



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Award of Change Order #1 to Contract 15-181: Multi-Functional Copiers – Cost- Per-Copy, for Phase II

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Award of Change Order #1 to Contract 15-181: Multi-Functional Copiers – Cost-Per-Copy, for Phase II to Canon Solutions America for an amount not to exceed \$120,003 for a five year contract period, plus a 2% contingency.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
09/15/15	I-4.b	Original Award

DEPARTMENT: Information Technology/Reprographics
Finance Department

SUBMITTED BY: Douglas Krieger, Acting IT Director
Rachel Mayer, Finance Director

BACKGROUND:

The Reprographics Division of the Information Technology Department manages the selection and placement of multi-functional copiers. These functions include: copy, print, scan and fax abilities. Implementing such devices and consolidating multiple single function equipment saves on individual maintenance agreements and non-inclusive supplies along with reducing power consumption, training, various billing cycles and IT staff time (knowledge of numerous makes of devices).

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For the past fourteen years the City has administered a Cost-per-Copy (CPC) Program. The CPC Program includes the placement of new equipment, maintenance, training, parts and supplies. Similar to a rental program, the City is purchasing a term of service and not the hardware.

The entire CPC Program is implemented in four phases. The phases and the number of corresponding replacements are as follows:

- Phase I (2015) **Placed**: 24 copiers (including the additional Mayor's Office);
- Phase II (2016): 13 copiers;
- Phase III (2017): 12 copiers; and
- Phase IV (2018): 9 copiers

The City Council awarded Phase I on September 15, 2015. Based on the acceptable level of performance, staff is returning to Council for approval of Phase II, and will continue to return with future change order requests for each subsequent equipment replacement phase.

DISCUSSION:

Phase II consists of replacing 12 machines and retaining one current production multi-functional copier in Reprographics. Additionally, in order to align with organizational data security and the prevention of protected data loss, staff is requesting the purchase of hard drives from the seven machines equipped and being removed in the Phase II replacements.

The following departments are included in the Phase II replacement schedule: Human Resources, Purchasing/Safety, City Clerk, PBO/Maintenance, Fire Station #1, ESC/Engineering, NPD/Jail, NPD/Dispatch (BCC), NFD/Administration, CEC and two machines in TED. The criteria for the replacement of these copiers includes: evaluation of current department requirements, age, useful life and technological obsolescence as well as fulfillment of the prior contract.

The second Reprographics production machine is also being retained due to the current inability to supply an equivalent, feature-rich, size-appropriate replacement at this time. After reviewing the new models available, it was determined that the limitations were many and counter-productive compared to the current devices. Canon Solutions America (CSA) has agreed to cover this machine for an additional 31 months through November 30, 2018 to co-terminate with the first production machine, which was retained in Phase 1. The reason for the reduced term on the two machines is due to concerns regarding after-production parts availability and support issues that may arise. At that time, CSA's Service Organization will work with their manufacturing arm and inventory control to evaluate parts availability and steps moving forward. CSA has allocated a significant amount of funds to recondition the current device, which is to occur shortly after Phase II placements are made. This is to ensure the best experience for both the City and CSA's Service Team. Staff has been told that Canon is also working on a production replacement that will hopefully fit the City's specifications, and be ready at the end of November 2018. Staff will return to Council to adjust the award, as necessary, based on new equipment availability or continued service of the current device.

The \$120,003.00 requested for Phase II includes the costs for all five years. The first year costs, including the hard drive and machine removal costs will be \$26,347.80. The CY16 portion of

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the first year costs is \$18,543.20 (May – December 2016). The costs for the remaining four years is \$23,413.80 per year or \$93,655.20 total.

Based upon currently monthly usage, it is estimated that Phase II will save the City \$25,705.20 over the five-year contract period compared to the current CPC Programs in place. This is in addition to acquiring the latest technology, such as scan to e-mail capabilities on a more robust fleet of equipment.

The Reprographics Department is also requesting a 2% contingency, to the contract, to allow for overages in the number of copies produced. Staff anticipates increases, throughout the contract, as volumes fluctuate monthly. This contingency would cover those costs.

The Phase II contract term is May 1, 2016 through April 30, 2021.

FISCAL IMPACT:

CIP#: N/A

Multi-Functional Copiers – Cost-Per-Copy is expensed to the Support Services line listed in the table. A total of \$88,143 has been budgeted for Cost-Per-Copy programs in CY2016. The implementation of this program extends into CY2021 and funding will be available in CY2017 through CY2021.

Account Number	Fund Description	Total Budget Amount
010-1331-417.30-29	General Fund	\$92,418.00

RECOMMENDATION:

Approve the Award of Change Order #1 to Contract 15-181: Multi-Functional Copiers – Cost-Per-Copy, for Phase II to Canon Solutions America for an amount not to exceed \$120,003 for a five year contract period, plus a 2% contingency.

ATTACHMENTS:

1. Prior Award



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend Change Order #6 to Contract 11-117, Multi-Functional Copiers and Award RFP 15-181, Multi-Functional Copiers – Cost-Per-Copy

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

1. Approve the Award of Change Order #6 to Contract 11-117, Multi-Functional Copiers – Cost-Per-Copy to Canon Solutions America for a 31-day extension to October 31, 2015 for an amount not to exceed \$3,180.85.
 2. Approve the Award of RFP 15-181, Multi-Functional Copiers – Cost-Per-Copy - Phase I, to Canon Solutions America for an amount of \$207,271.40, with a 2% contingency, for a five year contract period.
-

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
8/18/15	I 11	Tabled
8/27/15	A 1	MM

DEPARTMENT: Information Technology / Reprographics
Finance Department

SUBMITTED BY: Pam LaFeber, City Clerk, Director of IT
Rachel Mayer, Finance Director

FISCAL IMPACT:

Budgeted Amount: *\$107,500.00 (FY16)
Budgeted Account: 010-1331-417.30-29

*The budgeted amount includes Phases 1-5 of the CPC program for FY16.

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BACKGROUND:

The recommendation to enter into a new copier leasing contract with Canon was tabled at the August 18, 2015 City Council meeting in order for staff to respond to City Council questions regarding this procurement. A memorandum responding to the questions was provided to the City Council with the 8/27/15 Manager's Memorandum. In addition to recommending the award of RFP 15-181, the agenda item also includes a recommendation to extend the existing copier leasing contract (11-117) for an additional 31 days to October 31, 2015 in order to allow the vendor the time required to transition to the new contract once it has been awarded.

The Reprographics Division of the Information Technology Department manages the selection and placement of multi-functional copiers. For the past thirteen years, the City has administered a Cost-per-Copy (CPC) Program. The CPC Program includes the placement of new equipment, maintenance, training, parts and supplies. Similar to a rental program, the City is buying copies not copiers.

This RFP award and the entire CPC Program will be implemented in four phases. This award is for the Phase I. The phases and the number of corresponding replacements are as follows:

- Phase I (2015): 24 copiers (including the additional Mayor's Office);

Specifically, this phase consists of replacing 22 machines and retaining two current machines. The following departments are included in the Phase I replacement schedule: CMO, Legal, Mayor's Office, Department of Public Works, TED, Police, Fire, DPU-E, DPU-W, Naper Settlement and Reprographics. The Mayor's Office machine was recently placed under a short-term rental. Since the unit is current technology, staff was able to retain this copier under the new contract for the same five-year term.

The Reprographics production machine is also being retained due to the vendor's current inability to supply an equivalent, feature-rich, size-appropriate replacement at this time. Canon Solutions America (CSA) has agreed to cover this machine for an additional 36 months, which is when after-production parts availability and support concerns may arise. At that time, CSA's Service Organization will work with their manufacturing arm and inventory control to evaluate parts availability and steps moving forward. CSA has allocated a significant amount of funds to recondition the current device, which will occur shortly after contract approval, so to ensure the best experience for both the City and CSA's Service Team. Staff has been told that Canon is also working on a production replacement and may have another product available to fit the City's specifications at that time. Staff will return to Council to adjust the award, as necessary, based on new equipment availability or continued service of the current device.

- Phase II (2016): 13 copiers;
- Phase III (2017): 12 copiers; and
- Phase IV (2018), 9 copiers.

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 September 15, 2015
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Assuming the copiers perform at an acceptable level, staff will return to Council for approval for change orders for each equipment replacement phase.

Furthermore, in order to align with organizational data security and the prevention of protected data loss, staff is requesting the purchase of hard drives from the nine machines equipped in the Phase I replacements. The cost of the purchase is included in the \$207,271.40.

The \$207,271.40 requested includes all five years for Phase I:

- Year One - \$43,001.48 (includes hard drive purchase)
- Years Two-Five - \$41,067.48 per year

The criteria for the replacement of these copiers includes: age, useful life and technological obsolescence as well as fulfillment of the prior contract. In addition, the City will save \$40,978.40 (based on current monthly usage) on the first phase of 24 replacement copiers over the five-year contract period compared to the current CPC Programs in place. This is in addition to acquiring the latest technology on a more robust fleet of equipment.

DISCUSSION:

NOTIFICATION AND RESPONSE:

Notices Sent:	124
Plan-holders:	29
RFP's Received:	6

An RFP was released for 57 CPC multi-functional copiers (An additional placement arose for Phase I, after the release of the RFP, bringing the total to 58 machines) with six companies responding. An extensive review of the RFP responses resulted in a short-list of two firms. Site visits to the two short-listed firms was required in order to view and test the equipment and insure the proposed placements met the specifications of the RFP. The firms were then re-scored, based on the site visits, and both firms pricing proposals then opened for final evaluation:

FIRM	PROPOSED COST	SCORE	ADJUSTED COST
Canon Solutions America	\$444,682.24	89	\$499,642.97
Ricoh	\$854,286.36	72	\$1,186,508.83

The Reprographics Department is also requesting a 2% contingency, to the contract, to allow for overages in the number of copies made. Staff anticipates increases, throughout the contract, as volumes fluctuate monthly. This contingency would cover those additional costs.

The contract term is November 1, 2015 thru October 31, 2020.

RECOMMENDATION:

1. Approve the Award of Change Order #6 to Contract 11-117, Multi-Functional Copiers – Cost-Per-Copy to Canon Solutions America for a 31-day extension to October 31, 2015 for an amount not to exceed \$3,180.85.
2. Approve the Award of RFP 15-181, Multi-Functional Copiers – Cost-Per-Copy - Phase I, to Canon Solutions America for an amount of \$207,271.40, with a 2% contingency, for a five year contract period.

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ATTACHMENTS:

1. Attachment-MM 8/27/15

PRIOR ACTION

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: August 26, 2015

TO: Mayor and City Council
Doug Krieger, City Manager

THROUGH: Pam LaFeber, Director City Clerk/Information Technology

FROM: Lauren Fessler, IT Customer Support Manager
Steve Recek, Reprographics Supervisor

SUBJECT: Multi-function Copiers RFP (August 18 - Agenda Item I11) Follow-up Information

PURPOSE:

To provide further information regarding the August 18 tabled multi-function copiers agenda item.

BACKGROUND:

On August 18, 2015, City Council tabled the Multi-function Copiers RFP (Agenda Item I11) and requested additional information in order to direct staff to either replace or extend the current equipment contract.

DISCUSSION:

Since 2008, IT and Reprographics have eliminated 30 standalone printers (25%) and 27 standalone fax machines (65%) from the City's supply. Removing high maintenance, individual, single-function print, fax, and scan devices has been successfully implemented; and further consolidation and elimination of these devices is planned over the next several years.

By replacing the various single-function machines with multi-function equipment, the departments have one source that can perform all copy, print, fax, and scan operations. Placing multi-function equipment in the departments results in tangible savings because the need for multi-device training, separate maintenance agreements, a variety of supplies, and various billing cycles are eliminated. Also, consistent power consumption is realized across the City. Currently, 49 of the 55 units in place are multi-functional devices.

Moving to a paperless environment is an ongoing initiative for IT and Reprographics. Staff is committed to continually seeking opportunities to reach this goal. For example, the multi-function machines in place have scan capability which eliminates the need to distribute hard copies or to print a copy simply to scan it at another machine. In addition to the scan feature, the user mailbox component allows employees to hold jobs in the print queue until all edits have been made further eliminating unnecessary printing and paper waste. Lastly, Reprographics is considering a policy to standardize print jobs as two-sided to further reduce paper consumption.

*Multi-function Copiers RFP Follow-up Information
August 26, 2015
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As a result of these efforts, in the past year, the City made 456,153 fewer copies (4,203,132 total) than the previous year. This includes the Reprographics machines which produce the bulk of the City's copy needs for projects such as the *Connected* newsletter which is mailed with the utility bills and totals 50,000 pieces. This is nearly a 10% decrease in volume. Furthermore, by producing this job in-house, the City realizes an annual savings of \$4,440.00.

With the approval of the cost-per-copy recommendation, the City will see a cost savings of \$8,104.92 in the first year as a result of acquiring the latest technology and replacing machines due to age, useful life and technological obsolescence which will increase maintenance costs.

Due to the extended period of time required for examination and approval of this item, staff will be requesting another thirty-day contract extension to Phase 1. This extension will give the awarded vendor adequate time to transition to the new equipment and run through October 31, 2015 for an amount of \$3,180.85. Phase I replacements include the City Manager's Office, Legal, Mayor's Office, Department of Public Works, TED, Police, Fire, DPU-E, DPU-W, Naper Settlement and Reprographics. The Mayor's Office machine was recently placed under a short-term rental. Since the unit is current technology, staff was able to retain this copier under the new contract for the same five-year term.

A recommendation to award the new contract and extend the current contract an additional month to allow for transition time between contracts will be presented to the City Council at the September 15, 2015 meeting.

RECOMMENDATION:

Distribute this memorandum to the City Council through the Manager's Memorandum.

ATTACHMENT:

1. Multi-function Copier RFP August 18 City Council Agenda Item



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Award of RFP 15-181, Multi-Functional Copiers – Cost-Per-Copy

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Award of RFP 15-181, Multi-Functional Copiers – Cost-Per-Copy - Phase I, to Canon Solutions America for an amount of \$207,271.40, with a 2% contingency, for a five year contract period, and a 30-day extension to October 31, 2015 for an amount not to exceed \$3,180.85.

BOARD/COMMISSION REVIEW:

N/A

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SUBMITTED BY: Pam LaFeber, City Clerk, Director of IT
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FISCAL IMPACT:

Budgeted Amount: *\$107,500.00 (FY16)

Budgeted Account: 010-1331-417.30-29

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BACKGROUND:

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 September 15, 2015
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the five-year contract period compared to the current CPC Programs in place. This is in addition to acquiring the latest technology on a more robust fleet of equipment.

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ATTACHMENTS:

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