competition the computer hardware was separated into two separate bids. R.F.T. C2023-090 for supply and delivery of Computer Equipment and R.F.T. C2023-092 for supply and delivery of Microsoft Surfaces and Accessories.

The computer hardware rollout will be financed by a lease with the City's leasing provider, Macquarie Equipment Finance Ltd. Additional or supplemental equipment that may be necessary during 2023/2024 will be funded from the operating budget.

This report is being issued in accordance with Ontario Regulation 46/94 of the Municipal Act 2001 and the City's Leasing Policy.

4.0 Input From Other Sources

Not applicable.

5.0 Analysis

The City's computer hardware acquisition is financed through third party leases due to the following advantages:

- Establishment of a regular replacement program for equipment with a high rate of obsolescence;
- Predictable operating costs; and
- Lessor retains used/outdated equipment at the end of the lease and absorbs all disposal costs.

The City of Oshawa procures computer hardware to meet the technology requirements of the City and participating external agencies including the Oshawa Public Library, Oshawa Senior Community Centres, and the Robert McLaughlin Gallery. In 2023, the City needs to acquire computer hardware to replace existing three (3) year old equipment and facilitate a migration to a more effective remote work force.

5.1 Background

The City of Oshawa procures computer equipment, servers and tablets to meet the technology requirements of the City and participating external agencies including the Oshawa Public Library, Oshawa Senior Community Centres, and the Robert McLaughlin Gallery.

Information Technology Services (I.T.S.) staff consulted with City departments and participating external agencies to determine their specific technology requirements for 2023/2024. Based on this needs assessment, I.T.S. developed the specific hardware requirements for notebook computers, monitors, servers, and tablets required.

Procurement issued Request for Tenders to known companies providing these goods and services. To increase competition, an advertisement for each of the bids was placed on the City of Oshawa website.

5.2 Bid Results

5.2.1 Request for Tender C2023-090 Computer Equipment

Three (3) submissions were received and opened by Procurement on October 12, 2023. Upon review of the tenders submitted, all were deemed compliant with the requirement of the R.F.T.

CDW Canada Corp. submitted the lowest compliant bid for Computer Equipment, meets the specification, and satisfies the requirements of the R.F.T.

The following is a tabulation of the bids received (excluding all taxes):

Item	Bidder	Total Bid Amount	Bid Compliance
1	CDW Canada Corp.	351,321	Yes
2	New Vision Systems Canada Inc.	354,500	Yes
3	Nova Networks	390,512	Yes

(Item #1 – Recommended Lowest Responsible Bid)

5.2.2 Request for Tender C2023-092 Microsoft Surfaces and Accessories

Four (4) submissions were received and opened by Procurement on October 11, 2023. Upon review of the tenders submitted, all were deemed compliant with the requirement of the R.F.T.

Nova Networks submitted the lowest compliant bid for Microsoft Surfaces and Accessories, meets the specification, and satisfies the requirements of the R.F.T.

The following is a tabulation of the bids received (excluding all taxes):

Item	Bidder	Total Bid Amount	Bid Compliance
1	Nova Networks	\$188,890	Yes
2	CDW Canada Corp.	\$200,066	Yes
3	Compugen	\$203,597	Yes
4	Eclipse Technology Solutions	\$203,743	Yes

(Item #1 – Recommended Lowest Responsible Bid)

5.2.3 Additional or Supplemental Hardware Acquisitions

Both tenders included additional or supplemental hardware acquisitions as required during the year to respond to maintenance issues, damaged equipment and new requirements. Purchasing/Financing Arrangements

Macquarie Equipment Finance Ltd. pays the equipment supplier directly and finances this acquisition for the City and the interest rate remains fixed for the entire three-year period.

6.0 Financial Implications

The following chart shows the total estimated costs for the computer hardware including an allowance for additional/supplemental equipment and miscellaneous costs.

Estimated Cost of Computer Hardware	\$
Computer Equipment	351,321
Microsoft Surfaces and Accessories	188,890
<hr/> Sub-total	<hr/> 540,211
Savings by leasing	(28,085)
<hr/> Equipment Requirements (three year lease costs)	<hr/> 512,126
Miscellaneous Items	30,000
<hr/> Sub-Total Estimated Costs excluding Taxes	<hr/> 542,126
HST 13%	70,476
<hr/> Total Estimated Costs Including Taxes	<hr/> 612,602
Less HST Rebate	(60,935)
<hr/> Net Cost of Equipment	<hr/> 551,667

Additional cost of up to \$30,000 for miscellaneous components will be funded from the IT reserve.

7.0 Relationship to the Oshawa Strategic Plan

This report meets the Oshawa Strategic Plan objective of Accountable Leadership by ensuring respect, responsiveness and transparency.

A handwritten signature in black ink, appearing to read 'S. Sinnott', written in a cursive style.

Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department