



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 3/27/2012

Report Type: Consent

Title: Purchase of Copiers/Multi-Function Device (MFD) Services [2/3 Vote Required]

Report ID: 2012-00276

Location: Citywide

Recommendation: Pass a Motion: 1) determining that it is in the best interests of the city to suspend competitive bidding for the purchase of copiers/multi-function device (MFD) services; 2) suspending competitive bidding for the purchase of copiers/multi-function device (MFD) services; and 3) authorizing the use of an alternative Request for Proposal (RFP) solicitation process for a copier/multi-function device (MFD) services provider.

Contact: Mark Prestwich, Special Projects Manager, (916) 808-5380, City Manager's Office; Craig Lymus, Procurement Manager, (916) 808-5524, General Services Department

Presenter: Mark Prestwich, Special Projects Manager, (916) 808-5380, City Manager's Office; Craig Lymus, Procurement Manager, (916) 808-5524, General Services Department; Gary Cook, Director, Information Technology Department, (916) 808-8600

Department: City Manager / Information Technology, General Services

Division: Procurement Services Admin

Dept ID:

Attachments:

1-Description/Analysis
 2-Background

City Attorney Review

Approved as to Form
 Jeffrey Heeren
 3/22/2012 1:31:05 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
 Russell Fehr
 3/21/2012 4:01:36 PM

Approvals/Acknowledgements

Department Director or Designee: Craig Lymus - 3/22/2012 10:40:23 AM

Description/Analysis

Issue: The acquisition of City copiers (multi-function devices) and desktop printers is currently a decentralized process in which individual departments select devices and enter into agreements with various vendors. While some oversight is provided by the City's Procurement Division in the General Services Department regarding how to properly structure agreements with vendors, this process does not allow the City to aggregate purchases and therefore maximize its purchasing power. By combining the approximately 150 City multi-function devices (MFDs) and their corresponding maintenance services into a single vendor agreement, staff anticipates the leveraging of City's purchasing power will lower copier expenses. Because of recent downsizing as well as copier technological advances, there may also be an opportunity to reduce the number of desktop printers citywide. Because it is in the best interests of the City to ensure product, maintenance and service quality are taken into consideration in addition to price, staff is seeking City Council authority to suspend competitive bidding and instead use an alternative Request For Proposal (RFP) process which is permitted under City Code Section 3.56.230 for contracts of \$100,000 or more if the City Council determines on a 2/3 vote that it is in the best interests of the City.

Policy Considerations: Consolidating the City's purchasing power by using a single vendor for the provision of citywide printing devices will reduce paperwork for department staff and likely reduce the City's overall printing expenses due to anticipated volume discounts. The flexibility of departments to choose from a variety of service providers will be discontinued should the RFP result in an agreement that yields considerable cost-savings to the City without compromising service levels.

Environmental Considerations: Not applicable

Commission/Committee Action: Not applicable

Sustainability Considerations: Modern multi-function devices are increasingly energy efficient. Replacing aging copiers with new machines is anticipated to reduce the City's energy usage. Emerging designs suggest the opportunity to further reduce the waste stream (e.g. toner casings) with next generation technology.

Rationale for Recommendation: The City's recent "organizational efficiency study" noted that consolidated purchasing would likely result in volume discounts and reduce the amount of paperwork staff must generate.

Financial Considerations: Leveraging the City's purchasing power is anticipated to result in volume discounts that will reduce City printing expenses. Conducting a competitive RFP process will provide the City data that can be analyzed against existing contract prices to determine if cost-savings can be achieved.

Emerging Small Business Development (ESBD): Not applicable

Background

The City currently deploys approximately 150 copiers (now commonly referred to as multi-function devices because of their ability to copy, print, scan and fax) and an additional 1,500 desktop printers citywide. Bulk printing services are outsourced.

The acquisition of City multi-function devices (MFDs) and desktop printers is currently a decentralized process in which individual departments select devices and enter into agreements with various vendors. While some oversight is provided by the City's Procurement Division in the General Services Department regarding how to properly structure agreements with vendors, this process does not allow the City to aggregate purchases and therefore maximize its purchasing power. By using a single vendor agreement, the City's purchasing power can be leveraged to lower copier expenses.

Because of recent downsizing, technological advances, and cost-saving potential due to anticipated volume discounts, now is an opportune time to consolidate the purchasing process for the City's internal printing, copying, scanning and fax needs. Consolidating the City's purchasing power by using a single vendor for the provision of citywide printing devices will also reduce paperwork for department staff. Moreover, modern MFDs are increasingly energy efficient. Replacing aging copiers with newer machines will reduce the City's energy usage. Emerging designs suggest there may also opportunities to further reduce the waste stream (e.g. toner cartridges) with next generation technology.

Because it is in the best interests of the City to ensure product, maintenance and service quality are taken into consideration in addition to price, staff is seeking City Council authority to suspend competitive bidding and instead use an alternative Request For Proposal (RFP) process which is permitted under City Code Section 3.56.230 for contracts of \$100,000 or more if the City Council determines on a 2/3 vote that it is in the best interests of the City.

Staff is prepared to issue an RFP within the next week that will seek proposals to provide service to the City for a period of three years. If the proposals identify considerable cost saving opportunities to the City relative to existing vendor agreements, staff will recommend entering into a new agreement with the preferred vendor. Staff will ensure there is great care taken during the transition period so that service is not interrupted in an unreasonable way and also to ensure that the new vendor evaluate opportunities to optimize the use of MFDs, reduce redundancies (e.g. reduce unnecessary desktop printers), reduce costs and reduce energy consumption.