Agenda – Executive Policy Committee – April 13, 2016

REPORTS

Item No. 8 Award of Contract for the Supply and Delivery of Computer Hardware and Accessories, Request for Proposal No. 587-2015

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That Council approve the award of contract for RFP 587-2015 Supply and Delivery of Computer Hardware and Accessories for the period from May 1, 2016 to April 30, 2019 to Powerland Computers Ltd. Alternative 1, Option 1 as the bidder who submitted the most advantageous offer in the amount of $5,592,028.00 GST and MRST extra as applicable.

ADMINISTRATIVE REPORT

Title: **Award of Contract for the Supply and Delivery of Computer Hardware and Accessories, Request for Proposal No. 587-2015**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Robert	L. Burch	P. Olafson A/CFO	D. McNeil

RECOMMENDATIONS

That Council approve the award of contract for RFP 587-2015 Supply and Delivery of Computer Hardware and Accessories for the period from May 1, 2016 to April 30, 2019 to Powerland Computers Ltd. Alternative 1, Option 1 as the bidder who submitted the most advantageous offer in the amount of $5,592,028.00 GST and MRST extra as applicable.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract exceeds $5,000,000.00 Council approval is required.

EXECUTIVE SUMMARY

Request for Proposal 587-2015 Supply and Delivery of Computer Hardware and Accessories provides for efficient procurement of computer hardware including desktop personal computers and laptops which are required on a regular basis.

This is a standing order contract with Powerland Computers Ltd. to supply computer hardware and accessories for the period of May 1, 2016 to April 30, 2019, structured as follows:

- The following goods, in the amount $5,592,028.00 (GST and MRST extra) supplied and delivered by Powerland Computers Ltd:
    - Desktop personal computers (PC)
    - Laptops
    - Windows Tablets
    - Monitors
    - Desktop/Laptop accessories
    - Thin Clients
    - Nano PCs
    - Ruggedized Laptops
    - Ruggedized Tablets
    - Ruggedized Printers
    - Uninterrupted Power Supplies
    - Endpoint Management System endpoints

The work shall be done on an “as required” basis during the term of the contract.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this contract will be scheduled within 2016 to 2019 operating budget projections of all City departments.

HISTORY

The previous contract for Supply of Computer Hardware and Accessories expired on December 31, 2015. A single source, interim contract from January 1, 2016 to April 30, 2016 has been approved by the Manager of Materials on December 29, 2015 and is currently in effect.

RFP 587-2015 is for a new standing order contract with one or more qualified computer value-add resellers to supply computer hardware and accessories from May 1, 2016 to April 30, 2019 with three mutually agreed upon one-year extensions.

New computer hardware is regularly needed to replace obsolete and non-functional City Desktop PCs, laptops, tablets, monitors, ruggedized devices, uninterrupted power supplies (UPS) and other computer accessories for all City departments. Having current and functional hardware is essential for staff to continue providing critical business functions that support service to the citizens of Winnipeg.

The standing order agreement would ensure competitive pricing on computer products that can be acquired efficiently as required. Using qualified, value-add resellers provide consistency to leverage supported vendor architectures to improve support efficiencies, availability, functionality and security.

As per B22.5, This Contract may be awarded as a whole (Alternative 1) or separately in sections (Alternative 2) as identified on Form B: Prices.

> B22.5.1 Notwithstanding B9.1, the Bidder may, but is not required to, bid on both alternatives, or on any one or more sections in Alternative 2.
>
> B22.5.2 Notwithstanding B23.3, the City shall not be obligated to award any section to the responsible Bidder submitting the most advantageous offer for that section and shall have the right to choose the alternative which is in its best interests. If the Bidder has not bid on both alternatives or on all sections in Alterative 2, he/she shall have no claim against the City if his/her partial offer is rejected in favour of an award of the Contract on the basis of an alternative or section upon which he/she has not bid.

The City received 6 proposals from 5 bidders listed as follows:

CDW Canada Corp
EPIC Information Solutions Inc.
Insight Canada Inc.
Integrated Power Services
Powerland Computer Ltd.

Powerland Computers Ltd. is the only bidder to provide a complete bid for the award of the contract as a whole (Alternative 1). The total bid price of Alternative 1 was lower than the total bid price of the most favourable combination of bids per section (Alternative 2). Powerland Computers Ltd. was also the only bidder who submitted a bid for all sections under Alternative 2.

For all bidders who bid on Sections A, C, D and E under Alternative 2 Powerland had the most advantageous offer for each Section.

All bidders who bid for Section B should be determined to be non-responsive. Notwithstanding the non-responsive bids, Powerland Computers Ltd. has the most advantageous offer for Section B and the irregularity included in their proposal is not considered material.

Powerland Computers Ltd. has the most advantageous offer for Alterative 1 - Award as a Whole. In accordance with B22.5.2, the City may choose the alternative which is most advantageous to the City. The Contract Administrator recommends Alternative 1 be considered for award. If the City chose to award Alternative 2 - Award by Section, the estimated value of the contract is $5,771,126.50. There are savings of $179,098.50 by awarding Alternative 1 – Award as a Whole.

The requirements for Bid and Performance Securities, and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Standard FM-002.

The Contract Administrator has reviewed the work with the recommended bidder and is satisfied that they have the necessary resources and experience to perform the work of the contract in accordance with the requirements of the Request for Proposal.

The recommended bidder has received all addenda prior to the award of the contract, and have agreed in writing that the addenda form part of the contract. The Purchase Order will specify that the award is subject to the terms and conditions set out in Bid Opportunity 587-2015, including all addenda thereto.

Section D2.4 of the RFP states:

Notwithstanding D2, in the event that operational changes result in substantial changes to the requirements for Work, the City reserves the right to alter the type or quantity of work performed under this Contract, or to terminate the Contract, upon thirty (30) Calendar Days written notice by the Contract Administrator. In such an event, no claim may be made for damages on the ground of loss of anticipated profit on Work.

The proposals are open for acceptance until May 2, 2016.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 21, 2016

Project Name: **First Year of Program** **2016**

Award of Contract for the Supply and Delivery of Computer Hardware and Accessories, Request for Proposal No. 587-2015

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,342,087	$ 2,013,130	$ 2,013,130	$ 671,043	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,342,087	$ 2,013,130	$ 2,013,130	$ 671,043	$ -
Less: Existing Budget Amounts	1,342,087	2,013,130	2,013,130	671,043	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The direct costs above represent $5,592,028 plus 8% MRST for a total of $6,039,390. The suplier will collect GST and MRST. However, GST is not included in the above costs as the City receives 100% rebate on this tax. The contract period is from May 1st, 2016 to April 30th, 2019.

2. Funding for this Contract is through the budgets of the various user departments. The goods are purchased and used by various City departments during the term of the Contract. The financial impact will have to be determined by the user departments on an individual basis. The City reserves the right to alter the type or quantity of work performed under this contract, or to terminate the Contract, upon thirty (30) Calendar Days written notice by the Contract Administrator.

Original signed by R. Hodges
Ramona Hodges
Manager of Finance (Campus)
Coroporate Finance

OUR WINNIPEG POLICY ALIGNMENT

This initiative aligns with:
01-3 Prosperity (Direction 1): Provide Efficient and Focused Civic Administration and Governance

CONSULTATION

In preparing this Report there was consultation with:

Materials Management Division
Legal Services Department (as to legal issues)

SUBMITTED BY

Department:	Corporate Support Services
Division:	Business Technology Services
Prepared By:	J.P. Robert, Desktop and Mobility Services Coordinator
Date:	March 22, 2016
File No.	