REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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Consent
January 9, 2007

Honorable Mayor and
Members of the City Council

Title: Purchase/Lease: High Volume Printers/Copiers and Related Maintenance

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) accepting the lowest responsible bid received in response to Procurement's solicitation for printers/copiers; 2) authorizing disposition by trade-in of current fixed asset printers based on trade-in value of $85,000; and 3) awarding a contract to Xerox Corporation for a total amount not to exceed $902,000 over a five year period for: a) the lease and maintenance of one high volume non-color printer and related software for the Information Technology (IT) Department in an amount not to exceed $80,000 per year and a total amount not to exceed $400,000 for the five years of the lease, and b) the purchase of one high volume non-color printer with finishing attachments, one medium volume full-color printer, one production workstation, and all related software and maintenance for the Finance Department Central Services unit in an amount not to exceed $340,000 for the initial purchase in the first year and $40,500 per year thereafter for maintenance and copy charges in a total amount not to exceed $502,000 for the total five year period.

Contact: Christopher Stewart, Procurement Services Manager, (916) 808-6202,
Barbara Collins, Program Analyst, Procurement Services, (916) 808-7432
Karl Rosander, IT Manager, Technical Support Services (916) 808-8262

Presenters: None

Department: Finance

Division: Procurement Services

Organization No: 1181

Description/Analysis

Issue: The Information Technology (IT) Department has a need for a high volume non-color printer/copier for printing pay checks, time sheets, output from mainframe based applications, and other printing needs. IT intends to lease the equipment and related software and maintenance for a period of five years.

The Finance Department's Central Services unit has a need for a high volume non-color printer/copier, a mid-volume full–color printer, and a production workstation to produce City Council agendas and public notices and other

citywide copying services. The Finance Department intends to purchase the equipment and the related software and maintenance for a period of five years. Equipment currently in use in both departments has exceeded its useful period of performance and must be replaced in order to provide essential services.

Policy Considerations: This recommendation is consistent with the requirements for competitive bidding as detailed in Sacramento City code 3.56.

Environmental Considerations: None.

Rationale for Recommendation: The three printers/copiers recommended for purchase or lease are required to provide essential printing services citywide, including but not limited to: vendor and employee checks, City Council agendas, and public notices. The Information Technology and Finance Departments collaborated to develop specifications and requirements for printer/copiers that meet the individual printing requirements of each department and also serve as emergency backup units for one another in the event either unit is inoperable. The procurement by both departments of compatible equipment ensures the continuity of the City's essential printing services.

Attachment 2 is a tabulation of sealed bids received by the City Clerk for printers/ copiers in accordance with specifications used in the bidding process. To take advantage of volume pricing, and in anticipation of increased future printing requests by City departments, the cost for an additional high volume non-color printer for Central Services (to be purchased within the next year) was also requested in the Invitation for Bid. Staff does not intend to purchase the additional printer/copier and related items at this time. However, Central Services anticipates printing more jobs 'in-house' that are currently being done by outside contractors. Should there be a need to purchase an additional printer in the future, and if funding is available, staff will return to Council for approval.

Financial Considerations: The Information Technology department intends to lease one high-volume non-color printer/copier and related software and maintenance for a period of five years for an annual cost of $80,000 and a total cost not to exceed $400,000. There are sufficient funds in the IT operating budget for lease of the requested equipment, software and maintenance.

Central Services intends to purchase one high-volume non-color printer/copier, one mid-volume full–color printer, a production workstation, and the related software and maintenance for a period of five years with a total cost not to exceed $502,000. The Finance Department will utilize carryover funds for the initial purchase of one high volume black and white printer, one full-color printer, a production workstation, and all related software and maintenance at a cost not to exceed $340,000. There are sufficient funds in the Finance Department operating budget for the annual maintenance costs of $40,500 for the equipment for the subsequent four years for a total cost not to exceed $162,000. Costs by department and equipment purchased/leased are itemized in Attachment 3.

Emerging Small Business Development (ESBD): The City received bids from three vendors having the capacity to provide the type of equipment specified in this bid, but none are certified Emerging/Small Businesses.

Reviewed by: _____
Chris Stewart
Procurement Services Manager

Approved by: _____
Steve Ferguson
Director of Information Technology
KARL ROSANDER - IT MANAGER
FOR STEVE FERGUSON

Approved by: _____
for Russell Fehr
Director of Finance

Recommendation Approved:

for _____
Ray Kerridge
City Manager

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Attachment 1

Background:

The City's Information Technology (IT) Department prints all output from mainframe based applications, including charitable contribution forms, W-2's, Form 1099's, pay checks (payroll, pension, commercial), time sheets, various forms out of the police alarm system, purchase orders, various business tax and rental tax forms, nuisance abatement forms and standard gray bar reports. IT currently has two printers. One is over 15 years old and is no longer maintained by the vendor due to its age. The other printer is over seven years old, is too slow to support current operations and has developed printing problems. Neither of the current printers can support network printing. With the upcoming implementation of the new enterprise resource system IT is positioning its operation to be proactive to anticipated print needs and will be able to print from the network. The current equipment has exceeded its expected useful period of performance and must be replaced to ensure the continuation of essential printing services.

The existing Central Services unit produces in excess of 4.5 million copies per year and requires at least two high volume non-color and one mid-volume full-color copiers to perform all functions at the expected service levels to support citywide requirements. The current color printer has been in service for more than seven years and the black and white printer for over 13 years. This equipment has exceeded its expected useful period of performance and must be replaced in order to provide essential services.

Upgrading these printers/copiers with new, higher capacity machines and updated technology will allow both IT and Central Services to continue providing these services with increased capacity and efficiency.

Specifications for the high volume non-color units were designed to include inter-operability and redundancy capability in the event of an emergency situation that reduced the printing capability of either of these units. The high volume black and white printer to be located in the IT Department will serve as a back-up for the printing needs of the Central Services unit during required maintenance and in case of emergency; and the high volume black and white printer to be located in the Central Services unit will, in turn, serve as a back-up for the Citywide check printing requirements as provided by IT.

ATTACHMENT 2

BID NO. B071187042 – HIGH VOLUME PRINTERS

Bidder	Bid Total	5% E/SBE Preference	Prompt Payment Discount	1% City Tax Preference	Evaluation Total	E/SBE
Xerox Corporation	$945,220	None	None	<9,452>	$935,768	No
IKON Office Solution	$975,250	None	None	<9,752>	$965,497	No
Oce Imagistics, Inc.	$1,197,654	None	None	<11,976>	$1,185,677	No

Award of Contract To:

Xerox Corporation
2485 Natomas Park Drive, Suite 250
Sacramento, CA 95833
Total Amount of Award: $902,000**
Total Bid Amount: $945,220

Using Department:
Information Technology and Finance Departments
Bid Due Date: December 6, 2006

Original Estimated Cost:
$1,000,000

Total No. of Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
4	0	NO

** Bid total includes pricing for an optional hole punch, which is not being purchased in this report. Total amount of award includes trade-in credit for current printers as indicated: Xerox 4850 @ $20,000, Xerox 4050 @ $20,000; Xerox Docutech 125 @ $30,000; and Canon 2400 @ $15,000, for a total of $85,000.

ATTACHMENT 3

BID NO. B071187042 – HIGH VOLUME PRINTERS

Items to be Purchased from Xerox

Information Technology (Lease)		
High Volume Non-color Printer Lease, Maintenance and copy charges per year	$80,000	
IT Five Year Total		**$400,000**
Central Services (Purchase)		
High Volume Non-color Printer with 5,000 Sheet Stacker, Booklet Maker, Tax, Maintenance and copy charges for five years		**$365,000**
(First year purchase of equipment and maintenance)	$255,000	
(Annual maintenance and copy charges years two through 5)	$27,500	
Mid-Volume Full-Color Printer, Tax, maintenance and Copy charges for five years		**$97,800**
(First year purchase of equipment and maintenance)	$55,000	
(Annual maintenance and copy charges years two through five)	$10,700	
Production Workstation and Maintenance for five years		**$39,200**
(First year purchase of equipment and maintenance)	$30,000	
(Annual maintenance years two through five)	$2,300	
Central Services Five Year Total		**$502,000**
GRAND FIVE YEAR TOTAL IT & CENTRAL SERVICES		**$902,000**

Optional Purchase of 2nd High Volume Non-color Printer for Central Services– 2008

High Volume Non-color Printer with 5000 Sheet Stacker, Hole Punch, Tax, Maintenance and Copy charges for 5 years		**$380,750**
(First year purchase of equipment and maintenance)	$270,750	
(Annual maintenance years two through five)	$27,500	

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

PURCHASE/LEASE: HIGH VOLUME PRINTERS/COPIERS

BACKGROUND

A. The City's Information Technology (IT) Department prints all output from mainframe based applications, including charitable contribution forms, W-2's, Form 1099's, pay checks (payroll, pension, commercial), time sheets, various forms out of the police alarm system, purchase orders, various business tax and rental tax forms, nuisance abatement forms and standard gray bar reports. The Departments' current printers have exceeded their expected useful period of performance and need to be replaced. The IT Department intends to lease a high volume black and white printer for five years to meet its check printing needs. This printer will also serve as an emergency back-up for the printing needs of the Finance Department Central Services unit and;

B. The City's Finance Department Central Services unit currently uses two high volume non-color printers/copiers and a full-color copier to print in excess of 4.5 million copies per year for various City departments and produces the weekly City Council agenda packets. These machines have exceeded their expected useful period of performance and need to be replaced. The Finance Department intends to purchase one high volume non-color printer, one full-color printer and a production workstation to manage print jobs for both IT and Central Services. The non-color printer will serve as an emergency back-up for the printing needs of the IT department.

C. In order to take advantage of volume pricing, the cost for a second high volume non-color printer for Central Services, to be purchased within the next year, was requested in the IFB in anticipation of increased printing requests by departments citywide. Staff does not intend to purchase the fourth printer/copier, finishing attachments, and related software and maintenance at this time, but Central Services is forecasting for the future needs of the growing organization and in anticipation of printing more jobs 'in-house' that are currently being done by outside contractors. Should there be a need to purchase an additional printer in the future and if funding is available, staff will return to Council for approval at that time.

D. It is recommended that a contract be awarded to Xerox Incorporated, 2485 Natomas Park Drive, Suite 250, Sacramento, CA 95833, the lowest responsible bidder, to: provide a leased high-volume non-color printer/copier and related maintenance for IT for a period of five years; provide a high-volume non-color black and white printer/copier, one full-color copier, and one production workstation and related maintenance for purchase for the Finance Department for

its Central Services unit. Contract price includes trade-in credit of $85,000 for current printers.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Xerox Corporation is accepted as the lowest responsible bidder for High Volume Printers /Copiers in response to IFB No. B071187042.

Section 2. The contract for High Volume Printers/Copiers is awarded to Xerox Corporation for an amount not to exceed $400,000 for the lease and related maintenance of one high volume non-color printer for use by the Information Technology department for a period of five years; and in an amount not to exceed $502,000 for the purchase of one high-volume non-color printer/copier, one full-color copier, and one production workstation and related maintenance for use by the Finance department Central Services unit for a period of five years; for a total amount not to exceed $902,000 over a five year period.

Section 3. Disposition by trade-in of current fixed asset printers as indicated: Xerox 4850 @ $20,000, Xerox 4050 @ $20,000; Xerox Docutech 125 @ $30,000; and Canon 2400 @ $15,000, for a total of $85,000 trade-in value is authorized.

Section 3. The City Manager is hereby authorized to execute this agreement and upon such execution the Procurement Services Manager is hereby authorized to issue Purchase Orders, as necessary, to Xerox Corporation, 2485 Natomas Park Drive, Suite 250, Sacramento, CA 95833.