

**Agenda Item - 5.a.****City of Garden Grove****INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles From: Charles D. Kalil

Dept.: City Manager Dept.: Information Technology

Subject: Award of a 60-month lease and maintenance contract to So Cal Office Technologies for 27 multi-function copiers. (Cost: \$644,869.55) (*Action Item*) Date: 5/23/2017

**OBJECTIVE**

For the City Council to award a 60-month lease and maintenance contract to So Cal Office Technologies ("So Cal") for 27 Xerox multi-function copiers.

**BACKGROUND**

The City is currently operating under a lease and maintenance agreement for multi-function copiers that will terminate on June 24, 2017. Based on age and usage, these machines are increasingly requiring service and experiencing downtime. Staff researched and determined that current technology could provide increased functionality with reduced costs. On January 11, 2017, the City issued a Request for Proposal - RFP S-1207 ("RFP") for 27 multi-function copiers with scanning, faxing, network printing service and other improved functionalities. Eleven bids were received that met the RFP specifications.

**DISCUSSION**

A source selection committee (SSC) of five members evaluated the RFP responses based on weighted criteria of Price (40%), Project Plan (30%) and Qualifications of the Proposer (30%). The SSC then performed site visits and viewed product demonstrations by the top four vendors, which are listed below. Upon completion of the site visits, the SSC scored these top four vendors again based on the original criteria and determined that So Cal offered the proposal that best met all of the City's requirements.

<b>RFP S-1207 (Copiers)</b>	<b>So Cal Office Technologies</b>	<b>Sharp Business Systems</b>	<b>Xerox Corporation</b>	<b>Ricoh</b>
<b>TOTALS</b>	<b>4705</b>	<b>4205</b>	<b>3990</b>	<b>3785</b>

In addition to product quality and pricing, customer service and ability of vendors to deliver their proposal were considered. Referrals for vendors were contacted, and the vendors' market presence and reputation were researched.

Xerox is an industry leader in copier innovation. By quality and design, these copiers offer additional functionality that will improve productivity and reduce costs. Some of the new capabilities include providing color printing options to all locations, wireless printing from mobile devices, OCR for scanning to searchable PDFs, duplex color scanning on all devices and faster printing speeds. So Cal has proposed a 60-month lease and maintenance agreement including all supplies for \$128,973.91 per year. Their proposal includes delivery, installation, training and a \$1 buy out option for each copier at the end of the lease. As part of the installation process, So Cal will also uninstall and remove the existing fleet of copiers.

**FINANCIAL IMPACT**

The current annual lease and maintenance cost for the City's copier fleet is \$155,765.14. So Cal's proposed annual cost is \$128,973.91. Total cost of the agreement will be \$644,869.55, representing a savings of nearly \$134,000 over the 60 month agreement period. The funds for this agreement are normal operating expenses submitted as part of the annual Information Technology budget.

**RECOMMENDATION**

It is recommended that the City Council:

- Award a 60-month lease and maintenance contract to So Cal Office Technologies for 27 Xerox multi-function copiers in the amount of \$644,869.55; and
- Authorize the City Manager to sign the lease and maintenance contract on behalf of the City, and make minor modifications as appropriate thereto.

By: Keith Winston, Senior Information Technology Analyst