

CITY COUNCIL/REDEVELOPMENT AGENCY

TUESDAY, FEBRUARY 16, 2010

AGENDA ITEM No.10

CONSENT CALENDAR

MOTION

Copier Information – (Alvin James, City Manager)



CITY OF EAST PALO ALTO

OFFICE OF THE CITY MANAGER

REDEVELOPMENT AGENCY

2415 University Avenue • East Palo Alto, CA 94303

TO: Honorable Mayor and Members of the Council

FROM: Alvin D. James, City Manager

SUBJECT: Additional Information Regarding Copiers

DATE: February 16, 2010

RECOMMENDATION

Consider Additional Information and Authorize Staff to Proceed With Previously Authorized Leasing of New Copiers

BACKGROUND

At its meeting of February 2, 2010, the City Council requested that staff delay proceeding with efforts to secure through leasing arrangements, new copier machines for the city organization. Staff was asked to obtain information regarding the potential to take advantage of a competitive bid process conducted by the County of San Mateo for new copier machines. Staff subsequently spoke with the County Manager who advised that the County Board of Supervisors was indeed scheduled to consider a request to authorize via competitive bid, selection of a vendor to supply the county with new copier equipment. Staff obtained a copy of the staff report and it is attached for the Council's information.

DISCUSSION

Recommended for County Board consideration is authorizing the County Manager to execute a forty-eight (48) month master agreement, from March 1, 2010 through February 28, 2014, for the rental of department copy machines with Sharp Business Systems of San Francisco. City staff reviewed the list of equipment and price list associated with the proposed vendor's master agreement for the purpose of identifying equipment proposed to the city by Sharp in order to establish a basis of comparison. Staff identified one copier common to both the county and city bid. Attached is a spreadsheet that analyses the cost of the equipment under each bid.

In the first year, the offer to the city would result in a slightly favorable monthly cost for the city relative to the county (\$7). However, in the second and third year, the county's

monthly cost would be more significant (\$153). For the entire 36 month period, the equipment in question would cost the city \$28,572 in lease cost. For the same period, it would cost the county \$24,984. If the time period were comparable, the county's lease cost would be \$3,588 lower. However, the county's leasing period is for 48 months and the city's, as previously authorized is for 36 months. If the city were to take advantage of the county's bid process, it would need to abide by the county's lease terms and lease the equipment for an additional 12 months. Therefore, the cost to the city for the equipment would be \$33, 312 or \$4,740 more for the period.

It should be noted that the current equipment lease was for a 60 month term. It is staff's assessment that repair and maintenance costs increased after 36 months, hence the staff recommendation to authorize lease terms for that period. The 48 month lease term could result in increased repair and maintenance costs than might otherwise be required under the 36 month period as currently authorized. For the foregoing reasons stated, staff continues to recommend that the Council authorize the City Manager to proceed with executing a lease agreement with Ricoh as previously authorized by the Council.

Whatever the Council's determination, staff would urge timely action as we are currently experiencing significant cost and down time with the existing copier equipment due to frequent equipment breakdown.

Assumes 80,000 copies per month	\$ 320	\$ 608
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Optional Features:

Stapler (auto)	36	0
Hole Punch	9	0
Stapler with fold	56	45
Network Scan	8	6
Network Print	19	18
Monthly Equipment Lease	220	0
Subtotal	348	68.9

Other Optional Features:

Large Paper Supply	19	0
Fax Board	0 c	12
Post Script	0 c	4
Subtotal	19	17

Year 1 Estimated Cost Per Month	\$ 687	\$ 694
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Year 2 Additional Costs

<u>Cost per Copy:</u>	0.006 a	0.0076
Assumes 80,000 copies per month for		
additional .002 per copy	\$ 160	\$ -

Year 2 Estimated Cost Per Month	\$ 847	\$ 694
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first year only, second year is .006 per copy included in the cost per copy for the County does not appear that this feature was included in the proposal No change, cost remains the same



COUNTY OF SAN MATEO

Inter-Departmental Correspondence

County Manager's Office



DATE: January 20, 2010

BOARD MEETING DATE: February 9, 2010

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Reyna Farrales, Deputy County Manager
Peter Tocchini, Purchasing Manager
SUBJECT: Agreement for the Rental of Department Copy Machines

RECOMMENDATION:

Adopt a Resolution authorizing the County Manager or his designee to execute a forty-eight (48) month master agreement, from March 1, 2010 through February 28, 2014, for the rental of department copy machines with Sharp Business Systems of San Francisco.

BACKGROUND:

All departments use digital copy machines for their departmental photocopying needs. The Purchasing Division works closely with each department to ensure that their copy machine(s) meet their volume and network requirements.

In 2005 your Board approved a resolution authorizing the Purchasing Agent to execute a four-year agreement for the rental of departmental copiers with Stringer Business Systems, Inc., acquired by and dba Toshiba Business Solutions.

DISCUSSION:

In September 2009, the Purchasing Division issued an Invitation to Bid for the rental of digital copiers for various County departments. The Invitation to Bid was sent to thirty (30) vendors and advertised in the San Mateo County Times. Ten (10) vendors responded to the Invitation to Bid. Evaluation criteria for the bid included:

- Rental prices for a variety of copiers with different features and speeds

including maintenance and supplies

- Cost to network copiers
- Accurate monthly statistical reports
- Replacement of copiers that do not meet performance standards
- Service response time within four (4) business hours

Bid responses were received in September 2009 and were tabulated. Sharp Business Systems of San Francisco was the lowest responsible bidder meeting all bid specifications.

Currently departments use Toshiba Business Solutions digital copiers. As agreements with this vendor expire, the Purchasing Division will work with departments to identify their needs and replace their digital machines with Sharp Business Systems of San Francisco. The new digital copiers will come with duplexing as a standard feature and will not require additional options unless departments wish to network the copier and use it as a printer/copier.

The resolution and agreement will create a master rental agreement with Sharp Business Systems of San Francisco, which establishes the prices and terms for the Addendum A, which are sub-agreements of the master rental agreement. These Addendum A will be signed by the Purchasing Agent for individual copiers to specify the particular copier to be provided in accordance with the terms of this Master Agreement.

The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. Risk Management has reviewed and approved Contractor's insurance, and County Counsel has reviewed and approved these documents as to form.

Authorizing this agreement will contribute to the Shared Vision 2025 outcome of a Collaborative Community by supporting fiscal accountability. Copiers placed under this agreement will have monthly costs approximately 25% lower than the former agreement.

Performance Measure(s):

Measure	FY 2008-09 Actual	FY 2009-10 Projected
Response time for service	Within 4 business hours	Within 4 business hours

Training operator	Within 24 hours	Within 24 hours
Reports for volume and service history	Within 8 business hours of request	Within 8 business hours of request
Acceptable Toner Recycling Program	Yes	Yes

FISCAL IMPACT:

The cost of renting departmental copiers varies depending on the type of machine specified by the department. The overall monthly cost per copy as a result of this bid process averages approximately 25% lower than the former agreement with Toshiba Business Solutions. Rental fees are paid out of departmental budgets and the initial term of each copier contract has a dollar limit of \$35,000. The approximate annual expenditure for digital copiers in 2009 was \$455,000.

Exhibit A

Invitation to Bid Matrix

1.	General Description of RFP	Four Year Master Rental Contract for Digital Copy Machines
2.	List key evaluation criteria	<ul style="list-style-type: none"> • Rental price for copiers and networking upgrades • Ability to network copiers • Accurate statistical reports • Four (4) business hour service response time
3.	Where advertised	San Mateo Times on 9/8/09
4.	In addition to any advertisement, list others to whom ITB was sent	<ol style="list-style-type: none"> 1. Arista Business Imaging 2. Astro Business Technologies 3. Caltronics, Inc. 4. Canon Business Solutions (San Francisco)

5. Canon Business Solutions (San Francisco)
6. CG Inc.
7. Coast to Coast Computer
8. CPO Ltd.
9. EIS, Inc.
10. HP Imaging & Printing Group
11. Ikon Office Solutions, Inc. (San Francisco)
12. Ikon Office Solutions, Inc. (San Jose)
13. KBA Docusys
14. Konica Minolta Business
15. Newcal Industries
16. Océ North America (Sacramento)
17. Océ North America (San Francisco)
18. Office Depot
19. One Source
20. Pacific Office Automation
21. Rabbit Office Automation
22. Real Power Protection
23. Ricoh Business Solutions
24. Sharp Business Systems
25. The Swenson Group
26. The Document Solutions Co. (Burlingame)
27. The Document Solutions Co. (San Francisco)

		<p>28. Toshiba Business Solutions</p> <p>29. Xerox Corporation</p> <p>30. Zoom Imaging Solutions</p>
5.	Total number sent to prospective bidders	30
6.	Number of bids received	13 Received (11 Responses, 2 No Bids)
7.	Who evaluated the proposals	Buyer, Candy Burns
8.	In alphabetical order, names of bidders (or finalists, if applicable) and location	<p>1. Canon Business Solutions/Canon</p> <p>1 Post St, Ste 400</p> <p>San Francisco, CA 94104</p> <p>2. Ikon Office Solutions, Inc./Ricoh</p> <p>2290 N. First St, Ste 100</p> <p>San Jose, CA 95131</p> <p>3. KBA Docusys/Mita</p> <p>32950 Alvarado Niles Rd, Ste 505</p> <p>Union City, CA 94587</p> <p>4. Pacific Office Automation/Konica Minolta/Sharp/Canon</p> <p>1000 Atlantic Ave</p> <p>Alameda, CA 94501</p> <p>(3 Proposals)</p> <p>5. Rabbit Office Automation/Lexmark/Savin</p> <p>6601 Koll Center Pkwy</p> <p>Pleasanton, CA 94566</p>

		<p align="center">(2 Proposals)</p> <p>6. Ricoh Business Systems/Ricoh</p> <p align="center">2000 Sierra Point Pkwy, 7th Floor Brisbane, CA 94005</p> <p>7. Sharp Business Systems/Sharp</p> <p align="center">595 Market St, Ste 1220 San Francisco, CA 94105</p> <p>8. Toshiba Business Solutions/Toshiba</p> <p align="center">3170 Corporate Place Hayward, CA 94545</p>
9.	Six proposals were rejected for not meeting specifications.	<p>1. Canon Business Solutions/Canon</p> <p>2. Ikon Office Solutions, Inc./Ricoh</p> <p>3. KBA Docusys/Mita</p> <p>4–6. Pacific Office Automation/Konica Minolta/Sharp/Canon</p> <p align="center">(3 Proposals)</p>

RESOLUTION NO. _____
BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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ADOPT A RESOLUTION AUTHORIZING THE COUNTY MANAGER OR HIS DESIGNEE TO EXECUTE A FORTY-EIGHT (48) MONTH MASTER AGREEMENT, FROM MARCH 1, 2010 THROUGH FEBRUARY 28, 2014, FOR THE RENTAL OF DEPARTMENT COPY MACHINES WITH SHARP BUSINESS SYSTEMS OF SAN FRANCISCO.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance an agreement, reference to which is hereby made for further particulars, whereby Sharp Business Systems of San Francisco will provide Sharp digital copier machines to the County for use in various departments; and

WHEREAS, this board has been presented with a form of such agreement and said Board has examined and approved same as to both form and content, and desires to enter into same;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Purchasing Agent is authorized and directed to execute a four year master rental agreement with Sharp Business Systems of San Francisco for and on behalf of the County of San Mateo.

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