



Legislation Text

File #: 18-754, **Version:** 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #9 to Contract 11-117, Multi-Functional Copiers - Cost-Per-Copy, to Canon Solutions America for an amount not to exceed \$3,242.28 and for an additional six months (Item 1 of 2)

DEPARTMENT: Information Technology

SUBMITTED BY: Jeff Anderson, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The other item on the City Council agenda related to this item:

- 15-181 Approve the award of Change Order #3 to Contract 15-181

The Reprographics Division of the Information Technology (IT) Department manages the selection and placement of multi-functional copiers, which provide copy, print, scan and fax capabilities. 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 resources required to manage single function devices.

For the past 16 years, the City has administered a Cost-Per-Copy (CPC) program. The CPC program includes placement of new equipment, maintenance, training, parts and supplies. Similar to a rental program, the City is purchasing a term of service and not hardware.

The entire CPC program is implemented in four phases every five years. In September 2015, Council approved Contract 15-181 to provide for continuation of the Cost-Per-Copy Program with the award of Phase I and approval of five year terms for Phases II-IV to be awarded as the prior phases under Contract 11-117 expire.

The phases and number of corresponding replacements are as follows:

- Phase I (2015) - Placed 22 black image copiers plus color machines
- Phase II (2016) - Placed 13 black image copiers
- Phase III (2017) - Placed 2 black image copiers and 12 color machines throughout strategically identified City departments
- Phase IV (2018) - Requesting 11 copiers, (1 black and 10 color image copiers)

City Council awarded Phase I on September 15, 2015, Phase II on April 5, 2016 and Phase III on June 6, 2017. Based on the acceptable level of performance, staff is returning to Council for the final change order approval request of Phase IV.

DISCUSSION:

Criteria for replacement of multi-functional copiers includes: evaluation of current department requirements, age, useful life and technological obsolescence.

Phase III identified an opportunity to reduce costs and consolidate a large number of stand-alone devices throughout City departments by replacing them with full multi-functional color copiers. Those departments included in the color replacement schedule were: City Clerk, Public Works (Administration), Naper/Settlement (Pre-Emption House), Finance (Noise Room), City Manager's Office, Fire Department (Administration), DPU-Water/Wastewater (Water Service Center), TED (Second Floor) and Police Department (Administration, Patrol, Investigations and Records).

Since the June 2017 placement of the twelve multi-functional color copiers, 49 printers, primarily stand-alone, have been removed at an estimated annual savings of \$58,586. The savings seen includes: parts, supplies, labor and electric usage.

For Phase IV replacements, staff continues to look for consolidation and cost savings opportunities and requesting 11 machines to fully meet department requirements.

The following departments are included in the Phase IV color replacement schedule.

- DPU-Water and Wastewater (South Operations Center)
- DPU-Water and Wastewater (Springbrook)
- DPU-Water and Wastewater (Civil Engineering and Construction)
- DPU-Electric (Administration/Suite 200)
- DPU-Electric (Suite 100)
- Public Works (Field Services)
- Naper Settlement (Annex)
- Legal
- Human Resources
- Information Technology

Due to outsourcing the printing of the City's Connected newsletter (Contract 17-038), Staff negotiated modifications to Phase IV of Contract 15-181 to reduce the number of high production Reprographics from three (2 B/W and 1 Color) to two (1 B/W and 1 Color). This printer reduction saved an estimated \$75,000 over the course of Phase IV.

To align with organizational data security and prevention of protected data loss, staff requests removal of hard drives from five replacement machines. There is a cost associated for the surrender of this equipment prior to removal.

Phase IV will span five years at a total cost of \$204,084. First year costs will total \$43,273 and include hard drive surrenders, machine relocations and machine removal. A total of \$13,121 will be used from the 2018 budget to cover expenses between October and December 2018. The remaining \$190,963 will be expensed in the following four years at an average cost of \$47,741 per year. Staff

has requested 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.

The Phase IV, contract term for Contract 15-181 will be October 2018 through September 2023.

Change Order #9 to Contract 11-117 is requested to cover the additional time required for staff to complete the contract negotiations for Phase 4 of Contract 15-181. The \$3,242 for the expiring Contract 11-117 Phase IV equipment covers May 1 through October 31, 2018.

FISCAL IMPACT:

CIP #: N/A

Change Order #9 to Contract 11-117 and Change Order #3 to Contract 15-181 are expensed to the operational service account below. A total of \$140,770 is budgeted for the Cost-Per-Copy (CPC) program in 2018. The requested award is within the budgeted amount for this expense and funding will be made available for the remainder of the contract term.

Account Number	Fund Description	Total Budget Amount
16201100-531308	General Fund	\$155,356