



## 209-2010 ADDENDUM 2

### PRINT SOLUTIONS AND RELATED SERVICES

#### URGENT

**PLEASE FORWARD THIS DOCUMENT TO  
WHOEVER IS IN POSSESSION OF THE BID  
OPPORTUNITY**

ISSUED: July 23, 2010  
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**THIS ADDENDUM SHALL BE INCORPORATED  
INTO THE BID OPPORTUNITY AND SHALL  
FORM A PART OF THE CONTRACT  
DOCUMENTS**

Template Version: A20070419

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Please note the following and attached changes, corrections, additions, deletions, information and/or instructions in connection with the Bid Opportunity, and be governed accordingly. Failure to acknowledge receipt of this Addendum in Paragraph 9 of Form A: Bid may render your Bid non-responsive.

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#### PART A – PROPOSAL SUBMISSION

Replace: 209-2010 Proposal Submission with 209-2010 Addendum 2 - Proposal Submission. The following is a summary of changes incorporated in the replacement Proposal Submission:

Revised:

- lines reading Make / Model have had the words (please indicate) added.
- lines reading 20 PPM to read Pages Per Minute (please indicate).
- various changes to library requirements

Page numbering on some forms may be changed as a result.

#### PART B – BIDDING PROCEDURES

Revise: B2.1 to read:

B2.1 The Submission Deadline is **12:00 noon**,. Winnipeg time, **August 16, 2010**.

Revise: B11.2.1 to read:

B11.2.1 The devices listed on Form B: Prices shall be for new equipment only, **except when providing options for refurbished equipment for libraries or for short term rental. Your submission must clearly state when refurbished equipment is proposed.** It does not include any devices that are currently in operation at the City locations.

Revise: B11.9 to read:

B11.9 Cost per page (short term) – please indicate the cost per page based on a short term rental. From time to time, the City may require additional technology for short term events. **Refurbished equipment will be acceptable for these needs.**

Revise: B12.1 to read:

B12.1 The Bidder shall complete Form N with approximate numbers of existing devices that will remain in the City fleet grouped by low, medium and high volume classes. The pricing model column shall also be completed as per B14.10.2. Total pricing from Form N will be added to the total price required from Form B :Prices for the entire Contract.

Revise: B22.4.1 to read:

B22.4.1 Further to B22.4, the City will use the following quantities for evaluation purposes only (10% being colour):

- |                                    |  |
|------------------------------------|--|
| (a) Low volume – 6,000,000 copies  | <b>1400</b> devices ( <b>1260</b> Black & White, <b>140</b> Colour); |
| (b) Mid volume – 16,000,000 copies | <b>300</b> devices; ( <b>270</b> Black & White, <b>30</b> Colour)    |
| (c) High volume – 6,000,000 copies | <b>30</b> devices. ( <b>27</b> Black & White, <b>3</b> Colour);      |

Options will be evaluated using the quantities of copies and quantities of devices equally divided among the options proposed for each class.

## **PART D – SUPPLEMENTAL CONDITIONS**

### **D11 PERFORMANCE SECURITY**

D11.1 The Contractor shall provide and maintain Performance Security until one (1) month after the total performance of the Contract in the form of:

- (b) Performance Bonds of a company registered to conduct the business of a surety in Manitoba in the forms attached to these Supplemental Conditions (Form H1: Performance Bonds); the first ("Initial Performance Security") for one year in the amount of two hundred fifty thousand dollars (\$250,000), and subsequent performance bonds ("Renewal Performance Security"). Each such Renewal Performance Security shall be no less than one (1) year in duration and in the amount of two hundred fifty thousand dollars (\$250,000). In addition to the Performance Bond, the Contractor shall provide an irrevocable Standby Letter of Credit issued by a bank or other financial institution registered to conduct business in Manitoba, in the form attached to these Supplemental Conditions (Form H2: Irrevocable Standby Letter of Credit), in the amount of forty thousand dollars (\$40,000). Failure by the Contractor to maintain performance security shall constitute a default under this Contract entitling the City to all rights and remedies available to it at law, including the right to draw the full proceeds of the Standby Letter of Credit without notice and any such monies may be used as provided in this Contract in the event of default; or
- (c) an irrevocable Standby Letter of Credit issued by a bank or other financial institution registered to conduct business in Manitoba, in the form attached to these Supplemental Conditions (Form H2: Irrevocable Standby Letter of Credit), in the amount of two hundred fifty thousand dollars (\$250,000); or
- (d) a certified cheque or draft payable to "The City of Winnipeg", drawn on a bank or other financial institution registered to conduct business in Manitoba, in the amount of two hundred fifty thousand dollars (\$250,000).

D11.1.1 Where the performance security is in the form of a certified cheque or draft, it will be deposited by the City. The City will not pay any interest on certified cheques or drafts furnished as performance security.

D11.2 If the bid security provided in his Bid Submission was not a certified cheque or draft pursuant to (d), the Contractor shall provide the City Solicitor with the required performance security within thirty (30) Calendar Days of notification of the award of the Contract by way of letter of intent and prior to the commencement of any Work on the Site but in no event later than the date specified in C4 for the return of the executed Contract.

#### **D11.3 Renewal of Performance Security**

- (e) Further to D11.1 and D11.1(a), the Renewal Performance Security shall be provided to the City no later than sixty (60) calendar days prior to the expiry of the Current Performance Security.

Revise: Form H1 Performance Bond with Form H1(R1) Performance Bond – Initial Performance Security.

Add: Form H1: Performance Bond – Renewal Performance Security

Page numbering on some forms may be changed as a result.

## **PART E – SPECIFICATIONS**

Revise: E4.3 to read:

E4.3 Table B lists the category of copiers required and intended locations. **These quantities apply only to the shared public and staff use devices and may not include the staff only print devices. Those quantities will be identified in the Print Assessment Phase.**

Revise: E4.16.1(e) to read:

(a) **Required** Features:

- (i) automatic power saving setting when not in use;
- (ii) have an ITC coin box model number of 5400 or higher that enables a cable connection to the public print management PC running the LPT:ONE software.
- (iii) have a communication connection on the device that enables a cable connection to the public print management PC running the LPT:ONE software to enable public printing.

## **QUESTIONS AND ANSWERS**

**The following are questions posed by prospective bidders and questions addressed at the Bidders Conference July 20, 2010.**

1. All Classes have 20 PPM designated. Should the medium volume class and High Volume class be a higher PPM.
  - 1a. This is a base requirement. Each volume class indicates a different monthly volume, which will have an impact on the speed required. The “future state” with a different ratio of users to devices will also have an impact on the device speed required. The City is looking to potential vendors to suggest appropriate equipment for each of the low, medium and high volume classes. Your submission shall include the recommended equipment for each volume class and shall indicate the pages per minute of each. The same shall be indicated for any optional equipment you may choose to include. See revised Form B(R1): Prices
2. All paper trays have the same paper capacity of 250 sheets. At present the medium and high volume classes have high volume trays option of 3000 sheets and 500 sheet trays. Is this not required?
  - 2a. This is a minimum requirement. Please indicate your offering as well as any options available. Please make sure that any options are clearly costed as price per page, or included in cost per page, or other cost model.
3. On short term rentals can we quote refurbished equipment?
  - 3a. Yes, See Addendum clauses B11.2.1 and B11.9.
4. If you quote on “award as whole,” are you looking for equipment pricing and service pricing for the Library section as well? At present there is no cost to the city on Library units and payment is received via the revenue from the coins.
  - 4a. The libraries section within “Award As A Whole” must be completed even if the costs are \$0.00.

5. When quoting on device option 1, option 2 or option 3 are you referring to the same model with different features or different models with other features?
  - 5a. Your submission can include either the same model or a different model as options. Your submission must include, as Device Option #1, your equipment offering that can satisfy all of the mandatory features as well all of the desirable features. If you have another device offering that can satisfy all of the mandatory features and most of the desired features, and the cost is significantly lower, then that device might be a suggestion for Device Option #2.
6. All in cost per copy is difficult to quote without print/copy volumes for each volume class.
  - 6a. Volumes by class (for evaluation purposes only) are provided in B22.4.1
7. On section 3 Existing devices form N. Are these the devices that are presently on the copier contract with Gold Business Solutions or does it include the HP and Lexmark printers as well?
  - 7a. Form N should be returned as a complete list of all devices (by class volume) out of the supplied equipment list (Existing Fleet – Appendix B) that would meet the criteria to remain in the future state fleet. Pricing for maintaining these devices throughout the term of the agreement must be included.
8. Lease pricing. Is the City willing to sign a 5 year lease on this contract for each unit?
  - 8a. The City is looking to enter into a five year services agreement (not just hardware) that would include all equipment, software, maintenance and related services for a fully or partially managed print environment. This agreement would be limited by the terms and conditions set out in this RFP.
9. On appendix B, is the total volume based on a monthly basis or is that a total of all prints made to date. Why do some of the printers not have any print volumes?
  - 9a. Total volumes by class (for evaluation purposes only) are provided in B.22.4.1. Appendix B provides information on the number of locations/floors/# and name of pieces of equipment/and number of staff per location. Volumes provided on Appendix B are only from those devices that we were able to collect data from and are NOT a complete breakdown of volumes. Volumes in Appendix B should only be used as random sampling of annual volumes for specific devices throughout the organization.
10. Is authentication required on all devices? Can you define what is required for Authentication?
  - 10a. Authentication is a desired feature for all city staff. The City is looking to vendors to explain their capabilities in "Print Usage Tracking/Reporting" including authentication by means of pin code, card reader, etc.
11. Print Behaviour software. In order to quote in this software a site survey needs to be completed. I have attached a copy of the site survey.
  - 11a. The City understands that there are many offerings in the marketplace for this type of software, each of which may be priced in a different way. This City also acknowledges that site surveys are part of the Phase I Assessment. Your submission should include a description of how your suggested Print Behaviour software will provide the best result for the City of Winnipeg and should also include detailed rates and how those rates would be applied (by user, by location, annual or lump sum cost, included in cost per copy, etc).

12. Print behavior – Are you wanting a departmental solution or an enterprise solution?
  - 12a. An enterprise solution.
  
13. Section E2.7 coterminous. Can you please explain how this works and how it affects the 5 year lease on each machine?
  - 13a. The City understands that during the implementation phase all equipment will not be able to be put in place at the same time however the end of contract date (five years from beginning of implementation phase) will be the end date for all equipment. This means that some equipment may be in place for less than five years.
  
14. The Library pricing is confusing. Are you wanting a similar solution to what you presently have (no cost to the City) or are you leasing the equipment separately? The library section of form B asks for lease pricing while Section E4 the library section states something different.
  - 14a. Form B allows vendors to provide costs for a solution similar to the existing one in which case the costs would be entered as \$0.00. The pricing form can be used or other cost models as well.
  
15. On the print assessment results under paper impact , it indicates that 9,450,000 sheets are printed on 11 x 17 while 8 1/2 x 11 page are 32,016,250 are letter size. This is about 25% of the total volume. Should 11 x 17 not be standard on all the devices?
  - 15a. Page 8 of Appendix A contains an error in describing the quantity of 11” x 17” pages. The quantity stated has one too many “zeros”. The correct number is 945,000. See revised Appendix A.
  
16. A cost per copy solution is difficult to calculate unless everyone is quoting based on the same print volumes. There is not enough information to calculate a cost per page
  - 16a. Evaluations for all vendors will be based on the same volumes as indicated in B22.4.1
  
17. Section B3.2 – Page 1 of 12: Does the detailed assessment (Phase One) need to be completed in its entirety before commencing any implementation activities (Phase Two) or would the City consider conducting both Phase One and Phase Two activities concurrently by going location by location? I.e. you have outlined a linear approach. Are you open to an iterative approach where you assess and then deploy location by location?
  - 17a The findings of the Assessment Phase will determine whether the City will continue to Phase Two (Implementation Phase) therefore it is unlikely Phase Two will start prior to the completion on Phase One. If the bidder’s findings, early in the Assessment Phase, were strong enough to support the bidder guaranteeing the City “x” in savings across the organization, only then might the City consider starting Phase Two earlier and only if it is deemed in the best interest for the City of Winnipeg.
  
18. Section B9.1 (b), (e) - Page 3of12: Our interpretation is that you are asking for the completion of Form B twice in both Section 2 and Section 6 of our Proposal Submission. Do we need to complete and submit this section twice? Is your expectation that we put the completed Form B in both sections or do you have a different expectation?
  - 18a. Form B only needs to be completed once. B.15 is intended to ensure bidders complete the Technical Factors (other than prices) on Form B.

19. Section D2.1 (d) - Page 1of14: The RFP states that the scope of the Work includes all related consumables (excluding paper). What is your expectation for the cost of staples for machines that have stapling? Will the City pay for staples as required? Should staples be listed with paper as an excluded consumable?
- 19a. The City acknowledges that it cannot provide an accurate assessment of staple use across the organization. The City is looking to vendors to fully explain their cost model including all consumables that are included or not included in a "cost per copy" or other pricing model. Any consumables that are not included must be listed separately with a unit cost.
20. Section E4 - Page 3of10: Is the City open to ideas for the Libraries solution for payment methods other than coin-operated?
- 20a. The City must have the requested model bid on as a base bid. The City would be interested in receiving optional solutions that would; reduce staff involvement in the process, achieve the objectives of this RFP, and be easier and more convenient for the Public to use.
21. Form B: Prices: Please provide some clarity around technology specifications and requirements. For each volume class you have a list of features in the same cell box as the volume class. For example, on page 3 of 39 under Low Volume Class there are nine items listed starting with "2000 Prints/Copies per month" and ending with "NOT TO EXCEED 15 AMPS". Are these features all mandatory requirements?
- 21a Yes.
22. Below this, there is an additional list of features that ask us to respond Yes or No to. For example, on pages 3 and 4 of 39 under Low Volume Class, there are eleven additional items listed starting with "Make / Model" and ending with "Hole Punch (Y/N)". Are these eleven additional requirements mandatory, optional or "nice to have" requirements or are they simply for providing you with a breakdown of the features of each device make / model?
- 22a These are "desirable" features. Your submission must include, as Device Option #1, your equipment offering that can satisfy all of the desirable features. If you have another device offering that could deliver most of the desired features and the cost is significantly lower, then that might be a suggestion for Device Option#2.
23. Section B3.1- Page 1of12: The RFP states "it is suggested that the City can reduce its overall print fleet and in turn reduce its annual operating expenditures for print by a minimum of 24%". However there are no financial details as to your current total cost of printing in the assessment results in Appendix A. Can you please provide an estimate of the current state total spend that was used to calculate the 24% cost reduction expectation?
- 23a The City has conducted a partial Assessment to gage viability of generating an RFP. Conclusions based on material provided suggests there are potential savings of 24% or greater. The City understands that the assessment phase will confirm the true cost savings based on a City wide assessment. Based on the results of the City wide assessment and the amount of potential savings the City may or may not proceed to the Implementation Phase.

We have called out the number of 24% savings to the City. This is the number we think can be achieved but feel free to give us 40%. Anything less that 24% will most likely determine us not proceeding with the implementation.

24. If the City does not have a complete list of purchase dates for all assets would you be able to provide the data used to create the bar chart illustrated in slide 6 in Appendix A - "Fleet Obsolescence"
- 24a Appendix B contains a location by location list of all devices in the current fleet across the organization. Make and/or model numbers have been provided for each. Purchase dates are not available at this time. Fleet obsolescence reporting across the organizations is not available at this time however, the previous assessment shows that 55% of the devices are 5 years or older.
25. What does the Network infrastructure consist of?
- 25a We are a Windows networking shop through and through. We have pretty well the best municipal area network and band width would not be an issue.
26. B22.4.1 – The amounts you have stated are they accurate?
- 26a They are strictly intended for evaluation purposes. See addendum clause for revision to device quantity.
- Clarification of requirements for Options on Form B: Prices – at least one of the proposed options for each class must meet each of the mandatory and desired features.
27. How will scoring be done?
- 27a All options have been weighted.
28. Can the City give out the breakdown of scoring points?
- 28a No.
29. How many days will questions be accepted?
- 29a Inquiries will be accepted in accordance with B5.
30. Form B: -There are many requirements for USB. What evaluation goes to security?
- 30a The bidder shall indicate models that have Scan to USB, and then describe under Security the ways in which their products mitigate inherent security issues of said feature.
31. RFP document talks about N1 and N2. It does not align with Form B: Prices – Please clarify.
- 31a See Addendum – Bid Submission, Form B: Prices – information has been revised
32. The Specifications do not align with Form B: Prices.
- 32a Part E Specifications are accurate. See Addendum – Bid Submission, Form B: Prices – information has been revised.
33. On the Management side – is your print environment currently managed and if so is there anything we need to be aware of in order to tie in?
- 33a The City has nothing currently that allows us the visibility for the entire enterprise print environment. For a subset of our customers we can see, we have webjet admin, but outside of that we have no visibility – this would be the enterprise system. Our preference is to have our partner to deliver a service that's for the enterprise including Libraries. That's why we have added the incentive of bonus points.

34. Are the revenue generated Library machines stand alone or network drops? Are there network drops available?

34a They are stand alone but we are putting in network drops in anticipation of some form of management if at all possible.

35. Are the coin ops that are currently on those machines, does the City own them?

35a No, the City doesn't own any of it.

36. Would the City consider a one week extension to the submission deadline?

36a Se revision to B2.1 above.

Comment: The City is looking for a price for the assessment, but should we proceed with implementation following the assessment we are not going to pay for the assessment. It should be part of your overall solution. However if we don't proceed we will pay for the assessment. The print behaviour software is very important to the City, we really need to change the behaviour of how we print here. We know there are some really good options out there.

37. How hard of a stance do you want us to take on the print behaviour?

37a The City is hoping to sit down with our senior management team which are the directors of every single department and come up with design principles or at least have design principles drawn up and put on their agenda for their approval and get them to sign off on it. There will be some staff members that will resist the modification of their behaviour. We have to work with our partner to change the behaviour.

38. The initial study – who helped you with the study?

38a This goes back to 2009, the fourth quarter I think it was, our current hardware provider is Insight Canada and they were gracious enough to step up to the table and conduct a very high level assessment over a two week period. It was based on the inventory in a subset of our departments based on industry information that they captured but it was a very high level point in time snapshot.

Comment: We really did a lot of extra due diligence in terms of building the information regarding information provided. We went back to every department and had them fill out forms providing us information such as make, model, serial numbers, by floor, by building and by department. We looked at the cost of what we are spending on toner, printers, maintenance and leases; that's how we came back and figured out what our overall spend was. We then compared that to what the GL stated and we think we are pretty close in our understanding but we still need the assessment to confirm the data we do have is accurate and more importantly that the new design is going to achieve the savings.

39. Do you know what your annual image counts are?

39a The information we have is the annual spend and the number of devices we have. In terms of the number of images, we have some ideas but not all departments are managed and therefore the information is not available.

40. What is the confidence level with the detailed "index" in appendix B?



- 40a The detailed “index” was developed outside of the 2009 Insight study. Over the past 90 days, we have asked departments to complete detailed worksheets by building and floor in order to document their inventory and spend. We have a fairly high confidence level on the number of devices, type of device and even financial spend. However, we are not as confident on the number of images/pages printed by device as that piece of data was difficult to collect for some departments.

Comment: In terms of our existing fleet, obviously it is more advantageous to us to leverage as much of our existing fleet as possible. We are hoping that you will be as creative as possible and allow us the opportunity to leverage, that you will now manage for us and leverage our existing fleet. If you feel there are devices that still have a lifespan, I think we said five years in the RFP, please include them in your solution. It has to feed into that 98% uptime.

41. Do you have implementation dates and install dates for existing fleet?

41a We have just the manufacture date. If you have a question on one or two of the devices please send us an email and we will try to find the information for you. However we don't want to be responding to inquiries of fifty devices.

42. Clarify the rent option.

42a There are certain situations, for example the up coming election in October, where we are going to need devices for a short period of time. We recognize that it may be thirty days it could be longer so please allow us the opportunity to procure, to rent, some devices from you for a short term period. They can be refurbished (see addendum).

43. Going forward, from a project perspective, will there be a centralized control to manage it?

43a Yes, what we have done as part of our pitch to senior management team, we've coined the term “Print Czar” to be responsible for this project for the next five years. We will run the implementation as a project we will look to the design principles

44. Are the security clearances for our whole organization?

44a It would only be required for those working on Site plus anyone having access or handling City data. There are two types of security clearances. One for all City locations including pools and libraries, and a separate one for Police locations. This would not be required until after award of contract.

45. D2.1(a) What do you mean by a “large” printer?

45a Plotters, wide format, etc.

46. Is there any need for print behaviour on large print devices?

46a We are hoping your proposal can leverage the print shop as much as possible by informing users, when they are about to print a large print job, that the print shop would be a better choice as it will cost you X instead of Y.

47. Can you expand on what the City is using for the management systems that exist?

47a We have a number of document management systems, we don't have a consistent enterprise document management system. For example we do have a Hummingbird, Corflow, Sharepoint, Opentext, Jive – we have a number of different systems but nothing consistent. We do believe

down the road that it will be an initiative that will be entertained but not part of the scope of this engagement.

48. For The Print Shop area do you have job ticket software?

48a Yes, we are using Digital Store Front which is specific to our area.

49. Reporting of Data?

49a Any solution the City selects will need to provide us with data by department, by device and by user so we would be able to charge back to department, if desired.

50. From a copying perspective what type of authentication will be required by device?

50a It would be great if these devices had the capability of using a swipe card of authenticating users versus having to type in employee IDs and passwords. We need some level of authentication (a pin pad is okay) as a base level. Someone who has an active directory account can print from their desktop when they are logged in. If a user walks up to a device they must be able to use a pin pad or swipe/proximity card.. If, in the future, City employees are issued swipe/proximity cards it would be great to utilize this feature, if it exists. We do have department codes and employee IDs and depending on the depth we need to zero in on, we should be able to find a unique identifier.

51. Do you mean a swipe card or proximity card?

51a Not sure of the technology but all that is mandatory is the pin pad. If you know of other technology you could mention it in your proposal.