



Standing Supply Agreements for Digitisation

TO:	Board of Directors
MEETING:	May 9, 2017
FROM:	Steven Guiton Executive Vice President, Media Technology & Infrastructure Services
DECISION SOUGHT:	Approval of standing supply agreements with external suppliers to enable the Corporation to accelerate the digitisation of its inventory of content
NEXT STEPS:	Employ the standing agreements as English Services and French Services identify assets to be digitised.
DATE:	April 28 th 2017

1. CONTEXT

- Over the last 5-10 years, the Corporation has been digitising its inventory of content internally on an ad-hoc, informal basis, and at a relatively slow rate as funds have become available.
- In its recent Accountability Plan to Treasury Board regarding the use of the additional funding set out in Budget 2016, the Corporation committed to doubling its investment in the digitisation of its archives.
- The Corporation has neither the expertise, equipment, nor required resources to undertake a major internal digitisation program of its content collection: an analysis of the initiative estimated that such an in-house program would be at least 30% more costly than a market solution.
- Therefore, in order to respect its commitment to accelerate digitisation, the Corporation would like to move forward to establish standing agreements with competitive external providers.
- The collections to be digitised include audio, video, and film.
- Beyond respecting its commitment to government, the Corporation would like to accelerate the current rate of digitisation in order:
 - To mitigate the risk of loss of content due to asset deterioration
 - To enhance discoverability and ease of re-use of content,
 - To improve workflows
 - To increase revenue generation opportunities
- In the coming 5 years, English Services would aim to digitise approximately 1.1M hours of content, and French Services would aim to digitise approximately 800K hours.
- The digitisation acceleration project will be managed as a partnership between English Services, French Services, and MTIS:
 - English and French Services will be responsible for day-to-day operations, including: the selection of content, shipping to external vendors, evaluation and approval of the quality of the digitised product, and management of all physical assets.

- o MTIS will be responsible for all technical elements of the project, including: the selection of vendors, establishing contract terms with vendors, defining technical workflows, and installing all necessary equipment and infrastructure such as storage capability for the digitised content.
- In order to accelerate our current rate of digitisation, management is seeking Board approval to establish standing agreements with the three external vendors it has identified through a competitive RFS process.

2. KEY DECISION ELEMENTS

1. An RFS process has been conducted to establish a list of qualified external vendors. From the 19 companies who expressed interest in the project, 10 companies submitted tender responses. The 4 top proponents were chosen to participate in a proof of concept to demonstrate the quality of their digitisation services. (See Appendix 1)
2. Three of the 4 top proponents were ultimately chosen to be standing suppliers with the Corporation: Vectracom Canada (also known as Alteran), Sony of Canada, and The Media Preserve. The contract term would be 5 years.
3. Over the next 5 years, as the Corporation prepares content for digitisation and identifies discrete lots to be digitised, all 3 vendors will be asked to indicate whether they would be able to digitise all or parts of these lots within a given period. From this information, the Corporation will choose one or more of the standing suppliers to digitise the lots in question.
4. All costs of the digitisation services will be based on pre-established rates obtained from the RFS process that will form part of the standing Agreement. (See Appendix 2). All rates are fixed for the duration of the agreement and are not subject to inflation or currency fluctuation.

3. KEY BENEFITS, IMPACTS & RISKS

- Accelerating the current rate of digitisation will enable the Corporation to better preserve its collections and enable it to better promote the heritage value of these assets for Canadian history.
- Quick access to assets will no longer be limited to the city where the asset is stored. Contents will be indexed by the Media Asset Management (MAM).
- The standing supply agreement approach being proposed by management will: (1) ensure high-quality digitisation of our collections at the lowest possible cost, (2) provide the Corporation flexibility in choosing the types and amount of assets it wants to digitise each year, according to its own preferences, resource capacity and financial means, and (3) not oblige the Corporation to spend any minimum amount of money on digitisation each year.
- By outsourcing digitisation, CBC/Radio-Canada can transfer all operational risk to external vendors.

4. OTHER OPTIONS CONSIDERED

- Management evaluated the option of digitising its content internally, using existing and additional equipment and staff. As the Corporation is not in the content digitisation business, this option was not in principle preferred, and was not estimated to be cost-effective relative to external vendor options.

- Continued physical storage of the collections in their original form is not a feasible option due to the deterioration over time of the medium on which the content is stored.

5. SUCCESS MEASURES

- High-quality digitisation at low cost.
- Flexibility in the amount and type of content to be digitised each year.
- No minimum spend requirement over the life of the contract.

6. RESOLUTION

That the President and CEO or the Executive Vice-President, Media Technology and Infrastructure Services, together with the Executive Vice-President and Chief Financial Officer or their respective delegate(s), be authorized to do all things necessary to negotiate, enter into, and execute standing supply agreements with Vectracom Canada (also known as Alteran), Sony of Canada, and The Media Preserve for the digitisation of CBC/Radio-Canada assets on essentially the same terms and conditions as those presented at the meeting and to do all things deemed necessary by them to give effect to the foregoing resolution.

APPENDICES

1. Appendix 1: RFSa Process & Scores
2. Appendix 2: Per physical unit cost of individual formats

APPENDIX 1

i) RFSa process – List of companies (19) who requested the Tender package:

- 1843150 Ontario Inc. (The Media Concierge)
- Alteran Technologies (Vectracom)
- Bonded Services
- Crawford Media Services
- David J. Woods Productions Inc.
- Deluxe Toronto Ltd.
- Hitachi Data Systems
- Iron Mountain
- Lifetime Heritage Films Inc.
- Montreal Studios & Equipment SENC
- Octave Five (Studio Post)
- Open Text Corporation
- Precision Transfer Technologies
- Quickplay Media Inc.
- Sony of Canada Inc.
- T3Media Inc.

- Technicolour Canada Inc.
- The Media Preserve, div. of Preservation Technologies L.P.
- Visual Data Media Services Inc.

ii) RFSA process – List of proponents (10) who submitted Tender responses:

- The Media Preserve
- Technicolor Canada
- Sony of Canada
- Alteran Technologies
- Visual Data Media Services
- Iron Mountain
- Bonded Services
- Precision Transfer Technologies
- The Media Concierge
- Deluxe Toronto

Selected Suppliers:

1. Alteran Technologies (also known as Vectracom Canada)
2. The Media Preserve
3. Sony of Canada

APPENDIX 2

s.18(a)
s.18(b)
s.20(1)(b)