



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director of Information Technology *JK*
Kipling Morris, IT Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: Lease and Maintenance of Multifunctional, Networked Printing and Copying Devices,
State of Washington Contract No. 03706; City Contract No. 4600006750
Requesting City Council Date of March 15, 2016
DATE: March 1, 2016

SUMMARY:

The Information Technology Department recommends approval to increase contract 4600006750 to **Xerox Corporation, Santa Ana, CA**, by \$560,000 plus applicable tax, for the lease and maintenance of multifunctional and networked printing devices per the terms under Washington State Contract 03706. This increase will bring the contract to a cumulative total of \$4,760,000, plus applicable tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
- Foster neighborhood, community, and economic development vitality and sustainability - emphasis on sustainability.

Approval of this resolution will ensure that the ongoing multifunction device needs of the City are being met while still allowing the necessary time for a reselection process to occur. Cost efficiency, value and sustainability are all criteria upon which the selection will be based.

BACKGROUND:

The multi-functional device program approved in 2010 replaced 480 printers with 136 multi-functional devices. The program resulted in improved staff to device ratios, a reduction in consumables by moving to double-sided printing and a reduction in the monthly cost for the departments participating in the program by approximately \$10,000 per month. Since 2010, additional departments have opted into the program for a total of 192 multifunctional devices.

ISSUE: The City is currently engaged in the solicitation and evaluation of managed print services providers. The procurement process for the new service is planned for completion in September 2016, however the current contract cap of \$4,200,000 is expected to be reached in March 2016, resulting in a potential gap in service.

ALTERNATIVES: The alternative course of action would be to allow support and maintenance for the devices to lapse. Existing devices would be reclaimed by the current vendor and the City of Tacoma would need to procure alternative multifunctional networked printing devices.

COMPETITIVE SOLICITATION: This contract was originally awarded to Xerox Corporation, Santa Ana, CA, via the competitively bid State of Washington Contract No. 03706. Through an interlocal cooperative purchasing agreement, the City of Tacoma purchase is at State contract prices, terms and conditions which meet the competitive bidding requirements.

CONTRACT HISTORY: The original contract was approved by Resolution No. 38054 on June 22, 2010, with an anticipated expense of \$3,000,000, plus tax. It was subsequently increased by \$1,200,000,



per Resolution No. 38977 dated July 29, 2014, to an amount of \$4,200,000. The recommended increase would bring the cumulative contract total to \$4,760,000, plus applicable taxes.

SUSTAINABILITY: Quarterly sustainability statistics are provided by Xerox to the City. The fourth quarter report for 2015 showed year to date use of double sided prints at 1,815,719 and, as compared to producing single sided prints, this equates to 33.59 tons of wood avoided, 271.47 million BTUs of energy avoided, 53,405.15 lbs. of GHG emissions avoided, and 201,729.58 gallons of waste water avoided.

RECOMMENDATION:

The Information Technology Department recommends approval to increase contract 4600006750 to Xerox Corporation, Santa Ana, CA, by \$560,000, plus applicable tax, for the lease and maintenance of multifunctional and networked printing devices per the terms under Washington State Contract 03706. This increase will bring the contract to a cumulative total of \$4,760,000, plus applicable tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 5042 Graphics Services	494200	5417004	\$560,000
TOTAL			\$560,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 5042 Graphics Services	494200	4349230	\$560,000
TOTAL			\$560,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: There is no fiscal impact to the current biennial budget. Current biennial need of \$560,000 is available and appropriated within Fund 5042.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes. The expenditures and revenues are planned and budgeted.

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FINANCE PURCHASING