



**STAFF REPORT
ACTION REQUIRED**

Apple Equipment – Commitment of Funds

Date: May 23, 2023

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval to enter into a commitment with Apple Canada Inc. for the supply of Apple hardware and software including but not limited to workstations, laptops, monitors and peripherals. The term of this commitment is for approximately four years with an estimated value of up to \$4,034,436, excluding applicable Harmonized Sales Tax (HST). The amount of this commitment is to cover projected expenditures for hardware refresh cycles, break/fixes, and new services or programming introduced by Toronto Public Library (TPL).

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a commitment with Apple Canada Inc. for the supply of Apple hardware, software and peripherals for approximately four years with an estimated value of up to \$4,034,436, excluding HST, with annual estimated spending as follows:

2023	\$1,368,591
2024	647,734
2025	607,278
2026	<u>1,410,833</u>
	<u>\$4,034,436</u>

FINANCIAL IMPACT

The value of the commitment with Apple Canada Inc. is approximately \$4,034,436, excluding HST, and will be funded from both the multi-year Technology Asset Management Program (TAMP) capital project budget, which funds lifecycle replacements of current assets, and the Service and Digital Modernization capital project budget, which funds IT infrastructure projects within TPL's Digital Strategy. The TAMP budget alone totals \$24.3 million over 2023 to 2026. The estimated spending based on anticipated needs and planned projects is shown in the following table:

	2023	2024	2025	2026	Total
Replacement Costs (incl. annual inflationary estimate)	\$ 1,244,174	\$ 588,849	\$ 552,071	\$ 1,282,575	\$ 3,667,669
Contingency, new initiatives, growth	\$ 124,417	\$ 58,885	\$ 55,207	\$ 128,258	\$ 366,767
Total	\$ 1,368,591	\$ 647,734	\$ 607,278	\$ 1,410,833	\$ 4,034,436

Annual spending varies based on product lifespans and availability as well as timing of new initiatives and other than planned purchases. Detailed breakdown of the annual spending projections is included in Appendix A.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

TPL's Strategic Plan (2020-2024): *Vital to Toronto* includes broadening Toronto's digital access and inclusion as one of five priorities. TPL is well-positioned to take a leading role in advancing digital inclusion and digital literacy by offering access to technology in its network of 100 branches and through outreach to advance the outcome that all residents have access to technology and the skills to use it. The provision of Apple technology supports the outcomes of the Digital Strategy and enables delivery of Digital Literacy programming and services to TPL customers.

EQUITY IMPACT STATEMENT

TPL's strategic plan has the City's equity lens embedded. This lens supports the understanding and addressing of barriers to TPL services for equity-deserving groups and vulnerable populations in the City of Toronto to advance equitable outcomes for all. Access to information technology and telecommunications is a requirement for daily life. A 2019 study, [Technology Access in Public Libraries: Outcomes and Impacts for Ontario Communities](#), highlights the importance of library technology in addressing a fundamental barrier to access and advancing digital inclusion and digital literacy for all.

DECISION HISTORY

At its meeting on January 25, 2021, the Library Board considered the [Digital Strategy 2020-2024](#) and approved TPL's digital strategy. Enterprise Technology leadership is integral to the delivery of the Digital Strategy.

At its meeting on April 24, 2023, the Library Board considered the [Apple Equipment – Commitment of Funds](#) and requested more information about equipment inventory.

ISSUE BACKGROUND

TPL has an extensive technology infrastructure and offers technology as a service to customers. As a best practice, TPL is doing more detailed planning for technology procurements with a multi-year view, and this report captures expected purchases of Apple equipment for the next four years. The included capital budget forecast is a summary determined from estimations of current inventory life cycle management and prediction of future growth and service development.

TPL maintains a broad fleet of personal computers, tablets, laptops and technology peripherals for delivering services to customers and staff. Collectively almost 10,000 devices constitute the TPL personal computing technology fleet. This includes a range of personal computing hardware supporting a variety of operating environments including Microsoft Windows, Apple macOS and Apple iOS. Technology is provisioned based on functional needs and technical requirements to serve the intended purpose.

Approximately 1,500 Apple technology devices are utilised to support both customer and staff needs where specific capabilities are required such as delivering unique native apps, applications and/or technical specifications for operational management and support.

TPL is eligible to be an Education Customer with Apple Canada Inc. To leverage lower Education pricing, TPL must purchase from Apple Canada Inc. directly. Apple Canada Inc. is the sole manufacturer of Apple Products.

The Digital Strategy, including the 2023 Action Plan, is funded by TPL's operating and capital budgets. For the capital budget, there are three main multi-year projects that contribute to the strategic plan execution roadmap, technology replacement strategy and digital strategy with 10-year funding for: Technology Asset Management Program (\$58.5 million); Service Modernization and Transformation (\$23.3 million); Digital Experience (\$24.4 million). The technology capital projects represent 20% of TPL's gross capital budget. The \$4.0 million Apple product replacement lifecycle is funded mainly within the \$58.5 million Technology Asset Management Program.

COMMENTS

Apple Canada Inc. provides TPL with exclusive discounted pricing via the Apple Education Pricing Program. TPL currently maintains a sizeable fleet of Apple products, many of which are due for a refresh. Apple Canada Inc. maintains a sole source direct sales model for its Education Customers through the Apple Direct Customer Agreement. Therefore, this is the most cost-effective method to procure Apple products.

Pricing is based on the 2023 Apple Education Pricing Program rates and product offerings and are subject to change as product lines are refreshed, upgraded, and changed by Apple Canada Inc. Actual spending may also vary due to variable factors such as changing or augmenting Library service needs in the future. Provisions for inflation and additional or changing needs are included in the spending estimates included in this report.

CONTACT

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SIGNATURE

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City Librarian

ATTACHMENTS

Appendix A Distribution of forecasted Apple Canada Inc. procurement for 2023 – 2026

APPENDIX A

Distribution of forecasted Apple Canada Inc. procurement for 2023 – 2026.

Future and Estimated Needs 2023 - 2026	Replacement Units										TOTAL		
	Useful Life (Years)	Existing Inventory	Estimated Unit Cost	2023 Units	2023 Budget	2024 Units	2024 Budget	2025 Units	2025 Budget	2026 Units			
iPad 10.2" Wi-Fi 256Gb & Case	4	900	\$759	440	\$333,956	150	\$113,849	150	\$113,849	950	\$721,041	1,690	\$1,282,693
Apple Studio Display inc. AppleCare+	5	0	\$2,512	11	\$27,632	4	\$10,048	3	\$7,536	3	\$7,536	21	\$52,752
MacBook Pro 14" inc. AppleCare+	4	570	\$2,638	270	\$712,260	100	\$263,800	100	\$263,800	100	\$263,800	570	\$1,503,660
MacBook Pro 16" inc. AppleCare+	4	11	\$4,408	11	\$48,488	10	\$44,080	10	\$44,080	10	\$44,080	41	\$180,728
Mac Studio inc. AppleCare+	4	65	\$2,398	31	\$74,338	34	\$81,532	10	\$23,980	10	\$23,980	85	\$203,830
Peripherals			\$20,000	1	\$20,000	1	\$20,000	1	\$20,000	1	\$20,000	4	\$80,000
iPhones	3	100	\$833	33	\$27,500	33	\$27,500	33	\$27,500	33	\$27,500	132	\$110,001
TOTAL				\$1,244,174	\$560,809		\$500,745		\$1,107,937			\$3,413,663	
Total inc. 5% Annual Inflation from 2024				\$1,244,174		\$588,849		\$552,071		\$1,282,575		\$3,667,669	
10% Contingency				\$124,417		\$58,885		\$55,207		\$128,258		\$366,767	
Annual Total				\$1,368,591		\$647,734		\$607,278		\$1,410,833		\$4,034,436	